



**Notice of a public meeting of
Executive**

To: Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Orrell, Runciman, Smalley, Waller and Widdowson

Date: Tuesday, 15 December 2020

Time: 5.30 pm

Venue: Remote Meeting

A G E N D A

Notice to Members – Post Decision 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 **4:00 pm on Thursday, 17 December 2020.**

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent, which are not subject to the call-in provisions. Any called in items will be considered by the Customer and Corporate Services Scrutiny Management Committee.

1. Declarations of Interest

At this point, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

2. **Exclusion of Press and Public**

To consider the exclusion of the press and public from the meeting during consideration of Annex 2 to Agenda Item 8 (New Stadium Leisure Complex Commercial Proposal on Restaurant Units) on the grounds that it contains 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).

3. **Minutes** (Pages 1 - 20)

To approve and sign the minutes of the last Executive meeting, held on 26 November 2020.

4. **Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is at **5.00pm on Friday, 11 December 2020.**

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill in an online registration form. If you have any questions about the registration form or the meeting please contact Democratic Services. Contact details can be found at the foot of the agenda.

Webcasting of Remote Public Meetings

Please note that, subject to available resources, this remote public meeting will be webcast including any registered public speakers who have given their permission. The remote public meeting can be viewed live and on demand at www.york.gov.uk/webcasts.

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

- 5. Forward Plan** (Pages 21 - 22)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.
- 6. Update on the Council's Preparations for the UK's Exit from the European Union - End of Transition** (Pages 23 - 32)
The Chief Operating Officer to present a report which provides an update on City of York Council's preparations for the end of the Transition period scheduled to take place on 1 January 2021, following the UK's exit from the European Union, on 31 January 2020.
- 7. City of York Council Renewal and Recovery Strategy - December Update** (Pages 33 - 42)
The Chief Operating Officer to present an update report for December on the council's activities both directly in response to Covid-19 and to support recovery and renewal.
- 8. New Stadium Leisure Complex Commercial Proposal on Restaurant Units** (Pages 43 - 58)
The Chief Operating Officer and Chief Finance Officer to present a report which provides an update on the Commercial Deal agreed by Executive in October 2017 in respect of disposal and development of land adjoining the new Community Stadium, and presents options on the way forward in the light of the current position.
- Note: This item was added late to the Forward Plan under urgency procedures, as a decision is required prior to the expected completion of the Stadium in December 2020. A Regulation 10 notice has been published on the council's website.*
- 9. Make It York - Impact of Covid-19** (Pages 59 - 84)
The Director of People to present a report which proposes a series of actions to respond to a request from Make It York for financial support to mitigate the impact of Covid-19 on the company.
- 10. Council Housing Energy Retrofit Programme** (Pages 85 - 106)
The Interim Director of Place to present a report which sets out proposals for the retrofit of the council's housing stock to deliver energy efficiency measures that will support the ambition for zero

carbon emissions by 2030, and options to allocate the agreed capital budget for this purpose.

11. Amendment to Council Tax Support Scheme (Pages 107 - 136)

The Chief Operating Officer to present a report which asks Executive to recommend that Council amend the Council Tax Support scheme, following consultation on implementing a De Minimis limit in respect of a change in financial income before customers in receipt of council tax support are issued with an adjustment notice (revised bill).

12. Urgent Business

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

Democratic Services Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 552030
- E-mail – fiona.young@york.gov.uk

For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

City of York Council

Committee Minutes

Meeting	Executive
Date	26 November 2020
Present	Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Orrell, Runciman, Smalley, Waller and Widdowson
In Attendance	Councillor Myers

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

53. 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. No additional interests were declared.

54. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting should any discussion or questions arise upon 'Confidential' Annexes 1, 2, 3, 4 and 5 to agenda item 9 (Update on the Asset Management Strategy 2017-2022), on the grounds that they contain information relating to the financial or business affairs of particular persons (including the authority holding that information). 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).

55. Minutes

Resolved: That the minutes of the Executive meeting held on 22 October 2020 be approved as a correct record, to be signed by the Chair at a later date.

56. Public Participation

It was reported that there had been 10 registrations to speak at the meeting under the Council's Public Participation Scheme.

The following spoke on Agenda Item 7 (The Future of the Extended City Centre Footstreets):

Anelka Houston read a statement on behalf of the York Disability Rights Forum, arguing that removal of the parking exemption for Blue Badge holders on some streets was in breach of the Equality Act and the council's own Equality Strategy.

Bernadette Cullen, as a disabled person who cycled to work in the city centre, questioned why bicycles were prohibited in the footstreets whereas disability scooters were not.

Alison Hume presented a petition signed by 1,100 people calling on the council to allow Blue Badge holders to park on the recently closed footstreets pending conclusion of a consultation process.

John Pybus, Landlord of the Blue Bell and a member of Fossgate Traders Association called for the pedestrianisation of Fossgate to be made permanent, following a survey of businesses and residents.

Natasha Rawnsley explained the impact of the restrictions on her ability to access the city centre independently, due to the removal of Blue Badge parking on Goodramgate and Blake Street.

Jane Burton stated that the proposals showed a lack of understanding of the needs of disabled people and breached the Equalities Act. She suggested that Blue Badge holders be given access via fobs to raise street barriers.

Cllr Fitzpatrick, a Member for Guildhall Ward, supported the principle of footstreets / pedestrianisation in some areas but called for better consultation moving forward with hospitality, retail and residents – three groups with different needs - as well as with ward councillors.

Written comments on item 7 were received from:

- Mick Phythian, a local resident and husband of a Blue Badge holder, objecting to the proposals;
- Jan Keenan, the owner of a business on Castlegate, supporting the proposals;
- Andrew Lawson, Executive Director of York Business Improvement District (BID), supporting the proposals.

Written comments on Agenda Item 8 (York Railway Station Gateway - Funding and Delivery) were received from Alan Robinson, of York Bus Forum, seeking consideration within the project of first steps towards a high-class bus interchange.

The following spoke on Agenda Item 9 (Update on the Asset Management Strategy 2017-2022):

David Finch, Chair of the Friends of Leeman Park, welcomed the proposals in respect of the Riverside Path (paragraph 32 of the report), asking that the S106 improvements be completed before the York Central development began.

Cllr K Taylor, a Member for Holgate Ward, also supported the Riverside Path proposals, suggesting that the S106 improvements be built into the lease, but urged that the disposal of Oakhaven (paragraphs 54-63) be postponed pending receipt of the update promised to the Health & Adult Social Care Scrutiny Committee in February.

Written comments on item 9 were received from Sue Cooke, a local resident, seeking deferral of the disposal of Oakhaven.

James Mason spoke on **Agenda Item 10** (City of York Council's Relationship with Welcome to Yorkshire), as Chief Executive of Welcome to Yorkshire. He explained the role of WTY in attracting people to visit, live, work and study in York, acting as a conduit between the public and private sector and reacting flexibly to change during the pandemic.

57. **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.

58. City of York Council Recovery and Renewal Strategy - November Update

The Chief Operating Officer presented a report which provided an update on the council's activities in response to Covid-19, both directly and to support recovery and renewal.

The report outlined the national restrictions that had come into force on 5 November and were anticipated to remain in place until 2 December. Updates in respect of economic, communities and corporate recovery were set out in paragraphs 12-21, 22-29 and 30-32 respectively. The economic update included details of the latest government grants for businesses. Information on how to apply for these would be available soon.

The Chair announced that York was to move to Tier 2 once the national lockdown was over. He thanked everyone in the city for their part in reducing the number of Covid cases in York to the lowest in the region and below the national average, confirming that the council would be lobbying government to move York to Tier 1 when the situation was reviewed on 16 December.

The Director of Public Health provided a further update, explaining the rationale behind the government's decision on tiers, which was based on 5 key indicators across each area. Only Cornwall, the Scilly Isles and the Isle of Wight were in Tier 1. York was grouped with North Yorkshire, where in some places, such as Scarborough and Selby, case numbers were falling more slowly. The case rate in York was currently 132 per 100,000 and the positivity rate was 7%-8%. The aim was to reduce this to 4%-5%, by continuing handwashing and social distancing practices and expanding the effective local testing and tracing processes already in place.

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

59. The Future of the Extended City Centre Footstreets

The Assistant Director of Transport, Highways & Environment presented a report which reviewed the temporary extension of the city centre footstreets introduced in response to Covid-19 and considered whether any of the temporary measures should

be made permanent, in the light of feedback received and future strategic priorities.

The report set out the benefits of the revised footstreets, the negative impact of the revisions on some, initial mitigations of that impact and the in-depth engagement carried out with those affected. This had identified that the principle of extending the footstreets was supported by a majority of respondents, including those residents who identified as disabled. It was proposed to continue most of the temporary footstreet extensions until the end of September 2021, corresponding with the end of temporary government measures to support businesses. However, restrictions would be removed from the Monk Bar to College Green and Deangate area, enabling Blue Badge holders to park closer to the city centre.

Members welcomed the proposals, while acknowledging the issues raised at the meeting under Public Participation. In response to these, attention was drawn to the measures set out in paragraphs 44 and 56 of the report, and it was confirmed that the engagement process would continue and the Equality Impact Assessment be kept under review.

Resolved: (i) That the temporary Traffic Regulation Order (TRO) for the phase 1 footstreet extensions be extended until the end of September 2021 in response to Covid-19, with a staffing cost of £20k.

Reason: To allow social distancing and the use of pavement café licences on major footfall routes through the city centre during the ongoing pandemic, in response to the government's Safer Public Places guidance.

(ii) That the temporary TRO for Castlegate and Fossgate be continued until the end of September 2021 in response to Covid-19, with a staffing cost of £80k for Fossgate.

Reason: To allow the continued operation of the 22 pavement café licences that the temporary footstreets have facilitated, enabling businesses to operate under the social distancing measures required by Covid-19.

(iii) That approval be given to fund the costs of these measures from Transport Recovery budgets in

2020/21, including 'Re-opening the High Street' funding.

(iv) That the need to identify the £60k ongoing costs relating to 2021/22 as a one-off cost pressure in the 2021/22 budget be accepted.

Reason: To ensure that cost proposals are funded within council budgets.

(v) That the TRO from Monk Bar through to College Green and Deansgate be ended, as from 26 November 2020.

Reason: To remove temporary access restrictions and re-instate parking capacity for Blue Badge holders on double yellow lines and loading at the very edge of the footstreet area.

(vi) That the temporary extension of the footstreet hours to 8:00 pm be continued until September 2021, except when hospitality venues are required to close due to Covid-19 restrictions, when the hours will revert to 10:30 am – 5:00 pm.

Reason: To allow pavement café licences to operate in the early evening when hospitality venues are open, and to facilitate the increased demand for food and takeaways when they are required to close.

(vii) That the mitigation measures set out in paragraph 41 for Blue Badge holders and businesses affected by the temporary footstreet extensions be approved.

Reason: To reduce the impact on those groups that have been affected by the temporary footstreet extensions.

(viii) That the process to make Castlegate and the phase one footstreets permanent be initiated, and authority delegated to the Executive Member for Transport to make decisions on the final proposals, mitigations and process.

Reason: To reduce the vehicle / pedestrian conflict on the high footfall phase one streets, ensure that the permanent footstreet areas correspond with the full extent of the City Centre Access project to allow hostile vehicle attack measures to be brought forward in a single stage, and make permanent the temporary measures on Castlegate in accordance with the Castle Gateway masterplan.

(ix) That a full strategic review be undertaken of the city centre's parking and disabled offer, as set out in the report, to be completed by Summer 2021 at a cost of up to £40k from the existing footstreet engagement and Local Transport Plan 4 budgets.

Reason: To ensure that the permanent footstreet extensions set out above are accompanied by appropriate mitigations for those who have been affected by the revised footstreets and to improve city centre accessibility.

(x) That the independent review of York's disabled access offer in Annex 6 to the report be noted and that the issues raised be given due consideration through the strategic review of the city's parking and disabled access offer.

Reason: To ensure that the issues raised are considered in the ongoing engagement and strategic responses.

(xi) That the design of the hostile vehicle mitigation measures that would protect the potential new permanent extended footstreet area at a cost of £50k from existing budgets be brought forward, to mitigate any delay caused by changing footstreets.

Reason: To speed up the full extent of the delivery of the City Centre Access project and give the best possible opportunity of avoiding the need for temporary measures for events.

60. York Railway Station Gateway – Funding and Delivery

The Assistant Director of Transport, Highways & Environment presented a report which provided an update on the current

status of the Station Gateway project and sought approval for a phased delivery approach to the project and a series of actions to allow progress while mitigating the risks to the council.

Key milestones and current activity on the project were set out in paragraphs 20-28 of the report. In spring, the project team and the development consultant, Arup, had submitted an addendum to the 2018 planning application to address issues raised in the original planning consultation. A planning decision was expected in December 2020 or January 2021. The team had also worked with partners to agree a preferred delivery strategy, as attached at Annex 1. This aligned with the current funding profiles by proposing five Packages of work, as described in paragraph 21, with LNER having agreed in principle to deliver Package 3.

The Chair noted the progress made on the project after extensive consultation, welcomed the external funding secured, and thanked all those involved in bringing the project to this stage.

Resolved: (i) That the scope, budget, delivery and procurement strategy of the project be approved.

Reason: To enable arrangements to be put in place to purchase land, place orders with utility companies and proceed with the detailed design and procurement of Packages 1, 2 and 4 of the scheme.

(ii) That the Station Gateway budget be increased by £12.250m to reflect the WYCA Transforming Cities grant funding.

Reason: To ensure that the capital programme reflects the latest funding position.

(iii) That authority be delegated to the Corporate Director of Economy & Place, in consultation with the s151 Officer and the Director of Governance or her delegated officers, to draw down further funds from the West Yorkshire-Plus Transport Fund to complete the land purchase negotiations and take such steps as are necessary to enter into the resulting legal agreement(s).

Reason: In order to acquire land from Canada Life (George Stephenson House) and Network Rail to enable the delivery of the scheme.

(iv) That authority be delegated to the Corporate Director of Economy & Place, in consultation with the s151 Officer and the Director of Governance or her delegated officers, to draw down funds from West Yorkshire-Plus Transport fund to place orders with utility companies to fund Package 1: Enabling Works (package value £2.04m) to divert services from Queen Street Bridge through the station car park.

Reason: To enable delivery of Package 1: Enabling Works.

(v) That authority be delegated to the Corporate Director of Economy & Place, in consultation with the s151 Officer and the Director of Governance or her delegated officers, to draw down funds from West Yorkshire-Plus Transport fund to issue a task order to commence detailed design of the scheme.

Reason: To enable the production of detailed cost plans and to progress the scheme to procurement.

61. Update on the Asset Management Strategy 2017-2022

[See also under Part B]

The Interim Director of Place presented a report which set out progress on delivery of the Asset Management Strategy for the period 2017-2022, and set out proposals for revisions to the Strategy, and a series of business cases for lease disposals and acquisitions to deliver further strategic benefits to the council.

Progress to date had exemplified progressive cross-public sector working and success in delivering the One Public Estate objectives. Revisions were proposed to objective 2 and principle (h) in the Strategy, as indicated in paragraph 7 of the report, to ensure alignment with the council's net zero carbon target. Paragraphs 15-128 reviewed the delivery of the Strategy, examining the council's operational estate, community assets, assets for housing delivery and commercial assets in the light of the potential future impact of Covid-19 and other considerations.

In supporting the proposals, the Executive Member for Finance & Performance indicated that he would be receiving reports to future Decision Sessions on asset management, to promote a better understanding of the operation of the estate as a whole. Having noted the comments made under Public Participation, and taking into account the recommendations of the Customer & Corporate Services Scrutiny Management Committee following consideration of the report at their meeting on 23 November, it was

Resolved: (i) That the amended revisions to the Strategy be approved, and adopted to shape future asset decisions for which this report will form the 'Corporate Asset Strategy 2020-2025'.

(ii) That the position on the land forming the river bank adjacent to Scarborough Bridge, as set out in the report, be noted.

*(iii) That approval be given to dispose of Oakhaven for the consideration set out in Annex 1 to the report in an off market sale with a backstop date for completion of 12 weeks and, should this backstop date not be achieved, to bring a further report back to Executive.

(iv) That a viability appraisal be undertaken on the potential disposal of the Morrell House site as part of the Self Build programme and that a further report be brought to Executive to agree the disposal route.

(v) That approval be given to dispose of the following properties / interests:

- a) Land at Lingcroft Lane, Naburn;
- b) 2 former herdsmens' cottages (103 Heslington Road and 159 Mount View), to be disposed of on the open market.

(vi) That approval be given to release £120k from the HRA Housing Delivery Programme development fund into the capital budget to review Willow House and the adjacent estate, undertake public engagement and develop an outline business case

for development within the Housing Delivery Programme.

(vii) That approval be given to release £150k from the CYC York Central budget to review the council's land holding on York Central, and develop an outline business case for development within the Housing Delivery Programme.

(viii) That approval be given to lease 29 Castlegate as part of the commercial portfolio and to use the existing capital budget of £270k to undertake maintenance repairs to the property.

(ix) That approval be given to lease the Guildhall Business Centre to the University of York / York Science Park Ltd. on the terms set out in the report, and that authority be delegated to the Corporate Director of Economy & Place (in consultation with the Director of Governance) to take such steps as are necessary to complete the list.

(x) That approval be given to purchase the existing Haxby Ambulance station site within the agreed budget should it become available for sale within seven years of the transfer of Haxby Hall.

(xi) That, should the purchase and lease to Yorkare of the ambulance station site proceed, its permitted use be restricted to a residential home within Use Class C2 of the Town and Country Planning (Use Classes) Order 1987, or use(s) ancillary to the operation of Haxby Hall as a residential home, for a period of at least 25 years from the transfer of Haxby Hall.

(xii) That approval be given to dispose of the council's shareholder interest in York Science Park Ltd. for £500k, and that authority be delegated to the Corporate Director of Economy & Place (in consultation with the Director of Governance or her delegated officers) to take such steps as are necessary to complete the disposal.

(xiii) That the performance of the commercial portfolio in respect of the impact of Covid-19 be noted.

- Reasons:
- a) To establish clear principles to guide and shape future use of the council's assets and to continue to carry out a programme of proactive work to shape the commercial and operational property portfolio further.
 - b) To support the ongoing economic vibrancy of the city while increasing the income from the council's commercial property portfolio.

**[Note: Resolution (iii) above was subsequently called in for consideration by the Customer & Corporate Services Scrutiny Committee at their meeting on 21 December 2020].*

62. City of York Council's Relationship with Welcome to Yorkshire

The Corporate Director of Economy & Place / Head of Economic Growth presented a report which reviewed the role of Welcome to Yorkshire (WTY) in promoting York and Yorkshire to potential visitors and set out a request from WTY for funding to replace that previously sought from the West and North Yorkshire Business Rates Pool.

WTY had a similar role to Visit York, but focused at county rather than city level. It had launched its 'reopen, recover, rebuild' recovery plan, attached at Annex A to the report, on 19 June and had supported Make It York (MIY) and the tourism sector in adapting to the post-pandemic environment. Working more closely with WTY could benefit MIY and York. In addition to the annual subscriptions paid to it via the Business Rates Pool, WTY had expected to receive £1m from the Pool in 2020/21. After a difficult year, they were seeking £1.4m in total from local authorities and National Parks in Yorkshire, in part to replace this. The request from York was for £55,378, with a supporting service specification (Annex B); this was recommended for approval.

In supporting the recommendations, the Executive Member for Culture, Leisure & Tourism drew attention to the crucial role of

the tourism sector in the recovery programme for the city and thanked all those working in the sector in York.

