

Meeting	Executive
Date	21 January 2020
Present	Councillors Aspden (Chair, in the Chair for Agenda Items 1-9 and 11-14), Ayre, Craghill, Cuthbertson, D'Agorne (Vice Chair, in the Chair for Agenda Item 10), Runciman, Smalley, Waller and Widdowson
In Attendance	Councillor Perrett (in place of Cllr Myers)

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

75. Declarations of Interest

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

Cllr D'Agorne declared a personal interest in Agenda Item 6 in respect of comments made under Public Participation on this item on behalf of York Cycle Club, as he had had previous conversations with YCC on these issues.

Cllr Waller declared a prejudicial interest in Agenda Item 10 (Discretionary Rate Relief (DRR) Awards 2020-2022), as Treasurer of Chapelfields Community Association, which was on the list of existing recipients of DRR. Cllr Aspden later declared a prejudicial interest in the same item, as a member of Fulford Parish Council, which was on the list of proposed recipients of DRR. Both Members left the room during consideration of that item and took no part in the discussions or decisions thereon, and Cllr D'Agorne took the Chair for the item.

76. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting should any discussion arise on Annexes 5, 6 and 7 to Agenda Item 6 (Castle Gateway Phase One Delivery Strategy) on the grounds that they contain information relating to the financial or

business affairs of particular persons. This information is classed as exempt under Paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information) (Variation) Order 2006).

77. Minutes

Resolved: That the minutes of the Executive meeting held on 28 November 2019 be approved and then signed by the Chair as a correct record.

78. Public Participation

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

Cllr Vassie, Member for Wheldrake Ward, spoke on Agenda Item 6 (Castle Gateway Phase One Delivery Strategy), urging Members to approach the development as an opportunity to deliver a zero carbon development, in accordance with the council's Climate Emergency target.

Peter Sheaf spoke on Item 6 on behalf of York Cycle Campaign, voicing concerns about the proposed multi-storey car park and suggesting that the creation of secure cycle parking would be more sustainable, in view of declining driver numbers.

Hon. Ald. Brian Watson spoke on Item 6, expressing concern at the level of council borrowing proposed and asking why the results of public consultation on the project were not publicly available.

Fiona Derbyshire, Chief Executive Officer of Citizens Advice York (CAY), spoke on Item 9 (Interim Report on Financial Inclusion and Welfare Benefits Activities 2019/20), highlighting the success of a variety of financial inclusion work carried out by CAY staff.

79. Forward Plan

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

80. Castle Gateway Phase One Delivery Strategy

The Assistant Director of Regeneration & Asset Management and the Head of Regeneration Programmes presented a report which set out the recommended delivery strategy for the first phase of the regeneration of the Castle Gateway, following submission of the necessary planning applications in autumn 2019. This phase represented a major step towards unlocking delivery of the whole masterplan.

The following options were presented, as set out in paragraphs 10-18 of the report and analysed in detail in paragraphs 19-44:

Option 1 - the council to act as developer for all elements of phase 1. This was the recommended option. It would require short term borrowing of £45.5m and long term borrowing of £3.3m.

Option 2 – the council to build St George’s Field MSCP and dispose of 17-21 Piccadilly and Castle Mills with restrictions limiting the use of these sites to residential and a requirement to build a new Foss bridge. This would create a higher project liability gap of £13m, to be serviced through long term borrowing.

Option 3 – not to proceed with St George’s Field multi storey car park (MSCP); to close Castle Car Park and dispose of 17-21 Piccadilly and Castle Mills as above. This would minimise the short term financial risk but create significant long term funding liability.

Option 4 – not to proceed with the project, and to sell 17-21 Piccadilly and Castle Mills without any restrictions. As well as failing to deliver the masterplan, this would result in abortive costs.

Members welcomed the progress made on the regeneration masterplan, which would provide a range of public realm benefits, including new pedestrian and cycling routes. Further details would be reported to Executive as Phase 1 progressed, ensuring robust oversight and management of the project risks. With reference to matters raised under Public Participation and questions from Members, it was confirmed that:

- responses to the public consultation were available online;
- 15% of the new car parking spaces would be for electric vehicles (compared with the current 2% requirement) and the car park would have solar panels and green walls;
- alternative uses of the car park had been explored, but its position within the flood zone meant these were limited.

Resolved: (i) That Option 1 be approved for the council to deliver Phase One of the Castle Gateway regeneration and allow the future closure of Castle Car Park.

Reason: To implement the first phase of the Castle Gateway under the delivery option that allows the council to control timescales, quantity and delivery and requires the lowest level of long-term financial commitment from the council.

(ii) That approval be given to carry out a procurement to engage a construction contractor to undertake the design and subsequent construction of the multi-storey car park at St George's Field, and that authority be delegated to the Director of Economy & Place, in consultation with the Director of Governance or her delegated officers, to take such steps as are necessary to award and enter into the resulting contract.

Reason: To proceed with RIBA stage 4 design and provide fixed build costs to inform the actual project budget.

(iii) That approval be given to carry out a procurement to engage a construction contractor to undertake the design and subsequent construction of the proposed development at Castle Mills, and that authority be delegated to the Director of Economy & Place, in consultation with the Director of Governance or her delegated officers, to take such steps as are necessary to award and enter into the resulting contract.

Reason: To proceed with RIBA stage 4 design and provide fixed build costs to inform the actual project budget.

(iv) That it be noted that a further report will be brought to Executive in late 2020, on completion of the early contractor engagement steps of the contracts in respect of St George's Field and Castle Mills, to report on the actual build costs and ask Executive to agree to proceed with construction and to recommend to Council the full contract delivery budget.

Reason: To allow the final decision to proceed with the project to be made, based on fixed prices.

(v) That it be noted that a report will be brought to Executive in summer 2020 to establish the design and construction budget for the new public realm at Castle Car Park and the Eye of York.

Reason: To set out the outline business case for phase two and allow the design of the new public realm to commence, based on an agreed budget.

(vi) That a recommendation to approve a budget of £2.15m to deliver the above decisions be included in the Capital Programme 2020/21-2024/25 to be presented to Budget Council in February.

Reason: To enable these decisions to be carried out.

(vii) That a recommendation to approve a budget of £532k for diversion of the Yorkshire Water sewer and associated demolition of the toilet block at St George's Field be included in the Capital Programme 2020/21- 2024/25 to be presented to Budget Council in February, and that authority be delegated to the Executive Member for Finance & Performance to take a decision to proceed with this.

Reason: To allow a decision to be made at the appropriate time to proceed with the sewer diversion, which will enable the construction at St George's Field to commence.

(vii) That approval be given in principle for the Housing Revenue Account to fund the construction of 20 apartments at Castle Mills as new council

housing at an estimated value of £3.7m, should the council act as developer for the site.

Reason: To enable new council housing to be delivered as part of phase one of the project, should the decision be taken to proceed with Castle Mills in late 2020.

(viii) That it be noted that a report will be brought to Executive in summer 2020 setting out the recommended delivery strategy for 17-21 Piccadilly.

Reason: To enable a decision to be taken on whether 17-21 Piccadilly should be included in the council-led delivery strategy once early design work has provided a more detailed viability appraisal.

81. The Transfer and Transformation of Haxby Hall Care Home (by way of long lease) and Associated Land Transactions

The Head of the Older Persons' Accommodation Programme presented a report which set out proposals for the council to deliver its objective of purchasing high quality care and facilities at Haxby Hall Care Home, while enabling existing residents to remain in their home and staff to retain their employment. A plan of the site was attached as Annex 1 to the report, with detailed financial and legal implications of the proposals at Annexes 2 and 3 respectively.

Executive had agreed on 25 January 2018 that a developer / operator be procured for Haxby Hall (Minute 106 of that meeting refers) and the Corporate Director, under delegated powers, had since appointed Yorkcare as Preferred Bidder. Their bid had included: an offer to contract back with the council an additional residential care bed for people living with dementia; an offer of £300k as a premium for the grant of a 125 year lease of the current site; and the phased redevelopment and expansion of Haxby Hall into a 63 bed residential care home.

In order to access the rear of the site, Yorkcare had purchased no. 7 York Road and were negotiating to purchase no. 5. Approval was sought for the council to purchase both these properties from Yorkcare for £500k, in order to lease them back alongside the main site. Incorporation of the adjacent Ambulance Station site in the development would also be beneficial, and Yorkcare's bid included an additional sum of

£150k towards its purchase should it become available within 2 years of the transfer of Haxby Hall.

The Executive Member for Adult Social Care & Health commended the proposals to Members and thanked officers and Haxby Hall staff for their work.

Resolved: (i) That the appointment of Yorkcare Homes Ltd (Yorkcare) as Preferred Bidder to be the new residential provider for Haxby Hall Care Home which, when transferred as a going concern, will enable uninterrupted care for the residents and continued employment for the staff working there via a relevant transfer, be noted.