Resolved: (i) That a contribution of £55,378 be made to Welcome to Yorkshire, funded from the council's share of the estimated final surplus balance from the 2019/20 North and West Yorkshire Business Rates Pool, to support delivery of the WTY short-term business plan in 2020/21 and the outputs, outcomes, governance and monitoring arrangement set out in Annex B to the report.

(ii) That the proposal to further strengthen partnership working, and better reflect the pivotal relationship between York and Yorkshire in tourism promotion, be approved.

(iii) That it be noted that York's tourism sector relies on both Welcome to Yorkshire and Make it York to promote the city, and that the two organisations are mutually dependent in their work to promote York and Yorkshire to potential visitors.

Reason: To provide funding to enable WTY to continue trading in the current year, subject to performance assessments against the Service Level Agreement, promote better joint working, and promote a clearer relationship between WTY and MiY which avoids duplication of effort.

63. Wenlock Children's Home Contract Variation and Extension with Hexagon Care Services

The Corporate Director of People presented a report which sought approval for a variation to and extension of an existing contract with Hexagon Care Services (Hexagon), for the provision of residential care for young people.

This item had been added late to the Forward Plan under urgency procedures, because a decision was required before expiry of the existing contract on 7 December and the recommended course of action had not been confirmed within 28 days of the meeting.

A shortage of available accommodation in York for children with complex needs meant it was likely that new out-of-area placements would be needed. Such placements were more expensive and often not appropriate for young people. Extensive discussions had been held with Hexagon on the possibility of their providing beds with support for complex needs at Wenlock Terrace in Fulford. Suitable confirmation had now been received and this was the recommended option (**Option 1**). The following alternative options were available, but not recommended:

Option 2 – allow the contract with Hexagon to end. This was likely to increase out of area placements.

Option 3 – tender for an alternative provider. The time frame for procurement would not fit with that for children's needs.

Resolved: (i) That approval be given to extend and vary the contract with Hexagon Care Services to facilitate a three-bed residential care provision for children with particularly complex needs (Option 1).

(ii) That authority be delegated to the Corporate Director of People (in consultation with the Director of Governance or her delegated officers) to take such steps as are necessary to enter into the resulting agreement.

Reason: This provision is required to support sufficiency of places for vulnerable young people in the council's care. Providing care for vulnerable children in the city rather than elsewhere results in better outcomes for children and more efficient use of council resources.

64. **2020/21 Finance and Performance Monitor 2**

The Chief Operating Officer presented a report which provided details of the council's overall finance and performance position for the period 1 April to 30 September 2020.

The Covid-19 pandemic continued to have a significant impact on the financial position, as summarised in paragraph 3, with additional costs of some £10m as reported in October. Government grant of £12m had been awarded to date, with the Income Compensation Scheme potentially providing a further £4m. Despite the additional funding described in paragraphs 5-

7 of the report, an ongoing impact in future years was still expected and efforts to urge government to 'Back York' had been stepped up.

The gross financial pressures facing the council were now projected at £8.6m. After mitigation and further action, as outlined in the report and Annex 1, it was considered that this could be brought down to a net position of £2.8m by the year end. The council had £7.4m general reserves to call upon should the outturn not be within the approved budget, but it was important to maintain reserves at an appropriate level in 2021/22 and beyond.

Performance against the core indicators in the Council Plan was set out in paragraphs 33-37 of the report and in Annex 2. Those indicators showing a direct adverse effect from Covid-19 were listed in paragraph 35. Further significant changes were likely to be seen in future reports as new data became available.

The Chair highlighted the scale of the challenge facing all councils in terms of setting their budgets and noted that, while the increase in spending power was welcome, it would mostly be funded from council tax increases. Lobbying efforts for government investment in the city would continue.

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

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

65. Capital Programme - Monitor 2 2020/21

[See also under Part B]

The Chief Finance Officer presented a report which set out the projected out-turn position of the capital programme for 2020/21, including any under-spends, over-spends and adjustments, along with requests to re-profile budgets to and from current and future years. The report did not reflect the capital schemes in the Asset Management Strategy update at Agenda Item 9; these would be included in the Monitor 3 report in February.

A decrease of £36.538m on the current approved programme was reported, resulting in a revised programme for 2020/21 of £144.683m. Variances against each portfolio area were set out in Table 1 at paragraph 11 of the report and detailed in paragraphs 12-42.

As reported on 1 October, work had been carried out to review the programme in the light of the Covid-19 pandemic, and the financial assumptions for all schemes would continue to be closely monitored. Despite the disruption caused by the pandemic, progress had still been made in a number of areas, including purchase of land for the Northern Forest, roll-out of ICT for home working, and reservations of 20 of the 24 new build properties at Lowfield Green.

The Executive Member for Finance & Performance highlighted significant progress made on schemes within the programme, including school improvements, the Centre of Excellence for Disabled Children, housing at Duncombe Barracks, the Guildhall, and the Community Stadium.

Resolved: (i) That the 2020/21 revised budget of £144.683m, as set out in Table 1 at paragraph 11 of the report, be noted.

(ii) That the re-stated capital programme for 2020/21-2024/25, as set out in Table 2 at paragraph 43, be noted.

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

66. Treasury Management Mid-Year Review and Prudential Indicators 2020/21

The Chief Finance Officer presented a report which provided an update on Treasury Management activity and Prudential Indicators for the period 1 April to 30 September 2020. The report would also be considered by the Audit & Governance Committee at their meeting in January 2021.

The report, prepared in compliance with CIPFA's Code of Practice on Treasury Management, provided: an economic update for the first part of the 2020/21 financial year; a review of the Treasury Management Strategy Statement and Annual

Investment Strategy; the prudential indicators; reviews of the council's investment portfolio and borrowing strategy; and a review of compliance with the Treasury and Prudential Limits. This was set against the background of the economic damage resulting from the coronavirus pandemic, with investment returns likely to remain low given that no increases in Bank Rate were expected in the next few years.

It was confirmed that during the financial year 2019/20 to date, the council had operated within the treasury limits and Prudential Indicators, as set out in the report and Annex A.

Resolved: (i) That the Treasury Management activities to date in 2020/21 be noted.

(ii) That the Prudential Indicators set out in Annex A to the report, and the compliance with all indicators, be noted.

Reason: To ensure the continued performance of the council's Treasury Management function.

PART B - MATTERS REFERRED TO COUNCIL

67. Update on the Asset Management Strategy 2017-2022

[See also under Part A]

The Interim Director of Place presented a report which set out progress on delivery of the Asset Management Strategy for the period 2017-2022, and set out proposals for revisions to the Strategy, and a series of business cases for lease disposals and acquisitions to deliver further strategic benefits to the council.

Progress to date had exemplified progressive cross-public sector working and success in delivering the One Public Estate objectives. Revisions were proposed to objective 2 and principle (h) in the Strategy, as indicated in paragraph 7 of the report, to ensure alignment with the council's net zero carbon target. Paragraphs 15-128 reviewed the delivery of the Strategy, examining the council's operational estate, community assets, assets for housing delivery and commercial assets in the light of the potential future impact of Covid-19 and other considerations.

In supporting the proposals, the Executive Member for Finance & Performance indicated that he would be receiving reports to future Decision Sessions on asset management, to promote a better understanding of the operation of the estate as a whole. Having noted the comments made under Public Participation, and taking into account the recommendations of the Customer & Corporate Services Scrutiny Management Committee following consideration of the report at their meeting on 23 November, it was

Recommended: That Council approve:

- a) the establishment of a capital budget of £3.9m, to fund the acquisition of the Head leasehold interest of the Eco Centre, Amy Johnson Way;
- b) the investment of a further £100k to fund green infrastructure improvements to the building, providing an increase in revenue funded from the One Planet York budget; and
- c) the delegation of authority to the Corporate Director of Economy & Place, in consultation with the Director of Governance, to complete the purchase once all due diligence has been satisfactorily conducted on the property.

Reasons: a) To establish clear principles to guide and shape future use of the council's assets and to continue to carry out a programme of proactive work to shape the commercial and operational property portfolio further.

b) To support the ongoing economic vibrancy of the city while increasing the income from the council's commercial property portfolio.

68. Capital Programme - Monitor 2 2020/21

[See also under Part A]

The Chief Finance Officer presented a report which set out the projected out-turn position of the capital programme for 2020/21, including any under-spends, over-spends and

adjustments, along with requests to re-profile budgets to and from current and future years. The report did not reflect the capital schemes in the Asset Management Strategy update at Agenda Item 9; these would be included in the Monitor 3 report in February.

A decrease of £36.538m on the current approved programme was reported, resulting in a revised programme for 2020/21 of £144.683m. Variances against each portfolio area were set out in Table 1 at paragraph 11 of the report and detailed in paragraphs 12-42.

As reported on 1 October, work had been carried out to review the programme in the light of the Covid-19 pandemic, and the financial assumptions for all schemes would continue to be closely monitored. Despite the disruption caused by the pandemic, progress had still been made in a number of areas, including purchase of land for the Northern Forest, roll-out of ICT for home working, and reservations of 20 of the 24 new build properties at Lowfield Green.

The Executive Member for Finance & Performance highlighted significant progress made on schemes within the programme, including school improvements, the Centre of Excellence for Disabled Children, housing at Duncombe Barracks, the Guildhall, and the Community Stadium.

Recommended: That Council approve the adjustments resulting in a decrease of £36.538m, as detailed in the report and in Annex A.

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

Cllr K Aspden, Chair

[The meeting started at 5.33 pm and finished at 8.24 pm].

This page is intentionally left blank

Forward Plan: Executive Meeting: 15 December 2020

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 14 January 2021

Title and Description	Author	Portfolio Holder
<p>The York Business Improvement District Renewal Ballot Purpose of report: To inform Executive of the York Business Improvement District (BID) renewal ballot scheduled to take place in February 2021, which will allow local businesses in the BID area to vote on whether they wish the BID to continue for a second five year term. (This report, and the ballot renewal date, have been delayed for three months due to the COVID-19 pandemic).</p> <p>Executive will be asked to:</p> <ul style="list-style-type: none"> • Support the City Centre BID and its work, and its bid for a second term • Confirm the Executive is satisfied that the York BID proposals are not in conflict with any existing Council Policy • Note the Baseline Service Agreements which provide a legal commitment by the council to maintain provision of relevant services in the BID area • Approve arrangements proceed to allow the council to operate the ballot and act as the collection agent for the levy • Note the stages and timescales required to secure a second BID term. 	<p>Penny Nicholson</p>	<p>Executive Member for Economy & Strategic Planning</p>
<p>Street Works – Changing from noticing to a permitting scheme Purpose of Report: To seek approval to conduct a public consultation on proposals to introduce a permit scheme to govern all utility and highway works activities within the authority’s highway network.</p> <p>Executive will be asked to: approve a public consultation exercise to seek feedback from statutory consultees and other stakeholders on the proposals.</p>	<p>Helene Vergereau</p>	<p>Executive Member for Transport</p>

Title and Description	Author	Portfolio Holder
<p>City of York Trading Limited – Approval of the Shareholder Agreement Purpose of Report: CYT Limited have updated their Shareholder Agreement and in accordance with the Council’s Constitution this needs amended updated Agreement requires the approval of the Executive.</p> <p>Executive will be asked to: approve the amended Shareholder Agreement for City of York Trading Limited.</p>	Janie Berry	Executive Member for Finance & Performance

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 11 February 2020

Title and Description	Author	Portfolio Holder
<p>Q3 20-21 Finance and Performance Monitor Purpose of Report: To provide overview of the councils overall finance and performance position at the end of Q3 20-21.</p> <p>Executive will be asked to: note and approve the report.</p>	Debbie Mitchell, Ian Cunningham	Executive Member for Finance & Performance
<p>Q3 20-21 Capital Programme Monitor Purpose of Report: To provide an overview of the council’s overall capital programme position at the end of Q3 20-21.</p> <p>Executive will be asked to: note and approve.</p>	Debbie Mitchell, Emma Audrain	Executive Member for Finance & Performance

Table 3: Items Slipped on the Forward Plan

None



Executive**15 December 2020**

Report of the Chief Operating Officer
Portfolio of the Leader of the Council

Update on the Council's preparations for the UK's exit from the European Union – End of Transition**Summary**

1. This paper provides an update on City of York Council's (CYC) preparations for the end of the Transition period scheduled to take place on 1st January 2021, following UK's exit from the European Union (Brexit), on 31st January 2020.
2. Negotiations between the UK and EU are continuing, so at this point it is not possible to determine the full nature of the future arrangements (including whether there will be a trade deal or no deal at the end of the transition period). However, regardless of the eventual outcome, there will be substantive changes to the relationship between the UK and EU and, to some extent, the rest of the world.
3. In preparation, officers have undertaken a review of areas of potential change within the Council, as guided by the UK Government, in addition to linking in with work that is taking place upon a regional and national footprint.
4. To note, although discussions have taken place with the Council's Emergency Planning team, this work is distinct from the work being carried out by the Local Resilience Forum to prepare for potential day-one challenges posed by Brexit and other pressures during the winter months.
5. From the work to date, it is difficult to identify any significant and immediate quantifiable impact across York. This is partly because some larger organisations have made some appropriate preparations to adapt to changes. However, more broadly, as a result of the ongoing uncertainty of future arrangements and the burden of Covid-19, many

organisations have not been able to fully assess the impacts on their business. The lack of clear intelligence of impact does not, therefore, provide assurance that there are no risks.

6. Nonetheless, what is clear is that continued uncertainty surrounding future transition arrangements, particularly when most organisations are having to concentrate on their response to the pandemic, or adapt to new national guidance, is an area of concern for many local businesses and organisations.
7. The longer term impacts will depend on the nature of the future relationship with the EU, which is still to be determined. However, given the evolving landscape owing not least to the Covid-19 pandemic, there is potential for Brexit-related changes to disrupt or exacerbate challenges already faced by the city if residents, businesses and organisations are unable to make the required preparations.
8. This report focuses mainly on the preparations of the Council, recognising that there are a number of areas for which there are necessary actions to support both council preparations and residents and businesses. There are also many aspects of the end of transition for which the council has limited influence.

Recommendations

9. Executive is asked:
 - a. To note preparations that have taken place ahead of the end of Transition;
 - b. To requests Officers to continue to monitor the end of Transition and its potential impacts on the Council and city; and
 - c. To requests Officers to continue to work at a national, regional and local level to support the city's preparations for the end of Transition.

Background

10. The transition period following the UK's departure from the European Union ends on 1 January 2021. At present, there is no agreement in place on the future relationship between the two parties. If no agreement is reached by the end of the year, UK-EU trade

arrangements will revert to World Trade Organization (WTO) rules and co-operation arrangements in other sectors will end.

11. In reality the timeframe for agreeing a deal is somewhat shorter given the need for ratification. Swift ratification is also based on the assumption that the agreement will not be “mixed” (i.e. a trade agreement that also deals with regulatory or investment issues). A mixed agreement would also require ratification within each Member State, although aspects could be applied provisionally ahead of full ratification. This tight timetable will also need to take into account external pressures, most notably Covid-19, which is causing significant disruption across Europe.
12. Regardless of whether a deal is reached, there will be significant changes to the way in which the UK deals with Europe and to some extent the wider world.

Preparations for Brexit

13. Officers have conducted preparatory work within the Council to ensure that any emerging concerns were flagged either within the internal Council structures or with the UK Government through the network of Brexit contacts. Unlike previous phases of the Brexit process, there have been no recent specific communications to the Lead Brexit Officer from Government, either in terms of information or requests for action.
14. In preparation for the end of the transition period, the Council has been guided by information provided by Government to all local authorities as part of a [“Preparing local government for 1 January 2021”](#) toolkit. This provides a list of guidance notes which may be relevant.
15. This report provides an overview of the actions that local authorities are requested to undertake to ensure that the country is prepared for the changed environment.

EU Settlement Scheme

16. After the transition period ends, EU citizens wishing to live and work in the UK will be subject to the same immigration procedures as people from the rest of the world.

17. Those European residents already living in the UK permanently before this date will be able to apply to the Settlement Scheme until 30 June 2021.
18. The Settlement Scheme ensures that EU residents who successfully apply can:
 - Work in the UK
 - Use the NHS for free, if they can at the moment
 - Enrol in education or continue studying
 - Access public funds such as benefits and pensions, if they are eligible
19. Most recent figures by the Government suggest that there have been 6,650 applications to the Settlement Scheme by people living in York with 6,470 concluded applications. This is out of an estimated EU population of 7,000.
20. Of the concluded applications:
 - 3,680 achieved settled status – those who had been in the UK for more than 5 years
 - 2,690 achieved pre-settled status – for those who have lived in the UK for less than 5 years
 - 100 were other (i.e. not eligible)
21. This is comparable as a proportion of population to other cities across the UK.
22. It is worth noting that the official estimates of EU residents in York will include people with Irish passports. Those individuals do not need to apply for settlement status as their right to live and work in the UK is covered in separate legislation.
23. Unfortunately, owing to the Covid-19 pandemic, the biometric identification support that had been offered to York residents by Registration Services has not been available for the majority of the year. Similarly, face-to-face advice by Citizens Advice York (which the Council sponsors) was also not available for a large portion of time.
24. Although the deadline for applying for the scheme for those EU residents already in the country is June 2021, communications will be

released in the run-up to the end of the transition period to ensure that people are aware of the scheme.

25. Work is also underway to target those groups with older demographics who appear less likely to have applied for the scheme based on available data.

Changes to immigration rules

26. Linked to the end of the EU Settlement Scheme are the changes to the UK's immigration rules post-Brexit which may have an impact on staffing resource.
27. The new immigration system that is being introduced by the Government will be based around a points based system for skilled workers. This system is now live.
28. Skilled applicants will need to have a skill level of RQF3 – equivalent to A Levels. They will also need to be paid the higher of the specific salary threshold for their occupation ('going rate') or the general salary threshold of £25,600.
29. There is no route into the UK for non-skilled labour (other than as a family member/dependent of a skilled migrant in some cases).
30. While the changes to the immigration system have been noted, no risk to Council services has been identified.

Legal services and procurement

31. In advance of previous Brexit deadlines, legal services conducted a review of contracts for the Council's major suppliers to ensure that there would be no risk to the Council owing to the UK's changing relationship with Europe. Brexit clauses were inserted into contracts to ensure compliance.
32. No further risk has been identified by legal services following this prior work and in anticipation of the end of the transition period at this point.

Adult's and Children's Services

33. No direct risk has been identified by Adult's or Children's services at this point.

34. City of York Council has a duty of care to vulnerable residents some of whom may need support in applying to the Settlement Scheme. However, it is estimated that there are relatively few residents in care from the European Union. As part of the drive to highlight the Settlement Scheme information will be sent to care home providers.
35. Linked to the new immigration rules, there has been comment nationally about pressures on the social care sector around the loss of workforce. While this risk has not been quantified in York, supply-side pressures in other parts of the region and wider country could pose a significant challenge longer-term.

Education

36. As part of preparatory work, CYC has engaged with York Schools and Academies Board to gain an understanding of any concerns that are emerging within the education sector and have also issued information relating to Brexit as part of Headteachers' briefings.

Communities

37. Work has continued to reach out to the various community groups in the city.
38. The Council's communities team have previously held sessions to direct individuals to the right services if they have issues around migration advice and, in particular the Settlement Scheme.
39. While there have been no widespread issues regarding discrimination, this maintains an area which is being monitored. A new Hate Crime Action Plan is intended to address issues that may emerge in York.

Economic development

40. As part of the development of the city's long term economic strategy and in response to the Covid-19 pandemic, the Council's economic development team has hosted a series of roundtable events with business stakeholders in the city.
41. At one of the roundtable meetings, concerns were raised from the construction industry related to the movement of goods, people and

materials while bio-economy and life sciences business raised concerns over future funding for projects.