(ii) That approval be given to acquire from Yorkcare two adjacent properties on York Road, Haxby at an agreed combination purchase price of £500,000, providing access for the re-development of Haxby Hall.

(iii) That approval be given to grant Yorkcare a long lease of the Haxby Hall site, and of the two adjacent properties, for a term of 125 years in return for the council receiving payment of a premium of £450,000.

(iv) That, should it become available for sale within two years of the transfer of Haxby Hall, approval be given to purchase the existing Haxby ambulance station at a cost to the council of £150,000.

(v) That, should the purchase of the ambulance station proceed, Yorkcare be granted a lease of that site (for a term equal to the then remaining period of the lease of the main care home site) in return for Yorkcare paying a premium to the council; that premium to be an amount equal to any costs incurred by the council in purchasing the freehold of the ambulance station site that are in excess of £150,000.

Reasons: (a) To enable Haxby Hall Care Home to be transferred as a going concern and modern care

home facilities to be developed from the south of the site.

(b) To enable the residents of Haxby Hall to avoid the upheaval and uncertainty of what, for some residents, would be a second home move in a relatively short time frame following the closure of their previous home(s) earlier in the programme.

82. **Shaping the Future of Bootham Park Hospital**

The Assistant Director of Regeneration & Asset Management presented a report which explored the options available to help the council shape the future of the Bootham Park Hospital Site (the Site), guided by extensive public and stakeholder engagement.

Since closure of Bootham Park Hospital, the council had worked with colleagues from the Hospital Trust and others to champion a positive future for the Site. Details of consultation on the resulting Bootham Park Site Development Plan were set out in Annex 2 to the report, indicating at least 70% approval for all aspects of the plan. On 14 January 2020 the Site's owners, NHS Property Services Limited, had announced the appointment of Enterprise Retirement Living as their preferred purchaser, to deliver an independent living retirement home and other facilities.

The following options had been examined, as detailed in paragraphs 41- 66:

Option A – to purchase the Site.

Option B – to use the council's legal and land holding rights as owner/landlord of part of the roadway providing access to the site from the east to shape the development.

Option C – to enhance the council's control via the planning approval process and the requirements of the draft Local Plan.

The recommendations involved pursuing Options B and C.

Option A was not recommended, due to the cost and risk to the council.

The Executive Member for Finance & Performance welcomed the proposals, which would achieve much of what stakeholders and residents wanted for the site, in the context of the development of a much needed independent living facility within the city.

Resolved: (i) That the results of the further phase of public and stakeholder engagement and the priorities identified for the future of Bootham Park Hospital site be noted.

Reason: So that the council's efforts to shape the future of the Site can be guided by the views and priorities of York citizens and stakeholders.

(ii) That officers be authorised to negotiate with the current and future owner of the Bootham Park Hospital site in order to secure beneficial public use of the parkland in front of the hospital building, improved pedestrian and cycle routes through the Site and conservation and redevelopment of the Site to deliver homes and services which are of benefit to the city, using the powers the council holds as owner/landlord of land over which the eastern access to the Site passes, its rights to maintain the cycle route that passes through the Site and as owner of property adjacent to the Site, and bring back to Executive the relevant decisions regarding property or asset agreements.

Reason: So that officers can negotiate to achieve the desired outcomes in order to shape the future of the Site.

(iii) That the delivery of sustainable transport routes through the Bootham Park Hospital Site and Bridge Lane be sought, via transport plans for this and adjacent developments.

Reason: To further improve cycle journeys from the new Scarborough Bridge to the District Hospital and beyond, and from the residential areas of Rawcliffe and Clifton to the District Hospital and the city centre.

(iv) That it be noted that the submitted Local Plan requires a full appraisal of the significance of the historic buildings, landscape and archaeology on the Site and any redevelopment proposals must arise out of this understanding, and that the Local Planning Authority be asked to provide pre-

application engagement with any future land owner / developer.

Reason: So that developers of the Site have clear and advance notice of the priorities and interests of the public and stakeholders, and can shape their development proposals accordingly.

(v) That the remaining monies in the One Public Estate budget, estimated as £15,000, be deployed to fund planning, legal and other help and advice, in order to progress the actions needed to shape the future of the Bootham Park Hospital Site.

Reason: So that work can progress to shape the future of the Site.

83. Interim Report on Financial Inclusion and Welfare Benefits Activities 2019/20

The Assistant Director of Customer & Digital Services presented a report which provided an update on the impact of recent and imminent welfare benefits changes in York, other welfare benefits and financial inclusion activity, and progress on the agreed recommendations of the Financial Inclusion Scrutiny Review, over the six months to 31 September 2019.