42. Overall, the consensus emerging from the business community was that the pandemic has taken up the vast majority of capacity so that preparatory work for Brexit had not been at the forefront of business planning.
43. Where businesses had engaged, there had been concerns over a lack of clarity as to what needed to be prepared for (given the uncertainty of the UK and EU agreeing a deal before 31 December) and a lack of technical information from the Government. This view is representative across the country as business struggle to prepare for the changed relationship between the UK and EU while also responding to the Covid-19 pandemic.
44. It should be noted that whilst few concerns have been raised, this should not be taken to mean there are no risks. With businesses more immediately concerned with Covid-19 restrictions, and future trading relationships still unclear, we do not consider that it will have been possible for the implications of supply chain or trading changes to have been fully assessed. The ability to quantify the overall risk at a York level is, therefore, limited.
45. The Governor of the Bank of England has recently given the view that whilst Covid-19 has the biggest impact on the economy at this point, a failure to reach a trade deal with the EU would have a much larger and longer impact on the economy. The consequences for York of no deal being reach could, therefore, be significant.
46. Trading Standards identified no concerns related to the changing landscape of enforcement.
47. The impact of Brexit on the tourism economy of York continues to be uncertain. A potential reduction in foreign visitors (for any reason, for example, concerns over and cost of non-reciprocal access to health services) could impact, but an increase in UK citizens holidaying domestically instead of in Europe for similar reasons could provide some counterbalance. The overall impacts, therefore, remain difficult to predict.
48. Moving forward, Officers will continue to monitor developments that will likely have implications for the city, including the structure of the new

Shared Prosperity Fund, some details of which emerged within the recent Spending Review announcements.

External liaison

49. During previous Brexit deadlines, the Council was linked into Government via the Lead Brexit Officer role. This time, that role has not been used in the same way and direct communication with Government has been less (which is likely to reflect a greater focus on Covid-19 at this point). While Government has not yet requested regular returns from local authorities as per the previous Brexit deadlines it is anticipated that these may be required as we approach the end of the transition period.
50. Information on regional business preparations is shared via a group established by Tom Riordan, Chief Executive at Leeds City Council who is the Brexit liaison between the wider region and UK Government. The most recent meeting hosted by Leeds took place on 21 October 2020. Further meetings will be held in due course.
51. A series of meetings is also being organised by the YNY LEP in advance of the end of Transition both with business groups and local authority partners to share information and advice.
52. Council Officers have participated in virtual roundtables with other local authorities, through the LGA, LGiU and West Yorkshire Combined Authority with an aim of sharing information and learning through examples of best practice. These roundtables have highlighted commonality across the country with regard to preparatory work.
53. Work with city partners also continues although no risks have been directly raised with the Council recently.
54. Brexit has been raised as a topic in York Strategic Partnership Group meetings.

Conclusion

55. While focus has understandably been on the Council's and wider city's response to the Covid-19 pandemic, this has not stopped work to prepare for Brexit.

56. Whilst we are confident that the Council has done what it can, and many organisations have taken the steps appropriate for them, there is limited certainty of the impacts on and preparedness of smaller organisations who have not been able to assess the direct impact of changes upon their activities. For this reason, it cannot be assumed that there will be no adverse impact.

57. That said, work must continue to monitor the situation and to guide residents and businesses to the information they need, especially at a time when the economic and social landscape is constantly shifting, owing to the pandemic.

Consultation

58. Officers have consulted with services from across the Council in addition to external stakeholders on a local, regional and national basis as part of preparatory work for Brexit.

Council Plan

59. As the final outcome of Brexit negotiations is yet to be determined it is not possible to identify with certainty the impact of the UK's departure from the EU on the Council Plan.

Implications

- **Financial** – no impacts identified
- **Human Resources** – no impacts identified
- **One Planet Council / Equalities** – no direct impacts identified.
- **Legal** – no impacts identified
- **Crime and Disorder** – no impacts identified.
- **Information Technology** – no impacts identified.

Risk Management

60. There are no specific identified risks associated with the recommendations of this report.

Contact Details

Author:

Will Boardman

Head of Corporate Policy and
City Partnerships

Samuel Blyth

Strategic Manager, Corporate
Policy and City Partnerships

Chief Officer Responsible for the report:

Ian Floyd

Chief Operating Officer

Report

Approved

Date

07/12/20

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report



Executive**15 December 2020**

Report of the Chief Operating Officer
Portfolio of the Leader of the Council

City of York Council Recovery and Renewal Strategy – December Update**Summary**

1. This report provides an update on activities both directly in response to Covid-19 and the work to support recovery and renewal. This follows previous Executive decisions to approve the Recovery and Renewal Plan, which frames the Council's recovery activity for this year.
2. In this month's report, the changed arrangements and implications in respect of the end of the second lockdown and the return to Tier 2 restrictions are discussed.

Recommendations

3. Executive is asked to:
 - a. Note the contents of the report

Background

4. On 25th June, Executive received a report to outline the council's 1-year Recovery and Renewal Strategy. This highlighted the need for a revised set of strategies to address the very significant and immediate impacts of coronavirus across all aspects of life in our city.
5. The strategy set the following principles upon which we will build our response:
 - a. Prioritise the health and wellbeing of our residents, against the immediate threat of coronavirus and the consequences of changes to the way we live. Public Health guidance will be paramount in all the decisions we make.

- b. Support the economic recovery of the City, helping to create a strong, sustainable and inclusive economy for the future. Learning lessons from the challenges of coronavirus, promote a system that utilises the strengths of our city and region to the benefit of all York’s residents and businesses.
 - c. Protect and prioritise the City’s environment and reinforce our work to mitigate and adapt to climate change.
 - d. Pursue improvements in service delivery where they have been identified as part of the Response phase, creating a more efficient and resilient system.
 - e. Reinforce and restore public confidence in the resilience of public agencies and resilience to future challenges and emergencies.
6. Included in June’s report was a One Year Transport and Place Strategy, as the first part of the economic recovery approach. A report in July supplemented this with a Business Support Plan, a Skills and Employment Plan and a Tourism Marketing Plan.

CYC Recovery and Renewal Plan (1 year)				
Economic Recovery Plan			Communities	Corporate
Business Support Plan	One Year Transport and Place Plan	Skills and Employment Plan	Recovery from coronavirus: A community-based approach	Organisational Development Plan
Tourism Marketing Plan				

Latest Outbreak Update

- 7. Given the rapidly changing context in respect of the second period of lockdown, an update on the latest situation will be given verbally to the Executive at the meeting.
- 8. Over the course of the lockdown period, York’s infection rate has continued to fall and is currently significantly below the rates of surrounding areas and the national average. The latest validated 7 day rate at 27.11.20 was 82.6 new Covid cases per 100,000 of population. The national and regional averages at this date were 157.6 and 196.3 respectively.
- 9. On 2 December, the Secretary of State for Health and Social Care praised York for its local test and trace arrangements, highlighting the work with the national system. He said York’s approach would be promoted as an example of the national and local systems working together. To date,

York's local contact tracing team has managed to contact at least 80% of those that the national programme has been unable to contact.

10. On 23 November, the Prime Minister announced the Covid-19 Winter Plan, which outlines arrangement for a revised tier approach, the positioning of vaccinations and support for care homes. A summary of this plan can be found here: <https://www.gov.uk/government/publications/covid-19-winter-plan/covid-19-winter-plan-summary>
11. On 26 November, The Health Secretary announced the arrangements which would follow the end of the second lockdown period on 2 December. This confirmed that York would return to Tier 2. From Wednesday 2 December, Tier 2 allows the following:
 - a. Meet people you do not live with outdoors, in groups of up to six and socially distanced
 - b. Visit York's great shops and Covid-safe hospitality businesses, with their household or support bubble
 - c. Continue to use early years and childcare settings, including childminders, after-school clubs and nannies
 - d. Visit the hairdressers, leisure centres and gyms and other entertainment and personal care services
 - e. Get married - with up to 15 guests
 - f. Attend their places of worship
12. A full list of restrictions can be found here: <https://www.gov.uk/guidance/local-restriction-tiers-what-you-need-to-know#high-alert>
13. The council is continuing to lobby the Government to be moved into Tier 1, reflecting the positive direction of infection rates as a result to the hard work and compliance of York's residents, communities and businesses.
14. The council is also continuing with its corporate lobbying efforts to secure additional funding for local businesses and residents facing financial hardship as a result of the pandemic and the national guidance.

Recovery Updates

Economic

15. Following the confirmation of the latest restrictions, the council reiterated its support for businesses across the city. Businesses are urged to visit <https://www.york.gov.uk/COVID19BusinessGrants> to see the latest information on available grants.

16. On 23 November, the council approved a new grant scheme using the discretionary Additional Restrictions Grant. Having worked with partners and business leaders to decide how to most fairly and effectively use the grant, the application process ran from 23 November to 7 December and covered:
 - a. Businesses effectively forced to close through lockdown but don't qualify for government grants, whether they are liable for business rates or not.
 - b. Businesses where trade is impacted by more than 75% due to lockdown, whether they are liable for business rates or not.
17. Since York's position in tier 2 makes some of the usual Christmas activities in the city impossible, the council has worked with Make It York, York BID and retail, hospitality and tourism businesses, to support a welcoming and safe Christmas experience to enjoy in the city for residents and people who can visit safely.
18. From 2 December, many of York's businesses are back open. Shambles Market also reopening – with a wide variety of independent traders offering local produce, festive gifts and delicious street food. The focus for the city's Christmas marketing this year is to support York's diverse and vibrant local business community by creating a welcoming festive ambience in the city centre. Activity aims to encourage a sense of community, promote shopping local, and support York's local traders – recognising the individual and unique offers of York's businesses who have worked so hard to continue keeping the city safe.
19. Until 10th January (excluding bank holidays), there will be a variety of local street food vendors spread out on Parliament Street serving seasonal food and drinks. A vintage carousel will be operating throughout the festive period. Festive roaming street performers are also in the city centre on the weekends of 12-13 and 19-20 December, moving around key areas of the city to create a fun, visually engaging experience for visitors into the city centre.
20. Whilst this has been a uniquely challenging year for York's economy, there should be some optimism that York has performed well in comparison to many other cities across the country. Centre for Cities rate York's city centre economy as Moderately Strong, performing better than the average for both footfall and spend. Crucially, they also note York's unemployment (measured by Claimant Count) as the lowest of any city they study.

21. There is no reason to be complacent, but through York's inherent strengths and the hard work of businesses and other organisations, York is in a position where it has the potential to recover more quickly and strongly than many other places. The continued efforts over the coming months to support York's economic activity in a safe way will be key to supporting this recovery. We recognise that for those who have been impacted directly, the challenges are significant. We also recognise that this is the beginning of the phases of economic impact and it will take a number of years (based on national economic forecasts) for the economy to return to pre-Covid strength.

Communities

22. The council is continuing to ensure that additional free school meals are supported during the school holidays and help with food and utility bills, for households struggling in the pandemic, is available. The Covid Winter Grant Fund was announced by the Government on 8 November 2020 and plans have been developed to use it to support residents and their families. York has received £416,729.

23. Around £200,000 of the fund will go towards providing free school meals over the Christmas, February half term and the Easter holidays. The funding will also provide extra support to families - with or without children until 31 March 2021. It can help with:

- a. Food and other household essentials, such as toiletries
- b. Energy bills – electricity, gas, oil
- c. Water bills (including sewerage)

24. There is also some limited additional funding for:

- a. Mobile phone and internet connection/data bills
- b. Other exceptional emergency costs.

25. The proposed scheme is open to applications from all York residents who are over 16 years of age and who need urgent financial assistance as a result of the Coronavirus pandemic. They must be financially impacted by the pandemic and have savings of less than £2,000. The rules of the funding mean that 80% is allocated to families with children and 20% to those without children who may be vulnerable for a variety of reasons and suffering from severe hardship.

26. Recognising the impact that the pandemic has had on mental health, the council has worked with partners to launch a new campaign asking us all to talk more about how we are really feeling during the pandemic, and to share and use resources to support our wellbeing.
27. Recent data from Our Big Conversation consultation, which asked residents to share their thoughts about the pandemic, identified that nearly 50% of residents felt less emotionally healthy as a result of covid-19 with 57% less optimistic about the future.
28. To address this, partners across the city are encouraging more openness to help make talking honestly and openly about our mental health or difficult emotions more usual. The campaign, called #FeelRealYork, aims to signpost available support whether for ourselves or others to help benefit or maintain our mental fitness.
29. The campaign partners include mental health service providers Tees, Esk and Wear Valleys NHS Foundation Trust (TEWV), the Vale of York CCG, Time To Change York, LiveWellYork, higher education providers, North Yorkshire Police and York and North Yorkshire LEP.

Corporate

30. City of York Council is urging residents to get involved and share their views in the latest instalment of York's Our Big Conversation. Over the coming months, residents will be invited to share their views on a variety of challenges identified in the first part of the consultation. People can take the survey at www.york.gov.uk/OurBigConversation or fill in a survey within the next edition of Our City.
31. The first part of the consultation has already helped inform the council's approach to communications during the pandemic, for example:
 - a. Although 96% of people surveyed were confident they were sticking to public health rules, 68% lacked the confidence that other people would observe them correctly. This led to a new campaign called "We've got it covered", which showed people across York how to take steps to keep each other safe in different settings, including retail and transport.
 - b. Council guidance (84%) is more understood than government guidance (80%), with the council continuing its multi-channel approach, including Press Releases, Facebook live sessions and opt-in e-newsletters for residents, businesses and families.

- c. Of more concern, nearly 50% of the city feels less emotionally healthy with 57% less optimistic for the future. As a result, the council has worked with partners to develop a campaign that aims to support people with their emotional wellbeing during these difficult times - #FeelRealYork (noted above) launched this month and will continue throughout the year.
- d. Feedback helped to ensure the council was prioritising the right support during lockdown, with 80.5% supporting the creation of a £1m financial support scheme for residents, and 87.5% supporting the creation of a £3m grant fund for small, local and self-employed businesses which didn't receive Government support.

32. The Chancellor of the Exchequer delivered his one-year Spending Review to Parliament on 25 November 2020, in which there were new announcements related to Local Government finances. Whilst an increase in spending power of 4.5% was announced for Local Government, on analysis of the detail, it can be seen that this spending power comes predominantly from council tax increases and the social care precept.

33. The Council has also been formally recognised for its communication support to local residents, businesses and communities with a Bronze Award at the Public Sector Communication Excellence Awards. This year, in responding to the coronavirus pandemic, the award recognises that the Council's communications response to the pandemic has been in supporting York's communities, businesses and residents in reducing the spread of the infection and supporting a safe economy.

Council Plan

34. The Recovery and Renewal Strategy outlines activities for the next year to allow the continued achievement of Council Plan outcomes.

Implications

- **Financial** – No specific impacts identified in this report.
- **Human Resources** – No specific impacts identified.
- **One Planet Council / Equalities** – A principle of recovery is to ensure climate change is considered in decisions taken. The economic recovery plans recognise and respond to the unequal impact of coronavirus and the risk of increasing levels of inequality as a result.
- **Legal** – No specific impacts identified.
- **Crime and Disorder** – No specific impacts identified.

- **Information Technology** – No specific impacts identified.

Risk Management

35. There remain significant areas of risk in responding to this crisis across all areas of recovery. The highest priority continues to be the health and wellbeing of residents and all planning and decisions will be taken with this in mind.

Contact Details

Authors:

Will Boardman

Head of Corporate Policy and
City Partnerships

Chief Officer Responsible for the report:

Ian Floyd

Chief Operating Officer

Report Date 07/12/20
Approved

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Reports

Update on Coronavirus Response – 7 May 2020

<https://democracy.york.gov.uk/documents/s139955/Coronavirus%20Executive%20Report.pdf>

City of York Council Recovery and Renewal Strategy - June

<https://democracy.york.gov.uk/ieIssueDetails.aspx?IId=59688&PlanId=0&Opt=3#AI55501>

CYC Recovery and Renewal Strategy Update – July

<https://democracy.york.gov.uk/mglIssueHistoryHome.aspx?IId=59899>

CYC Recovery and Renewal Strategy update - August

<https://democracy.york.gov.uk/ielIssueDetails.aspx?IId=60167&PlanId=0&Opt=3#AI55914>

CYC Recovery and Renewal Strategy update – September

<https://democracy.york.gov.uk/documents/s142400/Recovery%20and%20Renewal%20Update%20Report.pdf>

CYC Recovery and Renewal Strategy update – October

<https://democracy.york.gov.uk/ielIssueDetails.aspx?IId=60724&PlanId=0&Opt=3#AI56530>

City of York Council Recovery and Renewal Strategy - November Update

<https://democracy.york.gov.uk/documents/s144127/Recovery%20and%20Renewal%20Update%20-%20November%202020%20v0.3.pdf>

This page is intentionally left blank



Executive**15 December 2020**

Joint Report of the Chief Operating Officer / Chief Finance Officer

Portfolio of the Executive Member for Finance and Performance

New Stadium Leisure Complex Commercial proposal on restaurant units**Summary**

1. The purpose of this report is to update Executive on the Commercial Deal that was agreed by Executive (19th October 2017) regarding the financial receipt due to the Council in respect of disposal and development of land adjoining the Community Stadium. That report informed Executive that the final receipt would be dependent on the number of restaurant units let at the time of Practical Completion. As Practical Completion approaches that risk has crystallised in that no units have been let and this report provides options as to the way forward.
2. The report highlights the financial impact of the current position alongside a commercial offer from the developer as to whether the council would wish to accept a lease for taking the units alongside a capital receipt or to take ownership of the units and forego a capital receipt. In doing so this report highlights the risks and advantages of the three options available.

Recommendations

3. Executive is asked to approve Option 1 and
 - (i) To accept that the 3 restaurant units are not let at Practical Completion and to accept the associated reduction in capital receipt of £1.375m towards the Stadium project.
 - (ii) To recommend to Full Council that a further £1.375m prudential borrowing be applied to the Community Stadium project to offset the loss of commercial investment in the project
 - ii) To recognise the additional ongoing Treasury Management costs of £96k that will need to be incorporated into future year's budget strategies

Reason –

To ensure the stadium project is fully funded at the lowest risk to council finances going forward

Background

4. The Community Stadium scheme has been developed over a number of years. Some of the key decisions relating to the scheme are highlighted below.
5. In September 2014, the Cabinet confirmed Greenwich Leisure Ltd (“GLL”) as the preferred bidder from the procurement exercise and GLL have been working with the Council and a wider team of partners since their appointment to finalise the NSLC scheme. This included noting the increase in budget and that the project would be partly funded from a £12m commercial land deal.
6. In 2016 the Executive agreed to a procurement bid from GLL to build a new stadium and leisure facilities at Monks Cross. The funding was approved by Full Council including the £12m assumed capital receipt from the commercial land deal.
7. In July 2017 – Executive noted lower the lower commercial land deal and the updated financial position and agreed to proceed to financial close.
8. In Oct 2017 Executive noted the new risk regarding the value of the Commercial Units would be subject to a reduced value if not let at practical completion.
9. The units included in the deal are located within the south east stand of the new stadium complex. They each are approximately 3,000 sq ft.
10. In order to secure finance for these new facilities agreements for separate land transactions were entered into with Legal & General (L&G). These were: i) the freehold sale to L&G of the cinema site and associated car park land for £4.85m and ii) the granting of a long (250 year) lease to L&G of 3 restaurant units within the East stand of the stadium on practical completion for a Premium of £3.825m. This value would be due if 2 of the 3 units were let by the time of completion of the build. This amount would be reduced by £0.6875m if only one of the units were let and reduced by £1.375m if no units were let at that time. This risk was accepted by Executive (19th October 2017) as a way of progressing the scheme and avoiding significant abortive costs. It should be noted that the developer also offered a contribution of £70k towards the council’s costs should the risk materialise. The agreement obliged L&G to use reasonable endeavours to secure tenants for the 3 units on reasonable commercial terms.

11. At present none of the units have been let by L&G and therefore the council is not due the £1.375m.
12. A proposal has now been presented whereby the Council can take a 25 year lease of the units from L&G under the terms in Confidential Annex 2, meaning the units are technically let at completion. This would ensure the Council receives in full the additional £1.375m in capital payments.
13. Accepting a lease of these 3 units would also enable the Council to facilitate sublettings for the units to a wider market as the Council could review offers from local and smaller businesses that would not be considered under L&G's corporate benchmark although sublettings are subject to L&G's approval.
14. The Full Council approvals in March 2016 were based upon receiving the full £1.375m toward the new stadium and leisure complex budget, whilst noting this as a significant risk, and as such if these monies are not received the project budget will be in deficit and require further approvals.
15. There has also been a further offer from L&G whereby the council take ownership of the units but receive no financial contribution from L&G. The council would lose the full £3.8m premium referred to in paragraph 9 as well as a £0.63m capital contribution from L&G to the building costs of the units within the stadium. This would result in a financial contribution to the project £4.43m lower than the budget.
16. Strategically, this is therefore an opportunity for the council to support the economic prosperity of the city now and in the future albeit with a financial risk.
17. Executive therefore has three options as detailed below:

Option 1:

18. To accept the units are not let and that the £1.375m will not be received from L&G.
19. In accepting option 1 Executive needs to be aware it therefore needs to approve a further £1.375m of capital to cover the shortfall in the project budget.
20. The full costs of the borrowing required to finance this amount over the 25 years of the lease offered by L&G are covered in the business case in appendix 1.

Option 2:

21. To take a 25 year lease from L&G for the 3 units on the terms included in confidential Annex 2.
22. This secures in full an immediate payment of £1.375m of capital to the project budget and therefore requires no further approvals at this point.
23. The proposed lease would be for a term of 25 years, and the council would be responsible for all void periods and statutory service charges as well as a service charge to the landlord.
24. A base case has been modelled along with two other scenarios a “better case” which assumes higher rents in future years and shorter void periods and a “worse case” which assumes lower rents and longer void periods.
25. The outline business case is set out in the confidential appendix which sets out the return on the potential investment. The business case is based upon borrowing over 25 years and minimum revenue provision based on a commercial assessment. The lease terms being offered to the Council would make the Council (as tenant) responsible for ongoing repairs and maintenance of the property. As and when the Council sublets the units these obligations would be passed on to the occupiers (subject to terms of the subleases).

Option 3:

26. To accept full ownership of the units, thereby allowing Legal & General to walk away without further financial contribution.
27. To accept the loss in full of the £4.4m capital agreement with Legal & General.
28. In accepting option 3 Executive needs to be aware it therefore needs to approve a further £4.4m of capital to cover the shortfall in the project budget.
29. The financial implications of Option 3 are significant in terms of capital loss. The benefit is the value and retention of the units under Council ownership. There would be no rent to pay on this option and all revenue and lettings would be to the benefit of the Council. This must be balanced against the prudential borrowing costs of securing the units as Council assets.

Analysis

30. Each of the above options are considered below. Whilst financial costs can be modelled there are a number of other economic impacts that could be

considered as part of the development. There also are considerations as to the level of risk that the council will want to accept prior to making a decision.

Option 1 – To accept the units are not let

31. Option 1 has a clear financial impact of an immediate direct loss of the £1.375m capital payment to the project budget and therefore further approved funding would be required. The total cost of borrowing £1.375m over 25 years equates to £2.34m and therefore has an ongoing revenue cost of c £96k per annum. In year 1 this would reduce by £70k contribution from the developer.
32. The units will remain in the ownership of the L&G and they will be responsible for the letting of the units.
33. It is possible that the units will remain unlet given the current economic climate particularly around restaurant use.

Option 2 – To take a 25 year lease from L&G

34. Option 2 represents a full capital return on the land agreement approved with L&G in 2017. This enables the project budget to move to close down and reconciliation without the need at present for further capital finance into the project.
35. The council will pay a commercial rental to L&G for retaining the units and be responsible for subletting the units. The council will need to accept the risk that when the units are void the council is responsible for service charges, business rates and marketing costs. Also when the units are let the council needs to accept that there may be occasions when the values of rents receivable are lower than the rent paid to L&G.
36. Whilst the council is responsible for letting the units it is possible that it may be possible to fill the units.
37. A significant risk to accepting the units is that the owner/ developer has stated that the council would need their prior approval, acting reasonably, to any proposed future letting of any of the three units. Whilst further work would be required in evolving the proposed terms within an agreed formal lease documentation, there is a risk that the owner/ developer could reject the council's wish to under let a unit, if say they disagreed with the type of use or nature of the deal put forward and were able to demonstrate that this would cause a reasonable degree of loss to their interests. This could include the Council's ability to let a unit at a particular level of rental (if

below the considered market rate at the time). The effect of such would be to provide a risk in the ability of the council to secure an occupier. The result would be a negative impact on revenue, with the Council legally bound to pay the developer a rent irrespective of whether the units were occupied, as well as bearing the incidence of all property holding costs. In such a scenario, this would potentially result in a significant risk in physically achieving occupation of the units whilst continuing to pay rent. There are also restrictions on the ability to let the units for certain uses given that other deals already undertaken on the complex would prohibit the council leasing out one of the units which would unduly compete with those already let.

Option 3 - To accept full ownership of the units, thereby allowing Legal & General to walk away without further financial contribution.

- 38. Option 3 has a clear financial impact of an immediate direct loss of the £4.4m capital receipt to the project budget (£3.0m higher than Option 1) and therefore further approved funding would be required. The total cost of borrowing £4.4m over 25 years equates to £7.7m and therefore has an ongoing revenue cost of c £308k per annum.
- 39. Within this option the council takes ownership of the units and is therefore not subject to restrictions of the needing approval to subletting the units.
- 40. This option provides the greatest opportunity for the units to be let however does come with a significant long term financial cost. The Council has taken external valuation advice that suggests in the current market the value of the units are lower than the additional receipt foregone by the council (£3.0m).
- 41. The council is however still liable to business rates and service charges whilst the units are not let.

Financial Analysis

42. The options around the decision have ongoing cost implications to the council. The modelled cost of the various scenarios is shown by year in appendix 1 using assumptions shown in confidential annex 2. The overall costs shown in the table below. These are deemed to be the most likely outcomes based on recent market conditions. However there are scenarios where the costs could be significantly lower should the development be particularly successful or potentially worse should units take longer to let.

Option	Modelled Cost over 25 years	Average per annum
--------	-----------------------------	-------------------

1 – Not receive £1.375m receipt	£2,337k	£96k
2 – Take a 25 year lease	£2,066k - £6,018k (Base £4,328k)	£83k - £241k (Base £173k)
3 – Not receive £4.4m receipt and take 3 units	£3,727k - £7,710k (Base £5,990k)	£149k - £308k (Base £239k)

43. Option 1 will require council approval to borrow a further £1.375m in lieu of the commercial receipt that will no longer be forthcoming. This will require an additional £96k to be included into the Treasury Management budget to reflect the additional borrowing costs. This would need to be incorporated in the 2021/22 budget strategy
44. All of the scenarios across Option 2 demonstrate that the council will have a significant annual net cost. There are significant risks associated with letting the units and potential long term costs dependent upon the lettings market. This brings with it inherent risks of void periods and therefore costs for statutory services, and service charges as well as Business Rates. The most significant sensitivity with regard the financial outcome relates to the number of units that are let at any one time. If all units are let at aggregate/combined annual rent at least equal to rent payable by the Council to L&G then there is no cost to the council but each void unit costs up to c £151k per annum.
45. Option 2 will require the council as part of future budget process to add in a provision to fund the ongoing losses that will occur over the 25 year period. The net cost will be dependent on the number of units that are let at any time and will vary over years. The figures in Table 1 show that this value is likely to be higher than that required for borrowing in the base case being an average of c £170k per annum.
46. Option 3 is more expensive to the council as the annual cost of borrowing is held by the council. Even when the units are fully occupied there is a net cost to the council. The level of this will be dependent on the level of commercial rents achieved. When units are vacant the cost to the council becomes significantly greater.
47. Option 3 will require council approval to borrow a further £4.4m in order to take ownership of the units. The borrowing costs over 25 years equate to £308k per annum. This will be offset by rents when occupied but would still lead to an average loss of over £240k per annum on the base case. This financial liability would need to be identified within the 2021/22 budget strategy.

48. It should be noted that under this option the council retains the asset beyond year 25.

Conclusions

49. From a purely financial perspective based on current rental levels and market analysis it is concluded that option 1 provides the council greatest financial certainty and limiting future liabilities. Following the pandemic the level of rents that can be expected letting the units in the early years are lower than those that will need to be paid to the Landlord. Whilst the market can be expected to improve over future years that would be a risk that the council would need to accept and make appropriate financial provisions.

50. There are scenarios whereby taking ownership of the units does provide wider economic benefits however they come at a cost to the council.

51. For this reason the recommendation to the report is Option 1.

Council Plan

52. The Stadium project supports a number of themes across the council plan. In particular the proposed New Stadium and Leisure Centre scheme delivers significantly enhanced leisure facilities for residents, including securing the continued operation of Yearsley Swimming Pool (subject to the ongoing Review). The major investment in facilities also creates jobs, significant community use, creates wider economic benefits for the city, and sees a significant uplift in business rates income.

Consultation

53. Scrutiny Management Committee have been requested to provide their comments on the proposed commercial offer and they will be provided to the Executive.

Implications

54. The implications are

Financial – These are included within the report and the key points repeated below

Option 1 (recommended option) will require council approval to borrow a further £1.375m in lieu of the commercial receipt that will no longer be forthcoming. This will require an additional £96k to be included into the Treasury Management budget to reflect the additional borrowing costs. This would need to be incorporated in the 2021/22 budget strategy

Option 2 will require the council as part of future budget process to add in a provision to fund the ongoing losses that will occur over the 25 year period. The net cost will be dependent on the number of units that are let at any time and will vary over years. The figures in Table 1 show that this value is likely to be higher than that required for borrowing in the base case being an average of c £170k per annum.

Option 3 will require council approval to borrow a further £4.4m in order to take ownership of the units. The borrowing costs over 25 years equate to £308k per annum. This will be offset by rents when occupied but would still lead to an average loss of over £240k per annum on the base case. There are also high forecast costs in the early years prior to units being let. This financial liability would need to be identified within the 2021/22 budget strategy.

Human Resources (HR) – There are no HR implications to this report

One Planet Council / Equalities – There are no specific one planet council or equalities implications arising from the decision set out in the report.

Legal –

Regarding both Option 2 (i.e. that the Council take a 25 year sublease back of the 3 units from L&G) and Option 3 (that the Council take back/acquire full ownership of the 3 units from L&G):

Section 120 of the Local Government Act 1972 gives the Council power to acquire (including taking a lease of) by agreement any land/property:

- (i) for the purposes of any of its functions under that Act or any other Act or
- (ii) for the purposes of the benefit, improvement or development of the Council's area or
- (iii) for any purpose for which the Council is authorised by that Act or any other Act to acquire land

It is considered that as both Option 2 and Option 3 would involve entering into a lease (but not any redevelopment works etc), this would be authorised by Section 120. (Therefore, the Council would not need to rely on the 'general power of competence' granted by Section 1 of the Localism Act 2011 and so section 4 of that Act would not require to take the lease in the name of a Council-owned company even if it was considered that the Council's primary purpose in taking a lease is 'commercial' (revenue/profit driven) rather than primarily for non-commercial reasons.)

If the Council accepts a sublease back from L&G then (depending upon the precise terms of any actual sublease) the Council should be entitled to

assign(transfer) the lease to someone else or to sub-underlet the units to someone else, subject to obtaining the prior written consent of L&G.

Information Technology (IT) – There are no IT implications

Crime and Disorder – There are no crime and disorder implications

Property – All property implications are covered in the report.

Risk Management

55. Option 1 leaves the council with a minimal risk in that the cost of the additional borrowing is known and can be budgeted. This option however means that if the development is successful and fully let the council will have foregone additional income.

56. Options 2 and 3 involves the council taking additional financial risk. As with all property acquisitions there is a risk that the value of the property may decrease over time. There is also a risk that there may be a level of empty properties or voids. The business case makes provision for that risk and specialist advice has been obtained to provide an independent view of the anticipated revenues from the development.

Contact Details

Author:

Chief Officer Responsible for the report:

Patrick Looker – Finance Manager
Tel No. 551633

Ian Floyd – Chief Operating Officer

Debbie Mitchell – Chief Finance Officer

Date

04/12/2020

Specialist Implications Officer(s)

Property – Nicholas Collins
Head of Asset and Property Management
Tel No. 552167

Wards Affected: All

**For further information please contact the author
of the report**

Background Papers:

Annexes

Appendix 1 – Summary of Business case.

Confidential Appendix 2 – Financial Appraisal Assumptions

List of Abbreviations

GLL – Greenwich Leisure Limited

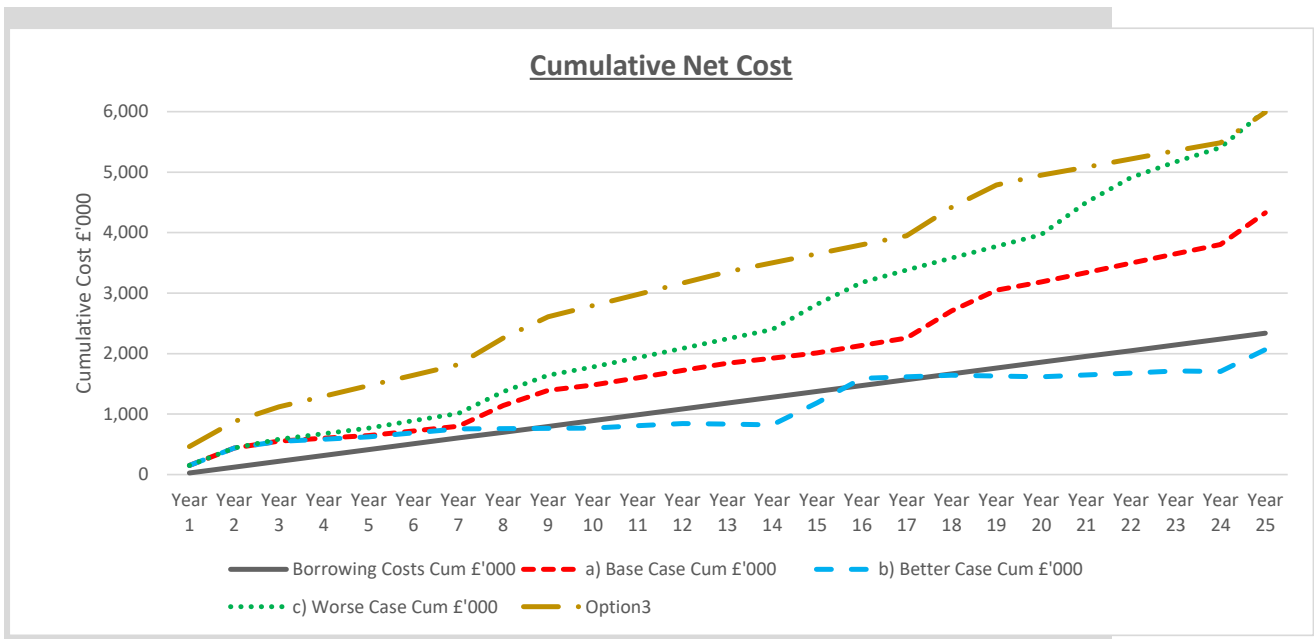
L&G – Legal and General

This page is intentionally left blank

Financial Appraisal of Lettings Options

Business Case - all figures nominal

	Option 1		Option 2 CYC sublet 3 units						Option3	
	Current Deal		a) Base Case		b) Better Case		c) Worse Case		Base Case	
	Net	Cum	Net	Cum	Net	Cum	Net	Cum	Net	Cum
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year 1	26.3	26.3	150.9	150.9	150.9	150.9	150.9	150.9	462.8	462.8
Year 2	96.3	122.6	286.7	437.6	286.7	437.6	286.7	437.6	414.5	877.3
Year 3	96.3	218.9	116.9	554.5	110.7	548.3	148.0	585.6	244.7	1,122.0
Year 4	96.3	315.2	46.0	600.5	36.8	585.1	92.0	677.6	173.8	1,295.9
Year 5	96.3	411.5	46.0	646.5	36.8	621.9	92.0	769.6	173.8	1,469.7
Year 6	96.3	507.8	75.3	721.8	66.1	688.0	121.3	890.9	173.8	1,643.6
Year 7	96.3	604.1	75.3	797.1	66.1	754.1	121.3	1,012.2	173.8	1,817.4
Year 8	96.3	700.4	342.9	1,140.0	4.5	758.6	357.8	1,370.0	441.5	2,258.9
Year 9	96.3	796.7	251.2	1,391.2	4.5	763.1	271.1	1,641.1	349.8	2,608.6
Year 10	96.3	893.0	86.9	1,478.1	4.5	767.6	136.2	1,777.3	185.4	2,794.0
Year 11	96.3	989.3	120.9	1,599.0	38.5	806.1	155.3	1,932.6	185.4	2,979.4
Year 12	96.3	1,085.6	120.9	1,719.9	38.5	844.6	155.3	2,087.9	185.4	3,164.8
Year 13	96.3	1,181.9	120.9	1,840.8	-11.8	832.8	155.3	2,243.2	185.4	3,350.2
Year 14	96.3	1,278.2	84.7	1,925.5	-11.8	821.0	155.3	2,398.5	149.3	3,499.5
Year 15	96.3	1,374.5	84.7	2,010.2	363.6	1,184.6	417.7	2,816.2	149.3	3,648.8
Year 16	96.3	1,470.8	124.1	2,134.3	403.4	1,588.0	357.7	3,173.9	149.3	3,798.1
Year 17	96.3	1,567.1	124.1	2,258.4	27.6	1,615.6	209.6	3,383.5	149.3	3,947.4
Year 18	96.3	1,663.4	446.5	2,704.9	27.6	1,643.2	194.7	3,578.2	471.7	4,419.0
Year 19	96.3	1,759.7	342.4	3,047.3	-13.8	1,629.4	194.7	3,772.9	367.5	4,786.6
Year 20	96.3	1,856.0	137.7	3,185.0	-13.8	1,615.6	194.7	3,967.6	162.9	4,949.5
Year 21	96.3	1,952.3	154.6	3,339.6	31.9	1,647.5	528.1	4,495.7	134.1	5,083.6
Year 22	96.3	2,048.6	154.6	3,494.2	31.9	1,679.4	416.3	4,912.0	134.1	5,217.7
Year 23	96.3	2,144.9	154.6	3,648.8	31.9	1,711.3	255.3	5,167.3	134.1	5,351.8
Year 24	96.3	2,241.2	154.6	3,803.4	-7.6	1,703.7	240.4	5,407.7	134.1	5,485.9
Year 25	96.3	2,337.5	524.6	4,328.0	362.3	2,066.0	610.3	6,018.0	504.0	5,989.9



This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



Executive

15 December 2020

Report of the Chief Finance Officer and the Director of People
Portfolios of the Executive Members for Culture, Leisure & Communities
and for Economy & Planning

Make It York – Impact of Covid-19**Summary**

1. Make It York (MIY) has formally approached the council for financial support to mitigate the impact of Covid-19 on the company. This paper proposes a series of actions to respond to MIY's request.