The report examined the current effects of the rollout of Universal Credit (UC), support provided by the York Financial Assistance Scheme (YFAS) and the work of the Financial Inclusion Steering Group (FISG) set up to address the root cause of financial inequality. It was reported that:

- The number of residents claiming UC had increased by an average of 130 per month, compared with 126 in 2018/19;
- 133 clients had received support with UC via the Help to Claim service run by Citizens Advice York (CAY); 233 had received general UC support from CAY;
- Council tenant rent arrears had increased overall by 18.5%;
- The council had spent 66% of the £210k government grant received in 2019/20 for Discretionary Housing Payments;
- 598 YFAS applications had been received, of which 48% were awarded assistance, resulting in a spend of 95% of the total budget;

- Key outcomes from the ten projects currently funded by the FISG (detailed in Table 7, paragraph 25) had included the management of 817 debts, valued at £913k, with £569k (annualised) income gained;
- Progress on the Scrutiny recommendations had included the commencement of the Poverty Scrutiny Review, expansion of the membership of FISG and planning work for the revision of the Financial Inclusion Policy.

The Executive Member for Housing & Safer Neighbourhoods commended the report and the work carried out to provide support through these activities to over 1,000 residents in the past year. Having noted the comments made on this item under Public Participation, it was

Resolved: (i) That the report, and the progress made against the Financial Inclusion scrutiny recommendations, be noted.

(ii) That approval be given to use £1,300 from the Financial Inclusion budget to fund an event to bring together partners and resources in the city to work strategically on tackling digital exclusion in York.

Reasons: To ensure that councillors, residents and groups are aware of financial inclusion activity and the use of associated funding, to confirm that Members have been updated on welfare benefits, and to ensure that approved scrutiny actions are being implemented.

84. Discretionary Rate Relief Awards 2020-2022

The Assistant Director of Customer & Digital Services presented a report which detailed new applications for Discretionary Rate Relief (DRR) for the period 1 April 2020 to 31 March 2022, and proposed changes to the administration of the DRR scheme to create a more efficient process and greater certainty for recipients.

Applications already approved for 1 April 2019 to 31 March 2021 were set out in Annex A to the report; applications for the new 2-year period were detailed in Annex B. The proposed changes would see all existing and new approved awards granted in perpetuity from April 2020, removing the need for

organisations to apply each year and the associated administrative costs to the council. Approval of new applications would be delegated to the relevant portfolio holder.

Members considered the following options:

Option 1 – approve any or all of the new applications in Annex B;

Option 2 – decline any or all of the new applications in Annex B;

Option 3 – approve any or all of the new applications in Annex B and the existing awards in Annex A in perpetuity, accepting the new scheme of administration;

Option 4 – decline the new scheme of administration.

The Executive Member for Finance & Performance welcomed the proposed changes, and it was

Resolved: (i) That the new applications for Discretionary Rate Relief set out in Annex B to the report be approved (Option 1).

Reason: To provide a transparent process for awarding DRR.

(ii) That the new and existing awards be granted in perpetuity and the administration of the scheme be changed as set out in paragraphs 16-19 of the report (Option 3).

Reason: To provide a more appropriate process, in line with other forms of business rates relief and with reactive timescales, avoiding unnecessary administrative costs.

85. 2019/20 Finance and Performance Monitor 2

The Principal Accountant (on behalf of the Interim S.151 Officer) presented a report which provided details of the council's overall finance and performance position for the period 1 July to 30 September 2019, together with an overview of any emerging issues.

The financial pressures facing the council were projected at £1,353k, broadly in line with previous years at this stage. Details of the financial position within each directorate were provided in Annex 1. The continuing pressures within Adult

Social Care in particular were highlighted; these reflected the national situation. However, through mitigation measures and monitoring it was expected that the council would out-turn within the approved budget. All repayments were up to date on the two outstanding loans over £100k, both to Yorwaste.

Performance indicators for this quarter had been grouped around the eight outcome areas within the Council Plan for 2019-23, approved by Council in October 2019. Indicators with a good direction of travel were summarised in paragraph 15 of the report, and those with a poor direction of travel in paragraph 16. Further details were provided in Annex 2.

The Acting Chief Executive / Director of Customer & Corporate Services confirmed that the decision taken during the pre-election 'purdah' period to defer this report to January had been his, as Returning Officer.

Resolved: That the finance and performance information in the report be noted.

Reason: To confirm that expenditure is being kept within the approved budget.