Recommendations

2. The Executive is asked to agree to:
 - a) Waive the requirement for MIY to make a revenue return to the council in 20/21 in respect of trading activity across the city centre
 - b) Defer the first two quarters rent due from MIY in 20/21 for use of premises on Museum Street and Silver Street offices
 - c) A loan facility from the council of £300k to be accessed by MIY only if necessary
 - d) Officers to provide a letter of guarantee to MIY with access to a maximum of £1m over the next 2 years should it be required.

Reason: to secure the future of Make It York.

Background - The impact of Covid-19

3. Whilst MIY was previously financially successful, meeting its budget targets and producing a £35k annual dividend for the council, the last two quarters have been extremely difficult for the company, as they have for millions of businesses across the country. MIY's revenues have been decimated and, although the company's board has reduced costs and cut all non-essential spend, these measures have not been sufficient to ensure the business's commercial viability.

4. A report to the council's Shareholder Committee on 5 November set out the company's current financial position and the forecast to March 2025, including details of projected income growth and cost reduction measures, together with associated risks. The report sought to strike a balance between taking the necessary measures to mitigate MIY's current financial position and maintaining sufficient capacity to deliver a meaningful and useful service. The Shareholder Committee asked the MD to do further work to strengthen the evidence base for the projections, to refine them, and to update them to reflect the effects of the current lock-down. That work is reflected in the current paper.
5. Having begun the year relatively cash rich, MIY is now coming to the point where its cash and reserves are almost exhausted, and the company is in a negative balance sheet position. If no action is taken, the following would result:

To March 2021:

- a) Profit and Loss: (£1,260k)
- b) Balance Sheet: (£1,145k)
- c) Year-end cash: (£420k)

To March 2022:

- d) Profit and Loss: (£135k)
- e) Balance Sheet: (£1,280k)
- f) Year-end cash: (£552k)

The Council's company

6. MIY's directors have a legal duty not to run an insolvent business. Unless the council intervenes to support MIY's financial position the directors would have to appoint a liquidator / insolvency practitioner without delay in order to wind up the company.
7. If MIY does not remain a going concern the consequences for the council and for the city will be severe. MIY is wholly owned by the council and, as the city's destination management and city marketing organisation, is charged with providing key functions relating to tourism, inward investment, business support, culture, events and city centre management. Key points to note are:
 - There would be major disruption to services if MIY were to be wound up. Notably, Visit York (VY) would immediately cease to function, severely limiting the city's post Covid-19 recovery

plans. The loss of VY would also cause significant damage to the long-term development and management of York's vital tourism economy and would have major repercussions within the sector at both local and national level.

- There would also be disruption to vital operational areas such as management of Shambles Market until such time as alternative management arrangements could be determined and put in place.
- Any requirement to bring services within the council would be complex and disruptive since MIY has its own terms and conditions, reflecting its commercial sector positioning, and any transfer would be subject to TUPE arrangements. Such a transfer would involve the council in very significant additional ongoing expenditure as staff transferred onto council terms and conditions.
- The MIY Teckal company model has been commercially successful for the council reducing the initial subsidy required by MIY from £554k p.a. in 2015 to £290k p.a. currently and facilitating investment in new products and services. This has been achieved through the entrepreneurialism facilitated by the company model leading to the development of new and increased income streams. The benefits of this commercial approach would clearly be lost if MIY were to be wound up.
- If MIY were to be wound up in December the company would leave significant debts. In particular, the company would not have sufficient cash to make the legally required redundancy payments that would be owing to staff. There would therefore be a real prospect of a large number of staff being made redundant without any compensation.
- As the company is wholly owned by the council there is no doubt that its creditors would look to the council for restitution.

Assumptions underlying MIY's projections

8. Profit and loss, balance sheets and year-end cash forecasts are attached as annexes to this paper. They are based on the following assumptions.

Cost reductions:

9. MIY has taken advantage of the government's furlough and furlough extension schemes with respect to VIC and city centre teams. Staff will return from furlough in December if lock-down ends. MIY also took advantage of the government's VAT and rates deferrals. The

other opportunity potentially available to MIY was a Coronavirus Business Interruption Loan; however, given that the company would require a facility of up to £750k for the next two years, and that the bank would require Directors' guarantees in respect of 20% of that, this was not a realistic option.

10. All operating costs have been scale back wherever possible: waste collection, heating, cleaning, security, consumables, etc. It would be possible to reduce costs further by keeping the VIC closed for the five remaining months of this financial year, saving £18,500. As a core MIY function, however, essential to the city's recovery, this is not recommended.
11. The MIY team have considered the scope to reduce property costs; however, the costs of moving and fit out will not currently deliver a saving. This will be monitored over the coming months and may become an option if realistic alternatives become available including an alternative use for the existing premises. The principal opportunity to save costs now is a programme of redundancy and the financial effects of this have been factored into the projections. Options for how these staffing reductions will impact are being considered alongside discussions between the board and the council with regard to MIY's future role.

Revenue projections:

12. Projections across the key areas of the business are as follows:

	Original budget 20/21	Revised budget 20/21	Projected budget 21/22	Projected budget 22/23
VY Membership	£325k	£180k	£249k	£249k
MIY Membership			£50k	£50k
VIC	£833k	£81k	£417k	£639k
Website advertising	£57k	£40k	£77k	£100k
York Pass	£693K	£161k	£350k	£519k
Publications	£299k	£100k	£250k	£250k
Shambles Market	£629k	£321k	£795k	£795k
Other City Centre	£160k	£0	£174k	£174k
Christmas	£875k	£0	£656k	£975k

13. The basis on which these various projections are made is shown in Annex 1. The projections take a prudent approach with regard to income streams that depend on customer footfall; however, reductions are balanced to some degree by new income streams to be delivered by employing new skills within the organisation, such as digital marketing expertise, which will deliver a more proactive approach to sales, including through targeting new organisations. Wherever applicable the projections are based on feedback from existing clients / partners.
14. The projections are of course subject to a range of variables including the ongoing impact of Covid-19. Depending on the length of the crisis, together with limitations on business operation, consumer demand, restrictions on travel, and the wider impact on the economy, the “actuals” may be worse than those forecast. Equally, they may be better. In preparing the forecasts, MIY’s accountants, Morrell Middleton, have sought to take a conservative approach albeit one informed by discussion with around 80 relevant sectoral businesses (drawn from the approximately 700 businesses that they support) with regard to levels of business confidence going forward. Ultimately, should MIY perform less well financially than forecast, it will be necessary to renegotiate elements of delivery through the service contract in order to allow MIY to reduce its costs further.
15. It should be noted that MIY’s accountants have projected that any further lock-down would see a loss of gross profit of circa £90k per month. If Christmas 2021 were to fall within a period of lockdown that gross loss of profit is likely to reach £1m.

Make It York’s ask of the council

16. To enable MIY to continue to operate and deliver its services while also allowing the business the opportunity to return to a positive balance sheet position during the 24/25 financial year, the board of MIY has requested the following from the council:
 - a) 20/21 revenue contribution from MIY to CYC in respect of trading in Shambles Market, the foot streets and Parliament Street to be written off. The rationale for this is that due to the COVID crisis MIY has not been able to utilize these assets (including over Christmas which, for accounting purposes makes up over 50% of the rent). The exception to this is Shambles Market, although that has had a significant period of closure and then rent-free occupation. The sum in question is £474k.

- b) Defer 20/21 rent on Museum Street and Silver Street offices. It is proposed that the first two quarters rent are deferred in line with other council tenants. A repayment plan is currently being negotiated with the company with respect to the sum owing.
- c) A loan facility from CYC of £300k to provide a degree of ongoing operational security. To be accessed only if necessary.
- d) A “parent company guarantee” from the council until such point as a positive Balance Sheet position is restored (currently forecast as during the 25/26 financial year). It is not intended that this should lead to expenditure on the part of the council; however, it will provide a guarantee that the council will cover MIY’s liabilities should the company fail. This is required for audit purposes to demonstrate that MIY is a going concern until the Balance Sheet position is restored.

17. The impact of the requested package in MIY’s financial position is forecast to be as follows:

Financial Year	Profit and Loss £'000	Balance Sheet £'000	Year-End Cash £'000
March 2021	(696)	(581)	144
March 2022	(135)	(716)	12
March 2023	194	(521)	222
March 2024	360	(161)	567
March 2025	338	177	885

18. The table above reflects that the company would return to profitability in 2022/23 and retained profit in surplus by 2024/25. There will be further options for cost reduction / income generation to bring this position into a positive position in advance of this date.

What MIY will deliver for the council

19. The current contract between MIY and the council comes to an end on 31 March 2021. Detailed discussions are taking place between the company and officers with regard to the key elements of the contract specification for the next period. Clearly, what MIY can deliver for the council is closely linked to the funding that is available to it. A report on the contract specification will be brought back to the Executive in February. This will also set the ongoing annual

funding to MIY by the council in respect of the service contract going forward.

Options

20. The Executive may:
 - a) Agree the financial support package requested by MIY
 - b) Decline to provide the requested support package

Analysis

21. Option a) offers the prospect of MIY returning to being a going concern as it was before Covid-19. With a lower cost base, a high quality and clearly focussed staff group, MIY will be in a strong position to “build back better”. It will allow for more detailed discussions to take place with the council over the shape of the contract from April 2021 and for options to be developed with regard to the priorities that MIY should address for the council. It will also allow for discussion to take place with regard to the ongoing level of the council’s financial support to MIY during the next contract period.
22. Option b) would result in the MIY directors, in line with their legal duty, ceasing to operate the company as an insolvent business and taking the necessary steps to wind it up. This would lead to the immediate cessation of the important functions that MIY provides, for example, its destination management role. This, in turn, would require the council to decide whether to provide any of MIY’s functions within the council. If so, relevant MIY staff would be subject to TUPE transfer. A winding up of the company would also mean that its financial deficit could not then be recovered and its liabilities would need to be addressed immediately. A large part of MIY’s debt is owed to the council but there are other creditors and they will inevitably look to the council, as MIY’s sole shareholder, to cover MIY’s debt.

Council Plan

23. The proposals in this report further the priorities in the Council Plan with regard to *well-paid jobs and an inclusive economy and safe communities and culture for all*.

Implications

24. **Financial:** The budgetary impact of the recommended position is a budget gap within the Economy and Place budget of £474k in 2020/21 as the planned rental payments will not be received. It is proposed that the cost of this is funded from the general Covid-19

support grant. This will be incorporated into the Monitor 3 update to Members in February 2021. The deferral of rents will result in a reduced rent commercial rent received in 2020/21 but will still be due in future years.

25. Should a cash loan be required by MIY there is capacity within the Venture Fund to provide funding over a short term position to assist with cash flow issues (one to two years).
26. Should Members decide to decline the support package under option B, the council would be required to assume responsibility for the Assets and liabilities of MIY. This would result in a net increase in liabilities on the council's balance sheet in the Statement of Accounts. The ongoing cost of running the services currently provided by MIY would also return to the Council and potentially result in increased net expenditure.
27. The Council would also have to consider TUPE legislation and the terms and conditions of MIY staff to bring them back in house which could potentially be a time consuming and costly process.
28. Should Members decide to provide a financial guarantee to MIY, additional disclosures and accounting adjustments would be made in the Council's Statement of Accounts in line with the CIPFA Code of Practice.
29. **Legal Implications:** The provision of support to MIY under Option A in the form of writing off the revenue contribution for the year 20/21, rent deferral, a potential loan and a parent company guarantee could amount to State aid under Art. 107(1) of the Treaty for the European Union. In order to be considered to be lawful State aid, the following will need to be put in place:
 - a) Writing off any debt(s) or amounts owed to the Council – any debts written off or re-negotiated by MIY and the Council must comply with the Market Economy Investor Principle, that is to say any deal entered into by MIY and the Council in respect of any existing debt(s) owed by MIY to the Council must be comparable to the behaviour of hypothetical private creditors that find themselves in a similar situation, and any terms offered by the Council to MIY should not be more generous than what the rest of the market is doing.
 - b) Rent deferrals – any rent deferrals again must comply with the Market Economy Investor Principle; in this context, they must be comparable to what hypothetical private sector landlords on the commercial property rental market are doing under comparable

circumstances, and again any terms offered by the Council to MIY should not be more generous than what the rest of the market is doing.

- c) Potential loan/guarantee – any loan or guarantee must also comply with the Market Investor Economy Principle. Any loans or guarantees negotiated between the Council and MIY must be benchmarked and offered on commercial terms that are compatible with those being currently being offered by other private sector loan providers and/or guarantors/sureties on the market generally.
30. Due to the COVID-19 pandemic, the European Commission implemented a State aid Temporary Framework to support the economy which (at the time of writing) was originally due to expire on 31 December 2020, but has now been extended until 30 June 2021 (subject to further review by the Commission). If it were not possible to apply the Market Investor Economy Principle to the rent deferrals or the loan/guarantee, it would be possible to still achieve lawful State aid by applying the provisions set out in the Framework. However, at the time of writing, the European Rules on State Aid (including the Temporary Framework) only apply to the UK until the end of the Brexit Transition Period (i.e. until 23:00 on 31 December 2020). After this time, it remains unclear, at this stage, what the rules will be going forward; e.g. as part of any trade deal agreed between the UK and EU, will current State Aid rules for the most part be kept in UK Domestic Law as “Retained EU Law,” but overseen by domestic oversight body (CMA), or will it be WTO subsidy rules if there is no deal? Therefore, if we intend to apply the provisions of the Temporary Framework then we need to do so by no later than 31 December 2020, subject to any updates and announcements from the UK Government on State Aid post-Transition Period.
 31. Option A will also require the negotiation and drafting of formal loan and/or guarantee agreements, as well as any other legal paperwork to formalise the waiver of the revenue contribution for 20/21 under MIY’s contract with the Council and any rent deferral under their existing leases with the Council, which will require the input of Legal Services.
 32. As per the Financial Implications above, if members choose to proceed with Option B above, and not provide the support package sought by MIY, this is likely to result in the Council assuming the assets and liabilities of MIY under a form of transfer agreement to be negotiated, as well as the formal termination of the existing contract and lease arrangements, and the removal of the company from the

Register at Companies House. In addition, Option B will also result in relevant transfers of staff from MIY to the Council under TUPE.

33. **Property Implications:** As the report sets out, MIY have agreed to pay all rental sums owed on the basis of a repayment plan to be negotiated.
34. There are no other implications arising from the report.

Risk Management

35. As identified in paragraph 12 above, the projections contained in this report are based on a number of assumptions and could change significantly. In particular, they could be negatively impacted by any worsening of the situation with regard to Covid-19, especially and further lock-down.
36. In compliance with the council's risk management strategy the main risks that have been identified are those which could lead to the inability to meet business objectives (Strategic) and to deliver services (Operational), leading to financial loss (Financial), damage to the council's image and reputation and failure to meet stakeholders' expectations (Governance).
37. Measured in terms of impact and likelihood, the risk score has been assessed at 16, placing the issue in the high category. This means that constant active monitoring, will be required together with an action plan and measures to reduce exposure.

Annexes

1. Income generation assumptions
2. Cashflow forecast to year end 20/21
3. Cashflow forecast to year end 21/22
4. Cashflow forecast to year end 22/23
5. Cashflow forecast to year end 23/24
6. Cashflow forecast to year end 24/25

Contact Details

Authors:	Chief Officers responsible for the report:	
Charlie Croft Assistant Director (Communities and Culture) Patrick Looker Finance Manager	Amanda Hatton Director of People	
Report Approved ✓ Date: 2 December 2021		
Specialist Implications Officers: Dan Moynihan Senior Solicitor – Contracts & Commercial Nick Collins Property Manager – Commercial		
Wards Affected:	All	✓

For further information please contact the author of the report

This page is intentionally left blank

INCOME GENERATION ASSUMPTIONS**VY Membership:**

- Original budget to March 2021: £325k
- Revised budget to March 2021: £180k
- 2021-2022 projected budget: £249k
- 2022-2023 projected budget: £249k

Basis for 2020-2021 revisions: A new membership sales process has been instituted with a more proactive approach to new membership together with more rigorous account management (20 new memberships were signed up in October).

Basis for 2021-2022 projections: A 50% loss of VY's attractions, accommodation, and food and drink members at a cost of £60k, balanced in part by 30 new members from the wider region generating £9k.

Basis for 2022-2023 projections: Maintaining this income level is the worst case position that the company would expect.

MIY Membership:

- 2021-2022 projected budget: £50k
- 2022-2023 projected budget: £50k

Basis for 2021-2022 projections: This new revenue stream will target larger, anchor organisations and businesses seeking to be more involved in / contribute more to the future of the city.

Basis for 2022-2023 projections: Maintaining the same level of income is a prudent estimate.

VIC:

- Original budget to March 2021: £833k
- Revised budget to March 2021: £81k
- 2021-2022 projected budget: £417k
- 2022-2023 projected budget: £639k

Basis for 2021-2022 projections: Potentially lower footfall to be balanced by a higher margin. New e-commerce site revenues to

come on stream but ticket and tours and York Pass revenues to reduce by 50%.

Basis for 2022-2023 projections: Maintaining margins and sales levels is prudent. A drop in direct sales from York Pass (in light of online sales) to be offset by increases in other sales.

Website advertising:

- Original budget to March 2021: £57k
- Revised budget to March 2021: £40k
- 2021-2022 projected budget: £77k
- 2022-2023 projected budget: £100k

Basis for 2021-2022: A proactive approach will be taken to sales targeting larger businesses. This forecast is based on current client feedback.

Basis for 2022-2023 projections: More focussed, professional digital marketing expertise has been employed by MIY in order to deliver this target.

York Pass (non-VIC sales):

- Original budget to March 2021: £693K
- Revised budget to March 2021: £161k
- 2021-2022 projected budget: £350k
- 2022-2023 projected budget: £519k

2020-2021: Income currently stands at £79k. The projection assumes average winter sales online and through the VIC

Basis for 2021-2022 projections: Reduced by 50% from the original forecast due to anticipated reduced footfall but balanced by higher market penetration through better promotion and use of affiliate distributors.

Basis for 2022-2023 projections: More proactive sales and better distribution potentially offset by attractions dropping out or ceasing trading.

Publications:

- Original budget to March 2021: £299k
- Revised budget to March 2021: £100k
- 2021-2022 projected budget: £250K
- 2022-2023 projected budget: £250k

Basis for 2021-2022 projections: This is based on three key publications: Christmas, Mini Guide and Destination Guide - rather than the current five - a better quality product, and introducing a proper sponsorship and advertising strategy offering value to partners across the year. The estimate is also informed by discussions with target clients.

Basis for 2022-2023 projections: It will be prudent to retain the same budget until it is clear that the new print schedule is more commercially appealing.

Shambles Market:

- Original budget to March 2021: £629k
- Revised budget to March 2021: £321k
- 2021-2022 projected budget: £795k
- 2022-2023 projected budget: £795k

Basis for 2020-2021 projections: Currently at £105k. A current average month is £48k. Taking into account half rents for January and February 2021 a further £288k is forecast. This is reduced by 25% on the basis that the market can trade in a socially distanced fashion at 75% capacity.

Basis for 2021-2022 projections: Includes an assumption that fees are standardised, delivering an additional £141k. Includes £25k new revenue stream from monthly early evening events, ticketed, with costs covered by sponsorship.

Basis for 2022-2023 projections: It will be prudent to forecast maintaining 21-22 levels.

Other City Centre activity:

- Original budget to March 2021: £160k
- Revised budget to March 2021: £0
- 2021-2022 projected budget: £174k

- 2022-2023 projected budget: £174k

Basis for 2021-2022 projections: Projections based on specific, known events and commercial promotions: £50k commercial promotions (£5k per month excluding November and December because of the Christmas Market). A total of £110k generated from four events (Easter, May half-term, summer, Rugby World Cup) and £14k from two smaller events.