86. Capital Programme - Monitor 2 2019/20

[See also under Part B]

The Principal Accountant (on behalf of the Interim S.151 Officer) presented a report which set out the projected out-turn position of the council's capital budget for 2019/20, along with requests to re-profile budgets to and from current and future years.

A decrease of £68.608m on the current approved programme was reported, resulting in a revised programme of £136.870m. There was an increase of £113k in 2019/20, offset by a £68.721m decrease due to re-profiling of budgets to future years, mostly due to a review of the York Central budget. Progress had been made against a number of key areas, including work beginning on the restoration of the Guildhall and the appointment of a contractor to build new homes at Lowfield. Variances against each portfolio area were set out in Table 1 at paragraph 6 of the report and detailed in paragraphs 8 to 48.

Executive approval was sought to:

- Increase the Shared Ownership Scheme budget to reflect the re-investment of capital receipts from equity sales;
- Appropriate land from the general fund to the HRA for the building of dwellings on the Lowfields site;
- Continue financial support for York City Knights.

Resolved: (i) That the 2019/20 revised budget of £136.870m, as set out in Table 1 at paragraph 6 of the report, be noted.

(ii) That the re-stated capital programme for 2019/20-2023/24, as set out in Table 2 at paragraph 17 and detailed in Annex A, be noted.

(iii) That the increase in the Shared Ownership Programme to reflect the sales receipts of £761k be approved.

(iv) That the budget allocated to Askham Bar for detailed design work, and that planning submission is to be re-allocated to the Hospital Fields / Ordnance Lane site as per the Executive decision on 26 September 2019 (*Minute 44*), be noted.

(v) That it be noted that the Modernisation and Major Repairs schemes have now been consolidated, as per the Monitor 1 report to Executive on 29 August 2019.

(vi) That the appropriation of land from the general fund to the Housing Revenue Account for the building of dwellings at the Lowfield site, at a market value of £4m, be approved.

(vii) That approval be given to continue the interim financial support arrangements for the York City Knights first team during the 2020 Rugby League season until YCK play their first game from the Stadium, on all the same principles as the financial support given in seasons 2017-2019.

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

87. Lord Mayoralty 2020/21

The Director of Governance presented a report which invited Members to consider the points system for the nomination of the Lord Mayor of York and to confirm the qualification of the group with the most points to make the nomination for the 2020/21 Municipal Year.

Under the current points system, as set out in paragraph 4 of the report, the Liberal Democrat group qualified to make the nomination, as they had accumulated the largest number of points.

Members were reminded that the current Lord Mayor had allowed the nomination of next year's Lord Mayor and Sheriff to take place in advance of this report, at the meeting of Full Council in December 2019, because the December Executive meeting had been cancelled due to the General Election. Attention was also drawn to an error in the table at paragraph 4 of the report on the printed copies of the agenda; the total number of points accumulated by the Labour group was **-16** and not -26 as stated.

Resolved: That the Liberal Democrat Group be invited to nominate the Lord Mayor for 2020/21, in line with the accumulated points system set out in paragraphs 3-6 of the report.

Reason: To ensure that the Council maintains an appropriate method by which to nominate Lord Mayors for office.

PART B - MATTERS REFERRED TO COUNCIL

88. Capital Programme - Monitor 2 2019/20

[See also under Part A]

The Principal Accountant (on behalf of the Interim S.151 Officer) presented a report which set out the projected out-turn position of the council's capital budget for 2019/20, along with requests to re-profile budgets to and from current and future years.

A decrease of £68.608m on the current approved programme was reported, resulting in a revised programme of £136.870m.

There was an increase of £113k in 2019/20, offset by a £68.721m decrease due to re-profiling of budgets to future years, mostly due to a review of the York Central budget. Progress had been made against a number of key areas, including work beginning on the restoration of the Guildhall and the appointment of a contractor to build new homes at Lowfield. Variances against each portfolio area were set out in Table 1 at paragraph 6 of the report and detailed in paragraphs 8 to 48.

Executive approval was sought to:

- Increase the Shared Ownership Scheme budget to reflect the re-investment of capital receipts from equity sales;
- Appropriate land from the general fund to the HRA for the building of dwellings on the Lowfields site;
- Continue financial support for York City Knights.

Recommended: That Council approve the adjustments resulting in a decrease in the 2019/20 budget of £68.608m, as detailed in the report to Executive and contained in Annex A to that report.

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

Cllr K Aspden, Chair

[The meeting started at 5.30 pm and finished at 6.47 pm].