Basis for 2022-2023 projections: as 21-22.

Christmas:

- Original budget to March 2021: £875k
- Revised budget to March 2021: £0
- 2021-2022 projected budget: £656k
- 2022-2023 projected budget: £975k

Basis for 2021-2022 projections: shows a 25% reduction on 20/21's budget but includes potential for £50k of sponsorship. It does not include any revenues from additional spaces Minster, St Helen's Square and/or Museum Gardens. A lower gross profit margin has been assumed on sales given lower sales volumes and fixed costs.

Basis for 2022-2023 projections: with a return to confidence MIY expects Christmas activities to overtake pre-Covid levels as consumers return to busy shopping streets. The gross profit margin will revert to previous levels. There is potential for sponsorship deals delivering further income and an expectation that additional sites can be animated.

Monthly Cashflow Forecast
Make It York
Year Ended 31/03/2021

XMAS CANCELLED, UPDATED REDUNDANCIES

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Cash receipts							
Cash sales & collected from debtors	172,373	118,000	132,212	107,272	53,803	107,630	69,757
Other income	0	253,900	0	0	253,900	0	14,500
Furlough Money Received	0	0	0	0	0	0	0
Xmas Market refunded		-108,134					
Covid Grants	0	0	0	0	0	0	0
Total cash inflow	172,373	263,766	132,212	107,272	307,703	107,630	84,257
Cost of sales							
Direct Cost/Materials	89,663	110,734	108,334	44,831	100,528	87,193	125,528
CYC Rent paid							474,000
Total cost of sales	89,663	110,734	108,334	44,831	100,528	87,193	599,528
Salary Costs							
All Salary Costs - NOW Inc NIC & Pensions	127,011	125,165	119,928	119,928	106,971	106,971	106,971
Redundancy Cost	0	0	0	32,503	0	0	0
New Staff	7,259	7,259	7,259	7,259	13,485	16,039	16,039
SMP	-3,778	-3,778	-3,778	-3,778	-3,778	-3,778	-3,778
Furlough Money	-2,000						
Total Salary Costs	128,492	128,646	123,409	155,912	116,678	119,232	119,232
OVERHEAD							
Training	0	1,200	0	0	1,200	1,200	2,388
Office Rent, Rates & Services	30,198	0	0	30,198	0	0	30,198
Repairs	0	0	0	0	2,976	0	0
Maintenance Agreements	775	775	775	775	775	775	775
Licences	0	0	0	0	0	0	0
Equipment Hire	304	925	868	304	925	868	304
Telephone	367	367	367	367	367	367	367
Stationery	1,487	1,487	1,487	1,487	1,487	1,487	1,487
Insurance	3,000	0	0	0	0	1,351	0
Postage	933	933	933	933	933	933	933
Sundry, Travel and Hospitality	2,467	7,717	2,467	2,467	2,467	2,467	7,717
Subscriptions	0	0	0	0	0	0	0
Marketing	0	0	1,782	0	0	0	0
Accountancy & Payroll	4,404	4,404	4,404	4,404	4,404	4,404	4,404
Audit	600	600	600	600	600	600	600
Legal Fees	0	7,200	0	0	0	0	0
Health & Safety	0	2,400	0	0	4,200	0	0
Computer Costs (incl SCY)	2,523	2,523	2,523	2,523	2,523	2,523	2,523
Bank and Credit Card Charges	1,235	1,235	1,235	1,235	1,235	1,235	1,235
Total expenditure	48,293	31,765	17,441	45,293	24,091	18,210	52,931
Cash capital payments							
Movement in Debtors	0	0	0	0	0	0	0
Movement in Creditors	0	0	0	0	0	0	0
VAT- UPDATED FIGURES	0	0	(75,351)	0	0	24,142	32,906
Corporation tax	0	0	0	0	0	0	0
Movements in accruals & deferred income	0	0	0	0	0	0	0
Balance sheet movements	0	0	-75,351	0	0	24,142	32,906
Total cash outflow	266,448	271,145	173,833	246,036	241,297	248,777	804,597
Opening balance	£ 656,481	£562,406	£555,027	£513,407	£374,643	£441,049	£299,902
Net cash receipts/(expenditure)	-£ 94,075	-£7,379	-£41,621	-£138,764	£66,406	-£141,147	-£720,340
Closing balance	£ 562,406	£555,027	£513,407	£374,643	£441,049	£299,902	-£420,439

Bank Position if no rent paid to CYC in 2020/21 £ 592,604 £ 585,225 £ 543,604 £ 435,039 £ 501,445 £ 360,297 £ 144,155

Make It York Covid-19 Forecasts For the year ending 31st March 2021 No Xmas markets, updated redundancies			
	Income	Costs	Contribution
Visit York Core Funding	£798,000	£0	£798,000
Visit York Membership	£180,000	£41,278	£138,722
VIC	£81,000	£162,990	-£81,990
Website Advertising	£40,000	£94,608	-£54,608
Leisure Marketing	£106,500	£171,065	-£64,565
York Pass	£161,000	£162,410	-£1,410
Publications	£100,000	£125,838	-£25,838
Shambles Market	£321,000	£517,426	-£196,426
Other City Centre Activities	£0	£99,381	-£99,381
Christmas Activities	£0	£358,978	-£358,978
Business Marketing	£8,880	£49,768	-£40,888
Science City York	£0	£0	£0
Business Income	£72,000	£225,316	-£153,316
Culture & Wellbeing	£150,551	£270,902	-£120,351
Other Revenue	£4,000	£123,708	-£119,708
External Grant Funding	£195,460	£150,000	£45,460
Bank Interest	£1,000	£0	£1,000
Establishment costs - office	£0	£825,907	-£825,907
Establishment costs - VIC	£0	£100,050	-£100,050
	£2,219,391	£3,479,624	-£1,260,233
CYC Rent included in Total costs above			£474,000
Museum & Silver street Rent			£90,594
Loss position if no rent paid to CYC in 2020/21			-£695,639
Balance Sheet Reserves			
	No rent w.o. in 2020	With Rent w.o. in 2020	
B/fwd 1/4/20	£115,072	£115,072	
Profit/Loss	(£1,260,233)	(£695,639)	
Closing at 31/3/21	(£1,145,161)	(£580,567)	

This page is intentionally left blank

Make It York Ltd
2022 Cash flow

		April	May	June	July	August	September	October	November	December	January	February	2022 March
Monies Received	Vatable	£ 592,100	£ 112,700	£ 172,700	£ 745,700	£ 112,700	£ 112,700	£ 548,900	£ 112,700	£ 112,700	£ 548,900	£ 112,700	£ 112,700
Monies Received	No Vat	£ 133,417	£ 95,417	£ 95,417	£ 133,417	£ 95,417	£ 95,417	£ 133,417	£ 95,417	£ 95,417	£ 133,417	£ 133,417	£ 95,417
Bank Interest		£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83
Total Receipts		£ 725,600	£ 208,200	£ 268,200	£ 879,200	£ 208,200	£ 208,200	£ 682,400	£ 208,200	£ 208,200	£ 682,400	£ 246,200	£ 208,200
Cost of sales spent	Vatable	£ 238,006	£ 70,006	£ 70,006	£ 70,006	£ 286,486	£ 70,006	£ 70,006	£ 178,246	£ 70,006	£ 178,246	£ 70,006	£ 70,006
Cost of sales spent	No Vat	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925
Direct salaries		£ 131,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486
		£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815
CYC rent		£ 118,500			£ 118,500			£ 118,500			£ 118,500		
total direct costs		£ 565,731	£ 229,231	£ 229,231	£ 347,731	£ 445,711	£ 229,231	£ 347,731	£ 337,471	£ 229,231	£ 455,971	£ 229,231	£ 229,231
Surplus trading Cash		£ 159,869	-£ 21,031	£ 38,969	£ 531,469	-£ 237,511	-£ 21,031	£ 334,669	-£ 129,271	-£ 21,031	£ 226,429	£ 16,969	-£ 21,031
Head Office Salaries		£ 20,213	£ 20,213	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956
Head office costs		£ 29,413	£ 16,142	£ 43,975	£ 82,376	£ 20,447	£ 48,293	£ 31,766	£ 17,441	£ 45,293	£ 24,092	£ 18,210	£ 52,931
Capital Expense			£ 15,000										
VAT Payable		£ 60,000			£ 68,325			£ 65,581			£ 60,257		
Depreciation													
Total Costs		£ 109,626	£ 51,355	£ 68,931	£ 175,657	£ 45,403	£ 73,249	£ 122,303	£ 42,397	£ 70,249	£ 109,305	£ 43,166	£ 77,887
Cashflow		£50,243	(£72,386)	(£29,962)	£355,812	(£282,914)	(£94,280)	£212,366	(£171,668)	(£91,280)	£117,124	(£26,197)	(£98,918)
ClosingBank		(£420,439)	(£370,196)	(£442,582)	(£472,544)	(£116,732)	(£399,646)	(£493,926)	(£281,560)	(£453,228)	(£544,508)	(£427,384)	(£453,581)
paid to CYC in 2020/21		£144,155	£194,398	£122,012	£92,050	£447,862	£164,948	£70,668	£283,034	£111,366	£20,086	£137,210	£111,013
Debtors													

P & L
£ 2,831,000
£ 1,335,000
£ 4,166,000
£ 1,200,857
£ 815,100
£ 1,027,826
£ 117,778
£ 474,000
£ 3,635,562
£ 530,438
£ 289,984
£ 358,649
£ 16,947
£ 665,580
-£ 135,142 Profit

Balance Sheet Reserves

	No rent W.o. in 2020	With Rent W.o. in 2020
B/fwd 1/4/21	(£1,145,161)	(£580,567)
Profit/Loss	(£135,142)	(£135,142)
Closing at 31/3/22	(£1,280,303)	(£715,709)

This page is intentionally left blank

Make It York Ltd
2023 Cash flow

		2023												
		April	May	June	July	August	September	October	November	December	January	February	March	
Monies Received	Vatable	£ 614,300	£ 134,900	£ 194,900	£ 959,300	£ 134,900	£ 134,900	£ 666,800	£ 134,900	£ 134,900	£ 666,800	£ 134,900	£ 134,900	
Monies Received	No Vat	£ 147,500	£ 109,500	£ 109,500	£ 147,500	£ 109,500	£ 109,500	£ 147,500	£ 109,500	£ 109,500	£ 147,500	£ 147,500	£ 109,500	
Bank Interest		£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	
Total Receipts		£ 761,883	£ 244,483	£ 304,483	£ 1,106,883	£ 244,483	£ 244,483	£ 814,383	£ 244,483	£ 244,483	£ 814,383	£ 282,483	£ 244,483	
Cost of sales spent	Vatable	£ 255,544	£ 87,544	£ 87,544	£ 87,544	£ 344,944	£ 87,544	£ 87,544	£ 216,244	£ 87,544	£ 216,244	£ 87,544	£ 87,544	
Cost of sales spent	No Vat	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	
Direct salaries		£ 131,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	
		£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	
CYC rent		£ 118,500			£ 118,500			£ 118,500			£ 118,500			
Total direct costs		£ 594,677	£ 258,177	£ 258,177	£ 376,677	£ 515,577	£ 258,177	£ 376,677	£ 386,877	£ 258,177	£ 505,377	£ 258,177	£ 258,177	
Surplus trading Cash		£ 167,207	-£ 13,693	£ 46,307	£ 730,207	-£ 271,093	-£ 13,693	£ 437,707	-£ 142,393	-£ 13,693	£ 309,007	£ 24,307	-£ 13,693	
Head Office Salaries		£ 20,213	£ 20,213	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	
Head office costs		£ 29,413	£ 16,142	£ 43,975	£ 82,376	£ 20,447	£ 48,293	£ 31,766	£ 17,441	£ 45,293	£ 24,092	£ 18,210	£ 52,931	
Capital Expense			£ 15,000											
VAT Payable		£ 62,466			£ 70,656			£ 92,992			£ 75,128			
Depreciation													£ 16,947	
Total Costs		£ 112,092	£ 51,355	£ 68,931	£ 177,988	£ 45,403	£ 73,249	£ 149,714	£ 42,397	£ 70,249	£ 124,176	£ 43,166	£ 77,887	
Cashflow		£55,115	(£65,048)	(£22,624)	£552,218	(£316,496)	(£86,942)	£287,993	(£184,790)	(£83,942)	£184,831	(£18,859)	(£91,580)	
ClosingBank		(£552,499)	(£497,384)	(£562,432)	(£32,838)	(£349,334)	(£436,276)	(£148,283)	(£333,073)	(£417,015)	(£232,185)	(£251,044)	(£342,624)	
Position if no rent paid to CYC in 2020/21		£12,095	£67,210	£2,162	(£20,462)	£531,756	£215,260	£128,318	£416,311	£231,521	£147,579	£332,409	£313,550	£221,970
Debtors														

P & L	
£	3,372,000
£	1,504,000
£	4,876,000
£	1,444,437
£	951,990
£	1,027,826
£	117,778
£	474,000
£	4,016,032
£	859,968
£	289,984
£	358,649
£	16,947
£	665,580
£	194,388

Profit

Balance Sheet Reserves		
	No rent W.o. in 2020	With Rent W.o. in 2020
B/fwd 1/4/22	(£1,280,303)	(£715,719)
Profit/Loss	£194,388	£194,388
Closing at 31/3/23	(£1,085,915)	(£521,331)

This page is intentionally left blank

**Make It York Ltd
2024 Cash flow**

		April	May	June	July	August	September	October	November	December	January	February	2024 March	P & L
Monies Received	Vatable	£ 650,200	£ 151,600	£ 216,400	£ 976,000	£ 151,600	£ 151,600	£ 683,500	£ 151,600	£ 151,600	£ 683,500	£ 151,600	£ 151,600	£ 3,559,000
Monies Received	No Vat	£ 151,750	£ 113,750	£ 113,750	£ 151,750	£ 113,750	£ 113,750	£ 151,750	£ 113,750	£ 113,750	£ 151,750	£ 151,750	£ 113,750	£ 1,555,000
Bank Interest		£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	
Total Receipts		£ 802,033	£ 265,433	£ 330,233	£ 1,127,833	£ 265,433	£ 265,433	£ 835,333	£ 265,433	£ 265,433	£ 835,333	£ 303,433	£ 265,433	£ 5,114,000
Cost of sales spent	Vatable	£ 264,168	£ 96,168	£ 96,168	£ 96,168	£ 353,568	£ 96,168	£ 96,168	£ 224,868	£ 96,168	£ 224,868	£ 96,168	£ 96,168	£ 1,530,677
Cost of sales spent	No Vat	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 990,000
Direct salaries		£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 965,937
		£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 117,778
CYC rent		£ 118,500			£ 118,500			£ 118,500			£ 118,500			£ 474,000
Total direct costs		£ 555,477	£ 268,977	£ 268,977	£ 387,477	£ 526,377	£ 268,977	£ 387,477	£ 397,677	£ 268,977	£ 516,177	£ 268,977	£ 268,977	£ 4,078,393
Surplus trading Cash		£ 246,556	-£ 3,544	£ 61,256	£ 740,356	-£ 260,944	-£ 3,544	£ 447,856	-£ 132,244	-£ 3,544	£ 319,156	£ 34,456	-£ 3,544	£ 1,035,607
Head Office Salaries		£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 299,470
Head office costs		£ 29,413	£ 16,142	£ 43,975	£ 82,376	£ 20,447	£ 48,293	£ 31,766	£ 17,441	£ 45,293	£ 24,092	£ 18,210	£ 52,931	£ 358,649
Capital Expense			£ 50,000											
VAT Payable		£ 62,466			£ 78,694			£ 97,030			£ 79,166			
Depreciation														£ 16,947
Total Costs		£ 116,835	£ 91,098	£ 68,931	£ 186,026	£ 45,403	£ 73,249	£ 153,752	£ 42,397	£ 70,249	£ 128,214	£ 43,166	£ 77,887	£ 675,066
Cashflow		£129,721	(£94,642)	(£7,675)	£554,330	(£306,347)	(£76,793)	£294,104	(£174,641)	(£73,793)	£190,942	(£8,710)	(£81,431)	£ 360,541 Profit
Closing Bank Position		(£342,624)	(£212,903)	(£307,545)	(£315,219)	£239,110	(£67,237)	(£144,029)	£150,075	(£24,566)	(£98,359)	£92,583	£83,873	£2,442
Position if no rent paid to CYC in 2020/21		£221,970	£351,691	£257,049	£249,375	£803,704	£497,357	£420,565	£714,669	£540,028	£466,235	£657,177	£648,467	£567,036
Upgraded Sales for return due to normal trading														
No Salary increases														

	No rent W.o. in 2020	With Rent W.o. in 2020
B/fwd 1/4/23	(£1,085,915)	(£521,321)
Profit/Loss	£360,541	£360,541
Closing at 31/3/24	(£725,374)	(£160,780)

This page is intentionally left blank

This page is intentionally left blank



Executive**15 December 2020**

Report of the Interim Director of Place

Portfolio of the Executive Member for Housing and Safer Neighbourhoods

Council Housing Energy Retrofit Programme**Summary**

1. In March 2019, the Council declared a climate emergency in response to global warming and the United Nations' Intergovernmental Panel on Climate Change report. In response the council set an ambition for York to be carbon neutral by 2030.
2. A third of York's carbon emissions are created by domestic energy consumption. With the vast majority of York's housing in the year 2030 already being in existence, we cannot meet our carbon reduction ambition without a programme of retrofitting energy efficiency measures for all housing in the city.
3. This report outlines the issues and challenges for landlords, homeowners and tenants in decarbonising their homes. It sets out the need for investment, skills and training and supply chain development to deliver carbon neutrality and proposes options for the retrofit of the council's own housing stock.
4. Executive have previously approved a Housing Revenue Account (HRA) budget to deliver energy saving measures within our council housing stock. This consists of an initial capital budget of £1m followed by a further allocation of £250k pa for four years. This paper outlines options for the use of that funding to support the council's carbon reduction ambition.
5. The HRA has been investing in our council housing stock for a number of years, installing double glazing, loft and cavity wall insulation and new boilers. However, despite these works, around a third of council homes have an Energy Performance Certificate (EPC) rating of D or below. A higher EPC C rating is recognised by the government as the minimum

standard which all homes should aim to achieve. This report outlines the investment options to support improvements within our harder to treat homes. In these homes, simple measures either cannot be delivered or are not sufficient to bring the homes to the standard needed to meet the city's carbon saving ambitions. As well as helping to meet our carbon neutral ambitions and reducing fuel poverty, this investment will increase both the value and expected lifespan of our homes, reducing costs in the longer term. Improving the energy efficiency of our homes will improve thermal comfort and reduce utility bills for our residents as well as supporting the creation of green jobs.

6. This report has been referred to the Housing and Safer Neighbourhoods Scrutiny Committee for pre decision scrutiny to inform the decisions of Executive.

Recommendations

7. Executive are asked to :-
 - a) Consider the outcomes of the pre decision scrutiny undertaken at the Housing and Safer Neighbourhoods Scrutiny Committee
 - b) Agree the objectives of the Council Housing Retrofit programme
 - c) Consider the options analysis set out in this report and select a preferred option to allocate the agreed capital budget.
 - d) To incorporate the ambitions for carbon neutrality into the Housing Asset Strategy and plans
 - e) To explore funding and investment models to support the decarbonisation of council and private homes in York and to bring back a further report setting out proposals to the Executive
 - f) To delegate to the Assistant Director of Housing and Community Safety in consultation with the Executive Member for Housing and Safer Neighbourhoods the authority to apply for grant opportunities to further support our residents to access their own energy saving grants.

Reason: To improve the energy performance of some of our poorer performing council houses to both reduce residents' energy bills and to support our ambition of York being carbon neutral by 2030, whilst also taking the first steps in creating a pipeline of retrofit work in York which will support skills development and new green jobs.

Background

Achieving Domestic Carbon neutrality

8. There are around 85,000 households in York. Less than 0.5% of these have an Energy Performance Certificate (EPC) rating of A and over 35%

are rated D to G. This is seen across homeowner, private rented sector and social housing sectors. Around one third of the council's c7500 homes are EPC rated D to F. These poorly performing homes contribute significantly to the carbon emissions of the city. The vast majority of existing homes will be in place in 2030 and significantly beyond that. Nationally it is thought that more than 80% of homes that will exist in 2050 have already been built. It is clear that an approach to retrofitting homes across York and within all tenures is essential in order to meet our carbon saving targets.

9. With a third of York's carbon emissions created by our homes, it is vital that emissions are reduced in order for York to achieve carbon neutral status. As a city we need to take bold and positive steps forward, supporting the action on climate change. Despite our council housing stock performing a little better than the private rented sector at the moment, we are a long way short of where we need to be, with regulation change likely to require improvements across the sector.
10. The UK Committee on Climate Change highlights that the most effective approach to decarbonising our homes is through:-
 - Fabric improvements
 - Use of energy efficient appliances
 - Behaviour change
 - Smarter heating controls
 - Low-carbon heating
 - Renewable generation and energy storage.

It is vital that the fabric of buildings are improved first in order to maximise carbon savings and reduce fuel costs. Switching to low-carbon heating can add costs to residents' utility bills if the thermal performance of the house is not improved first.

Reducing Fuel Poverty

11. As well as tackling the climate emergency, this investment into our housing stock will also bring significant benefits for our residents. Insulating our homes and reducing draughts will reduce utility bills and the occurrences of fuel poverty. Fuel poverty is driven by three main factors: household income, the cost of energy and the energy efficiency of the home. It is the cost of energy and the efficiency of our homes that this report is seeking to tackle.

12. Public Health England and the Institute of Health Equity outline the impact of cold homes on the health and wellbeing of residents. Cold homes are known to affect and exacerbate a range of health problems including respiratory problems, circulatory problems and increased risk of poor mental health. Nationally, estimates suggest that some 10% of excess winter deaths are directly attributable to fuel poverty and a fifth of excess winter deaths are attributable to the coldest quarter of homes. Cold homes can also affect wider determinants of health, such as educational performance among children and young people, as well as work absences. Tackling fuel poverty and cold home-related health problems is important for improving health outcomes and reducing inequalities in health in York.

Responding to Evolving Government Policy

13. The Government has committed to a roadmap to carbon neutrality by 2050 and has recently announced future changes to planning policies and grant funding schemes to kick-start domestic retrofit. In terms of grant schemes:
- £2bn of funding for private home owners (Green Homes Grant)
 - £50m for Social Housing Demonstrator projects
 - Manifesto commitment of £3.8bn on Social Housing Decarbonisation Fund
 - Regional schemes- Energy Accelerator Programme through WYCA, providing technical expertise to local authorities
 - YNYER LEP carbon abatement pathways and carbon negative region work includes substantial retrofit focused elements
 - The York and N Yorkshire Devolution bid includes a £20m revenue ask for a Local Carbon Skills Programme to support businesses with a regional and national hub to up-skill the existing workforce, returners and jobseekers in vocational low-carbon skills
 - Local Authority Delivery (LAD) scheme, funding provided to local authorities to then distribute as grants to support energy retrofit works
14. There is a clear government intention to improve the EPC rating of housing in this country. The government's ten point plan for the 'Green Industrial Revolution' includes making homes greener, warmer and more energy efficient. At present the government are consulting on a document that will mandate all homes within the private rented sector to achieve an EPC C rating as a minimum by 2028. It is likely that the social rented sector will be required to follow suit at some stage. CYC have responded positively to the ambition set out in this consultation.

15. Though the timescales for implementation of these policies are still subject to confirmation, the general direction of travel is clear, that through policy mandate and financial incentives there will be a gradual move to incentivise all landlords and home owners towards carbon neutrality by 2050. The city has outlined its intention to be ahead of this timeline. If it is to do so then it follows that it must also be ahead of the curve in seeking ways to make progress.
16. Many of the easy and cheaper ways of reducing carbon emissions within our council homes, such as loft and cavity wall insulation and double glazing, have already been undertaken over the last 10-20 years. As these measures have been installed and the number of households able to benefit from them shrinks, harder to treat homes which require more difficult improvements must become our focus.
17. There are housing archetypes that, due to their construction, are more difficult to improve, for example housing without wall cavities, non-traditional forms of construction such as steel frame homes, or flats where a single dwelling cannot be upgraded in isolation. These archetypes need a bespoke approach requiring specialist knowledge.
18. In these kinds of properties retrofit measures to achieve a good level of energy efficiency (EPC C) are more expensive. In the private sector the government has recognised this challenge and introduced the Green Homes Grant which supports homeowners to invest in the fabric of their home utilising grant funding which varies depending on household income.
19. The Green Homes Grant has been extended by a further year (to March 2022) to support the development of skills in the sector and confidence in the supply chain to invest, reducing the average cost of installation over time.
20. In addition to the Green Homes Programme, the government is seeking to stimulate the supply chain to deliver innovation in home energy efficiency. Funding streams coming forwards include the Whole House Retrofit Competition and the Social Housing Decarbonisation Fund.

Scaling up carbon reduction

21. A suite of complementary approaches will be required if we are to achieve the step change needed to achieve domestic carbon reduction targets. Research estimates that the cost of decarbonising the UK's social housing stock is around £104bn. Clearly, this cannot be funded by Local Authorities alone; a range of new funding models are required. For

example, schemes are being trialled in the UK that incorporate cost recovery mechanisms – providing both a utility bill reduction to the tenants and a return on investment for landlords. This could involve upfront investment by the council or others. One such example of investment by others is through home comfort plans, where the utility company invests in energy performance on the basis that the resident pays a fixed monthly bill regardless of usage. This approach provides an incentive for the utility company to reduce the demand for domestic energy. Creating a clear approach and delivery strategy for utilising investment models in York is vital and will be an important element of developing a Retrofit Strategy for York.

22. In order to support the development of suitable expertise in the supply chain, the Government held a Skills Training Competition, running from 23rd September 2020 to 14th October 2020¹. Given the shorter timescale prior to the extension to March 2022, this was aimed at providers who already deliver short course training in the relevant fields. It will establish a national skills training offer, including online content, leading to the required certification.
23. Locally, there is interest from the LEP and Construction Industry Training Board in such provision, and it is an emerging theme for our City Skills Board to explore. Training would need to be able to support companies and microbusinesses already in the construction trades, but lacking the right certification and quality standards. It could also provide an entry route for people new to business, retraining for those seeking new avenues of work, and a pathway into work for our young people

The Council's Housing Stock

24. The Council owned housing stock comprises of approximately 7,500 properties (around 9% of all York homes) and contributes an estimated 3% to the CO₂e emissions for the city of York.² There are also an estimated 9% of our residents living in fuel poverty.³
25. The stock condition survey of council homes (August 2019) indicated that whilst the overall average EPC score for York's council homes is 'C', approximately one third (2,400) have an energy efficiency performance rating of EPC D and 90 are at EPC E or F. These homes are generally poor at retaining heat contributing to the city's carbon emissions and fuel poverty. Table 1 below shows the numbers of each property archetype

¹ See <https://www.gov.uk/government/publications/green-homes-grant-skills-training-competition>

² A Net Zero Carbon Roadmap for York (2020), A. Gouldson et al.

³ <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2019>

for our council housing stock. Archetypes with an average SAP value of 69 are below EPC 'C.

MRA Ref	Archetype Name	Avg. SAP value	Avg. CO2 rate (tons)	Avg. energy usage (kj)	Avg. lighting costs (£)	Avg. space heating costs (£)	Avg. water heating costs (£)	CYC Stock	% of Stock
1.	Pre-1945 small terrace houses	68.59	41.07	234.06	61.19	522.46	111.36	522	6.2%
2.	Pre-1945 large terrace/semi-detached houses	69.48	39.66	225.66	60.11	524.15	109.72	225	2.77%
3.	All other pre-1945 houses	68.80	39.22	224.02	66.85	579.41	115.18	937	11.53%
4.	1945-64 small terrace houses	70.66	38.08	216.58	57.43	493.53	110.06	196	2.41%
5.	1945-64 large terrace/semi-detached/detached houses	71.17	36.31	206.60	67.98	542.07	114.41	794	9.77%
6.	1965-74 houses	69.52	40.51	230.39	59.43	501.13	102.85	103	1.27%
7.	Post 1974 houses	73.95	32.35	183.74	57.66	475.35	117.12	302	3.72%
8.	Non-traditional houses	68.69	39.30	224.09	70.43	585.16	114.45	577	7.10%
9.	Pre-1945 low rise (1-2 storey) flats	70.10	44.33	253.24	36.63	357.99	90.21	493	6.93%
10.	Post-1945 low rise (1-2 storey) flats	71.11	39.78	227.33	47.70	356.88	102.30	1557	22.30%
11.	Medium rise (3-5 storey) flats	72.84	37.69	214.81	44.84	333.91	95.96	1396	19.91%
12.	Bungalows	67.61	46.59	266.29	45.37	486.12	95.39	474	5.86%
Overall		70.61	39.41	224.82	54.00	444.73	104.86		

This data comes from the stock condition survey carried out by Michael Dyson Associates Ltd in August 2019.

26. Retrofitting the 2,400 homes with an EPC rating of D or below to higher levels of energy performance would save 2750 (tCO₂), and result in total annual energy bill savings of £650k for those households. It will also take time and cost a considerable amount of money.
27. All repairs, maintenance and refurbishment of council housing stock is funded from the Housing Revenue Account (HRA), not the council's General Fund, with around £8m each year being spent on major repairs and refurbishments. The HRA investment plans are funded from housing rents and the benefits must therefore accrue to housing tenants. There are

currently around 2400 council homes with an EPC rating of D or below. If we were to bring all 2400 homes currently at EPC D-F up to a C rating, it is estimated that at current prices this would add a further £37m to the HRA's stock investment programme – a sum that cannot be achieved within existing budgets whilst continuing with our existing essential refurbishment programmes.

28. All investment in our stock increases its value and extends the homes' lifespan, creating long term savings. Investment in energy efficiency will also improve comfort and health for residents, reduce energy bills helping to tackle fuel poverty and help to kick-start a local retrofit economy, developing skills and supply chains and creating new green jobs.
29. A range of delivery strategies are needed to meet the energy efficiency challenge for our council homes. Our developing strategy is likely to include cost recovery routes alongside making the most of the grant funding opportunities that are now coming forwards. In order to progress our funding bids most successfully, to develop skills, processes and approaches and most effectively engage with our tenants, who are of course central to success, we need to get started, making optimal use of the available council resources.
30. In July 2019, the Executive's Interim Budget established a £1m budget to kick-start a council retrofit programme of increasing the energy efficiency of our housing stock. The February 2020 Budget allocated a further £250k pa in the HRA capital budget for 20/21, 21/22, 22/23, 23/24 bringing the total budget for the Council Housing Energy Retrofit Programme to £2m.

WYCA Energy Accelerator

31. The council have been successful in applying to the West Yorkshire Combined Authority's Energy Accelerator programme for support to provide up to 5% of our retrofit total project costs with in-kind technical support, advice and detailed specification.
32. Experts from the WYCA Energy Accelerator will support the council in identifying the homes that will be most suitable for the first phase of the programme, taking into account carbon emission savings, energy cost savings and fuel poverty, technical parameters, internal skills and access to expertise. The formal detailed submission to secure this support needs to be submitted in December for consideration by the WYCA Investment Committee.

Options

33. Decisions on how to secure maximum benefit from our HRA investment are complex against a fast changing policy backdrop. We cannot achieve our objectives in full with the current level of budget nor do we have the investment headroom or the supporting income streams to be able to achieve this through increased investment without significant innovation.
34. The long term picture needs to be a combination of
 - Early progress on decarbonisation of our current housing stock
 - Developing the skillset and level of expertise within the council
 - Developing models to deliver further investment for the entire stock
 - Positioning ourselves to secure external funding
 - Developing the skills within the local construction sector
 - Reducing unit cost by developing the supply chain
 - Identifying appropriate and affordable technical solutions for our most challenging housing archetypes
35. Below are a series of options of how to invest the agreed budget.
36. **Option 1 - Undertake the planning and strategic development first.**
This would involve:
 - Identifying the most cost effective use of our capital funding
 - Developing investment models
 - Building capacity and skills within the construction sector and internally within the council
 - Applying for external funding opportunities to support our energy efficiency delivery strategy
 - Bringing a further report to Executive to define the programme before any works are carried out
 - Delaying physical retrofit works until a later stage
37. **Option 2 – Allocate our whole £2m approved capital budget on energy performance works on our worst performing homes.** This would involve:
 - Applying to WYCA for Energy Accelerator support for a £2m investment programme
 - Starting the delivery of retrofit measures in summer 2021, with the initial £1m of works complete by the end of the financial year
 - Utilising the skillset provided by WYCA to undertake the works but reducing our capacity to invest once these works have been completed and reducing our potential to match fund other grant opportunities

38. **Option 3 - Commence decarbonisation work in tandem with strategy development work.** This would involve:
- Applying to WYCA for Energy Accelerator support for a £1m investment programme
 - Starting the delivery of retrofit measures in summer 2021, with the works complete by the end of the financial year
 - Using the hands-on experience of retrofitting homes to start building capacity and skills within the construction sector and internally within the council
 - Develop longer term investment models, exploring opportunities for cost recovery approaches
 - Building capacity and skills within the construction sector and internally within the council
 - Applying for external funding opportunities to support our energy efficiency delivery strategy, with money available to provide required match funding
 - Bringing a further report to Executive to define a second phase programme, releasing the remaining budget and outlining alternative funding proposals

Option Appraisal

39. Option 1 provides a sound long term approach. It gives us the chance to review the fast changing policy position and to wait for the best opportunities to apply for grant funding. It would start to build capacity within the council but developing capacity in the local construction industry would be very challenging without a pipeline of work actually coming forward to make investment of money and/or time in this area worthwhile for contractors. It would also further delay taking action to tackle the climate emergency. It would reduce the opportunity for hands-on learning by not undertaking works in the short term. Whilst it would give us a strategy and approach for retrofit delivery in the future, we would not be able to demonstrate a track record of these works which may be a barrier to securing grant funding.
40. Option 2 would deliver the greatest energy saving in the short term. It is likely to reduce Co2 emissions by around 132 tonnes per annum, saving the residents who receive the works around £260 per year in heating costs. It would bring technical expertise into the council (to the value of £100k) to help develop our in house expertise. This approach would likely allow works to around 120 homes. These works would utilise a 'fabric first' approach to improve the EPC rating of these homes up to a C level. However, this approach would utilise all of the investment identified, reducing our ability to invest in more homes in the future and not taking

advantage of learning, maximising the long term impact of the skillset developed within the council and with partners, and reducing our ability to access further grant funding.

41. Option 3 looks to kick start our retrofit works in summer 2021 whilst also providing a longer term approach to deliver more works to more homes over the medium and longer term. This option would allow us to match fund grant opportunities and to approach applications with a clearly defined strategy whilst also having a track record of delivering works. We would be able to develop in house knowledge utilising WYCA expertise, support investment by our supply chains whilst learning lessons from the initial £1m investment. This option, if successfully delivered, would create much greater carbon savings than Option 2. This is the recommended option.

42. The above works would sit alongside existing work to reduce the carbon emissions from homes in York. This includes:
 - We have secured £40k from the LGA Housing Advisors Programme to work with skills providers and businesses to develop a programme which will share skills and knowledge around sustainable design and construction
 - We have in principle approval for WYCA funding for the Energy Accelerator Programme to bring the skills and expertise we need to deliver the Phase 1 retrofit works
 - We have submitted a LAD1b funding application to enable us to offer grants to home owners on low incomes to cover the entire cost of insulating rooms in the roof. This fund would also support internal staffing costs to administer these grants. We are preparing a LAD 2 funding application to be submitted early next year
 - We are exploring joint working with neighbouring authorities
 - We are exploring opportunities for knowledge sharing and advice with partners
 - We are delivering new homes through the Housing Delivery Programme which will be zero carbon in use, removing the need for any future energy retrofit works.

Consultation

43. As part of the production of this report and its recommendations, there has been discussion with the Housing and Safer Neighbourhoods scrutiny panel, CYC Climate Change Delivery Group, The Low Carbon Officer for York & North Yorkshire Local Enterprise Partnership, WYCA, Turner and Townsend lead for the Accelerator programme, CYC's Better Homes contractor, Housing Standards team, and the Home Energy Programme

Manager. The team will also work with other local authorities seeking to deliver the same ambitions.

44. A key factor in ensuring the success of the programme will be establishing support from our residents whose homes will receive energy improvement works. Some of these works can be disruptive and as such we will be engaging closely with our residents. We will help residents understand the long term benefits of the work, both in terms of energy savings and environmental impact whilst making it clear what this will mean in the short term in respect of what and how the works will be carried out.
45. To support this resident engagement the project team will work with the council's tenant engagement officers, to produce fact sheets, and newsletters, illustrating the benefits of the work, and how it will be carried out. We will also undertake briefing sessions, where we will not only address tenants' questions but also seek their input. We will also work with our communications team to establish a project communications plan, to ensure we provide frequent and relevant updates to residents. As with other major works on our properties, these works will only be carried out with the approval and agreement of the residents.

Council Plan

22. By assisting a significant reduction in carbon emissions from council homes, reducing the cost of residents energy bills, and improving the personal comfort provided by our homes; this proposal contributes to the Council Plan objectives of providing a 'Greener and Cleaner city' and 'Creating homes and world-class infrastructure'.

Implications

Financial

The supplementary budget approved £1m for additional energy efficiency works across council housing stock funded from the HRA working balance and the proposals in this report can be funded from this budget.

The HRA generates funds for structural maintenance through a depreciation charge of c £1,100 per property per annum. This gives a value of c £8.5m per annum for major repairs, modernisation and improvements including energy efficiency. External funding will be necessary to significantly enhance this programme. The allocation of such funds are considered as part of the annual budget process.

Human Resources (HR) - None

Equalities - See Annex 1

Legal

- Procurement: The procurement referred to will be carried out in accordance with the council's Contract Procedure Rules and the Public Contracts Regulations 2015 (PCRs), as appropriate.
- Grant Funding Agreement: It is noted that whilst the provision of the Support will be free of charge, the Funding Agreement with WYCA provides an ability for WYCA to reclaim its costs equivalent to the value of the support, along with an indemnity fee equal to 5% of the value of support allocated, if the European Investment Bank ('EIB') reclaims the value of the support from WYCA and an indemnity fee of 5%.
- It is also noted that the Funding Agreement with WYCA enables WYCA to claw back from the Council the costs incurred to date to provide the support together with any other liabilities incurred by WYCA (and/or the EIB) if the council does not comply with its obligations under the grant agreement, including where information required from the Council is late, incomplete, incorrect and/or not delivered in the format specified by WYCA.

Crime and Disorder - *None*

Information Technology (IT) *None*

Property - These are covered in the report

Other

Risk Management

23. The project contains a number of risks associated with the delivery of a significant amount of physical works.

The key risks are considered to be:

- Ineffective project management would prevent objectives being achieved;
- A lack of quality control on site could mean objectives aren't achieved as well as damaging relationships with our residents;
- Residents may not wish to have their homes upgraded
- Poor communication would undermine the longer term programme and create reputational damage; and

- If the council were to withdraw from the project subsequent to signing the funding agreement at Gateway 2 then WYCA could claw back the costs they have incurred, causing reputational damage and financial impact.

Contact Details

Author:

Michael Jones
Interim AD Housing and
Community Safety

Shaun Gibbons
Head of Climate Change

Chief Officer Responsible for the report:

Tracey Carter
Interim Director of Place

**Report
Approved**



Date *4 December
2020*

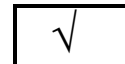
Specialist Implications Officers:

Financial
Name Patrick Looker
Title Finance Manager

Legal
Name Cathryn Moore
Title Legal Manager – Projects

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

- Emergency / Supplementary Budget 2019 – 20th July 2019
- Special Housing Revenue Account Budget Meeting 17th December 2019

Annexes

Annex 1 - Better Decision Making Tool

Glossary

HRA – Housing Revenue Account
LAD – Local Authority Delivery
WYCA - West Yorkshire Combined Authority

The 'Better Decision Making' tool has been designed to help you consider the impact of your proposal on the health and wellbeing of communities, the environment, and local economy. It draws upon the priorities set out in our Council Plan and will help us to provide inclusive and discrimination-free services by considering the equalities and human rights implications of the decisions we make. The purpose of this tool is to avoid decisions being made in isolation, and to encourage evidence-based decision making that carefully balances social, economic and environmental factors, helping us to become a more responsive and resilient organisation.

The Better Decision Making tool should be used when proposing new projects, services, policies or strategies, or significant amendments to them. The tool should be completed at the earliest opportunity, ideally when you are just beginning to develop a proposal. However, it can be completed at any stage of the decision-making process. If the tool is completed just prior to the Executive, it can still help to guide future courses of action as the proposal is implemented.

The Better Decision Making tool must be attached as an annex to Executive reports. A brief summary of your findings should be reported in the One Planet Council / Equalities section of the report itself.

Guidance to help you complete the assessment can be obtained by hovering over the relevant question.

Please complete all fields. If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'.

Introduction

Service submitting the proposal:	Housing
Name of person completing the assessment:	Michael Jones
Job title:	Assistant Director of Housing and Community Safety
Directorate:	Economy and Place
Date Completed:	4th December 2020
Date Approved (form to be checked by head of service):	4th December 2020

Section 1: What is the proposal?

1.1	Name of the service, project, programme, policy or strategy being assessed? Energy retrofit works for both council houses and those in private ownership
1.2	What are the main aims of the proposal? To improve the energy performance of council homes to help the city meet its 2030 carbon neutral target and to reduce incidences of fuel poverty. Proposal includes three options, with the favoured approach to deliver energy efficiency works starting in summer 2021 with a long term strategy to be developed alongside this. This includes consideration of funding routes, skills and training and the supply chain.
1.3	What are the key outcomes? Improve the energy performance of the poorest performing council houses through works during 2021. Develop a roadmap and strategy to carbon neutrality in the residential sector by 2030.

Section 2: Evidence

2.1	What data / evidence is available to support the proposal and understand its likely impact? (e.g. hate crime figures, obesity levels, recycling statistics) Stock condition surveys of council houses and EPC ratings for the city's housing stock.
2.2	What public / stakeholder consultation has been undertaken and what were the findings? As part of the production of this report and its recommendations, there has been discussion with the Housing and Safer Neighbourhoods scrutiny panel, CYC Climate Change Delivery Group, The Low Carbon Officer for York & North Yorkshire Local Enterprise Partnership, WYCA, Turner and Townsend lead for the Accelerator programme, CYC's Better Homes contractor, Housing Standards team, and the Home Energy Programme Manager.

	Are there any other initiatives that may produce a combined impact with this proposal? (e.g. will the same individuals / communities of identity also be impacted by a different project or policy?)
2.3	There is the potential to include insulation works alongside other planned maintenance programmes such as Tenants Choice, Roofing Programmes, and Windows programmes.



Section 3: Impact on One Planet principles

Please summarise any potential positive and negative impacts that may arise from your proposal on residents or staff.
 This section relates to the impact of your proposal on the ten One Planet principles.

For 'Impact', please select from the options in the drop-down menu.
 If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'.

Equity and Local Economy

Does your proposal?	Impact	What are the impacts and how do you know?
3.1 Impact positively on the business community in York?	Positive	Green supply chain and contractor opportunities
3.2 Provide additional employment or training opportunities in the city?	Positive	The need to upskill the workforce is integral to delivering the carbon savings needed in our housing stock. This would be realised through the development of a long term retrofit strategy, providing confidence
3.3 Help improve the lives of individuals from disadvantaged backgrounds or underrepresented groups?	Positive	Reduce costs and and improve the living environment for many vulnerable residents who also live in fuel poverty

Health & Happiness

Does your proposal?	Impact	What are the impacts and how do you know?
3.4 Improve the physical health or emotional wellbeing of residents or staff?	Positive	Cold homes are known to affect and exacerbate a range of health problems including respiratory problems, circulatory problems and increased risk of poor mental health. Nationally, estimates suggest that
3.5 Help reduce health inequalities?	Positive	The retrofit works will include houses currently in fuel poverty, helping to address health inequality by reducing the costs of providing a warm and healthy home
3.6 Encourage residents to be more responsible for their own health?	Neutral	
3.7 Reduce crime or fear of crime?	Neutral	
3.8 Help to give children and young people a good start in life?	Positive	A warmer home contributes to a more comfortable space to do school work - damp and mould contributes to illness and school absence

Culture & Community

Does your proposal?	Impact	What are the impacts and how do you know?
3.9 Help bring communities together?	Neutral	
3.10 Improve access to services for residents, especially those most in need?	Neutral	
3.11 Improve the cultural offerings of York?	Neutral	
3.12 Encourage residents to be more socially responsible?	Positive	Residents will be able to heat their homes so that they are warm and comfortable whilst reducing their impact on climate change. The programme will enable knowledge sharing

Zero Carbon and Sustainable Water

Does your proposal?	Impact	What are the impacts and how do you know?
---------------------	--------	---

3.13	Minimise the amount of energy we use and / or reduce the amount of energy we pay for? E.g. through the use of low or zero carbon sources of energy?	Positive	The proposals will reduce energy usage and energy costs for our residents
3.14	Minimise the amount of water we use and/or reduce the amount of water we pay for?	Neutral	

Zero Waste

Does your proposal?		Impact	What are the impacts and how do you know?
3.15	Reduce waste and the amount of money we pay to dispose of waste by maximising reuse and/or recycling of materials?	Neutral	

Sustainable Transport

Does your proposal?		Impact	What are the impacts and how do you know?
3.16	Encourage the use of sustainable transport, such as walking, cycling, ultra low emission vehicles and public transport?	Neutral	
3.17	Help improve the quality of the air we breathe?	Positive	The proposals will reduce the amount of fossil fuels burnt in the city, thus improving air quality for residents

Sustainable Materials

Does your proposal?		Impact	What are the impacts and how do you know?
3.18	Minimise the environmental impact of the goods and services used?	Neutral	

Local and Sustainable Food

Does your proposal?		Impact	What are the impacts and how do you know?
3.19	Maximise opportunities to support local and sustainable food initiatives?	Neutral	

Land Use and Wildlife

Does your proposal?		Impact	What are the impacts and how do you know?
3.20	Maximise opportunities to conserve or enhance the natural environment?	Positive	The retrofit works will create long term carbon savings and a reduction in fossil fuel usage
3.21	Improve the quality of the built environment?	Positive	Investing in council homes and facilitating investment in homes within the private sector will improve the overall quality of the built environment - creating greater resilience
3.22	Preserve the character and setting of the historic city of York?	Neutral	
3.23	Enable residents to enjoy public spaces?	Neutral	

3.40	Additional space to comment on the impacts		

Section 4: Impact on Equalities and Human Rights

Please summarise any potential positive and negative impacts that may arise from your proposal on staff or residents. This section relates to the impact of your proposal on **advancing equalities and human rights** and should build on the impacts you identified in the previous section.

For 'Impact', please select from the options in the drop-down menu.
If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'

Equalities

Will the proposal **adversely impact** upon 'communities of identity'?
Will it **help advance equality** or **foster good relations** between people in 'communities of identity'?

		Impact	What are the impacts and how do you know?
4.1	Age	Positive	Older residents are adversely affected by cold so warm energy efficient homes will provide significant benefit to our older residents
4.2	Disability	Neutral	
4.3	Gender	Neutral	
4.4	Gender Reassignment	Neutral	
4.5	Marriage and civil partnership	Neutral	
4.6	Pregnancy and maternity	Neutral	
4.7	Race	Neutral	
4.8	Religion or belief	Neutral	
4.9	Sexual orientation	Neutral	
4.10	Carer	Positive	Older residents are more adversely affected by cold and more likely to need a carer, warmer energy efficient homes will provide benefits to these residents
4.11	Lowest income groups	Positive	Notable energy bill savings for all households who receive energy efficiency works, including low income council tenants
4.12	Veterans, Armed forces community	Neutral	

Human Rights

Consider how a human rights approach is evident in the proposal

	Impact	What are the impacts and how do you know?
--	--------	---

4.13	Right to education	Neutral	
4.14	Right not to be subjected to torture, degrading treatment or punishment	Neutral	
4.15	Right to a fair and public hearing	Neutral	
4.16	Right to respect for private and family life, home and correspondence	Neutral	
4.17	Freedom of expression	Neutral	
4.18	Right not to be subject to discrimination	Neutral	
4.19	Other Rights	Neutral	

4.20	Additional space to comment on the impacts		



Section 5: Planning for Improvement

5.1	What have you changed in order to improve the impact of the proposal on the One Planet principles? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)
	Developed a preferred option that allows us to get going on retrofit works in 2021 whilst developing a long term strategy alongside this - utilising the learning from the first phase of works and taking advantage of grant funding opportunities

5.2	What have you changed in order to improve the impact of the proposal on equalities and human rights? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)

5.3	Going forward, what further evidence or consultation is needed to ensure the proposal delivers its intended benefits? e.g. consultation with specific vulnerable groups, additional data)
	A key factor in ensuring the success of the programme will be establishing support from our residents whose homes will receive energy improvement works. Some of these works can be disruptive and as such we will be engaging closely with our residents. We will help residents understand the long term benefits of the work, both in terms of energy savings and environmental impact whilst making it clear what this will mean in the short term in respect of what and how the works will be carried out.

5.4	Please record any outstanding actions needed to maximise benefits or minimise negative impacts in relation to this proposal? (Expand / insert more rows if needed)
-----	---

Action	Person(s)	Due date

In the One Planet / Equalities section of your Executive report, please briefly summarise the changes you have made (or intend to make) in order to improve the social, economic and environmental impact of your proposal.

This page is intentionally left blank



Executive

15 December 2020

Report of the Assistant Director Customer & Digital Services
Portfolio of the Executive Member for Finance & Performance

Council Tax Support – Consultation Decision Report**Summary**

1. This report presents Executive with a recommendation to amend the council's Council Tax Support (CTS) scheme. This follows consultation on implementing a De Minimis limit in respect of a change in financial income before customers in receipt of council tax support are issued with an adjustment notice (revised bill).

Recommendations

2. Executive are asked to consider the contents of this report and make recommendation to Full Council that:
 - a) having considered the consultation and implications of issuing multiple adjustment notices that a De Minimis limit of £2.50 be implemented before a council tax support customer is required to receive a revised council tax bill.

Reason: To support financial inclusion and protect financially vulnerable customers from confusing and unnecessary multiple bills.

Background

3. The rollout of Universal Credit (UC) has changed the environment in which the council's CTS scheme is operating. It is causing complexities around council tax billing, recovery and the volume of bills received by customers. This arises as the level of UC fluctuates around any variation in customer income no matter how minor, which in turn results in constant recalculation of a customer's CT liability with each change generating a new bill. To

put this into perspective this year has seen an average of 1,580 changes per month nearly 20,000 changes a year. Not all of these are relating to a UC change in income but most are.

4. A majority of CTS customers have some income and the constant changes in their CT liability causes problems and confusion. The issue has been raised by the Welfare Benefit Unit and Citizens Advice York (CAY) through the Financial Inclusion Steering Group (FISG). To further complicate the issue often no recovery action can be started due to the constant changes in liability which can and does exacerbate customer's debt issues. It needs to be borne in mind that the changes in liability are generally very small just a couple of pence however under our current CTS scheme and the CT rules new bills must be issued.
5. The initial intention was to undertake a full consultation exercise on the council's CTS scheme during 2020 however the advent of the covid-19 pandemic put paid to this. The issue around multiple bills is such that only a minor technical change to the scheme is required and it has no effect on the current scheme in terms of the level of financial support provided. Despite this being a technical change the council has still undertaken a 6 week period of consultation with all stakeholders.

Consultation

6. The council must by law undertake appropriate consultation if it wishes to amend its CTS scheme and any such change must be approved by Full Council by the 11th March in the financial year preceding the change. Where a change has a material impact on the level of income to the council through the council tax base such a change needs to be approved before approval of the council's budget so the financial impact can be taken into account. In this case the proposed change is a technical one and has no impact on the council tax base.
7. The initial consultation around making this change to the scheme was informal as part of FISG and was been raised by support agencies in the city through CAY and had also been picked up by the Welfare Benefit Unit (WBU). The key issue was the confusion caused by customers receiving multiple bills with minor changes often of just a few pence.
8. It was decided that despite the covid-19 pandemic that it would be possible to make a technical change to resolve this issue and that

as part of this a formal consultation period of 6 weeks would be undertaken.

9. The consultation survey was on the council website for 6 weeks from 1st October 20 – 13th November 2020 inclusive. The survey was promoted via social media, partner networks, including Advice York, York Multiple Complex Needs (MCN), parish councils and residents associations and their newsletters, including York CVS and Health Watch.
10. The consultation was online and the questionnaire is set out at Annex A. The detailed response to consultation is set out at Annex B.
11. The headline feedback is that stakeholders overwhelmingly support a change that implements a De Minimis limit of £2.50 with further details set out in the following paragraphs.
12. The number of responses to the consultation was relatively low, however comparatively higher than in previous CTS consultations. Key representative groups were made aware of the consultation and have responded positively.
13. Response to the proposal to introduce a De Minimis limit has been positive, with over three quarters of respondents supporting the change and only a small percentage disagreeing (10%).
14. Most responders thought the suggested amount of the tolerance level was about right. A few people thought it should be lower and a few people thought it should be higher.
15. The only concerns raised were the impact on those who would be negatively affected by changes in their income within the tolerance, resulting in a lower council tax award over a longer period of time.

“the concern is that if someone should have got a reduction of £2.50 every week over 52 weeks that is £130 a year which is a significant sum.”
16. This was highlighted in the scheme proposals and whilst unlikely to occur support will be made available through the Discretionary Council Tax Reduction scheme for those affected. Customers will be signposted through the council’s website, the welfare benefits

service and third sector support agencies to ensure no customer loses out financially however small the value of the change.

Options

17. Executive have two options associated with this paper:
 - i. Maintain the scheme as is and continue to issue revised bills for small changes in customers income: or
 - ii. In line with the consultation feedback implement a De Minimis limit of £2.50 before any change is made.

Council Plan 2019 - 23

18. The options in this paper allow the council to design the Council Tax Support process around the needs of our residents and the community. It also supports a reviewed approach to financial inclusion across the city.

Implications

19.

- (a) **Financial –** The change is a technical one and has no material financial impact.
- (b) **Human Resources –** There are no human resource impacts.
- (c) **Equalities –** As this is a technical change it has no impact on equalities.
- (d) **Legal –** Specific legal requirements relating to the process for revising a scheme are set out within the body of the report including the requirement for consultation. The general law imposes obligations on public authorities when undertaking consultation. In particular it:
 - Must be undertaken at a point where the mind of the decision-maker is still open to change and can; therefore, be influenced by the responses to the consultation. A decision-maker can though consult upon a preferred option provided that its mind is genuinely ajar.
 - Must include sufficient information on the proposals to enable an intelligent response.

- Adequate time must be given to respond. What is adequate will depend on the circumstances of each case. Clearly the longer time available for consultation the more the risk of challenge on this basis is mitigated.
- The product of the consultation must be fed into the decision-making process and conscientiously considered.

(e) **Crime and Disorder** - There are no implications.

(f) **Information Technology (IT)** – The council’s revenue and benefits systems can be configured to take account of a De Minimis limit

(g) **Property** - There are no implications

Risk Management

20. There are no risks associated with this paper.

Contact Details

Authors:	Chief Officer responsible for the report:		
David Walker Head of Customer and Exchequer Services Phone No. 01904 552261	Ian Floyd Chief Operating Officer		
Pauline Stuchfield Assistant Director Customers & Employees Telephone: 01904 551706	Report Approved	√	Date 24/11/2020
Specialist Implications Officer(s) Chief Finance Officer			
Wards Affected: All			√
For further information please contact the authors of the report			

Background Papers

None

Annexes

Annex A – Consultation Questionnaire

Annex B – Consultation Output

Abbreviations

CTS – Council Tax Support

CAY – Citizens Advice York

CT – Council Tax

FISG – Financial Inclusion Steering Group

WBU – Welfare Benefit Unit

Adjustment Notice – Revised Council Tax Bill

Council Tax Support Scheme Consultation October 2020

Survey Information

City of York Council is consulting residents on proposals to make some changes to the Council Tax Support Scheme (CTS). The specific details, along with what impact changing the scheme would have, are explained in the survey before we ask you any questions. The change is also explained as you complete the survey.

All questions are optional. If you feel unable to answer any of the questions in this survey please feel free to leave your response blank and move on to the next question. Please only answer the questions you feel comfortable responding to.

Our survey asks for some personal information which you may choose not to give. We do not publish or share any information which can identify you. Please read our privacy notice to find out more about how we protect your personal information. We will ask for your consent to this at the start of the survey.

You can withdraw your consent at any time by Susan.Wood@york.gov.uk.

Question 1

Do you confirm that you have read and understood the privacy notice?

You must select 'Yes' in order to take the survey.

Tick

Yes _____ **No** _____

What is the Council Tax Support Scheme?

The Council Tax Support Scheme (CTS) helps residents on a low income to pay their council tax. Under the current scheme, a York resident liable for council tax who is a pensioner could get up to 100% of the charge paid through the scheme, or if they are of working age could get up to 77.5% of the charge paid (i.e. the council tax bill payer is under pension credit age).

The amount of support a household can get through the scheme is determined through a “means test” – this means we look at your total income and any money that you and your partner (if you have one) have as savings. We then compare it against a minimum allowance that you need to live on, depending on your circumstances.

At the moment, the council tax support scheme helps around 9590 York households on a low income to pay their local council tax; 4000 people over pension age and 5590 of our working age residents get support to pay some of their council tax.

Why are we reviewing the current Council Tax Reduction Scheme?

We’re proposing a change to our local council tax support scheme so it works better for working-age people. We’d like your views before we decide.

The proposed change will simplify what happens to local council tax support when a person’s income changes by small amounts. Currently we send over 30,000 adjustment notices a year. Most people receiving council tax support get 1 or 2 bills if they have a change; but for an increasing number of people whose income changes regularly they receive numerous bills.

The number of people this affects has increased significantly through the introduction of Universal Credit. When a person is receiving Universal Credit, their entitlement to Universal Credit is assessed each month. If they are claiming Council

Tax Support (CTS) from the council, the council is notified each month of the change to the person's award.

At the moment, every change in a person's income means their Council Tax Support has to be reassessed, their council tax bill recalculated and a new bill sent.

Constant changes to a person's council tax bill can result in people finding it harder to keep up with their payments, as the number of instalments they are given reduces through the year.

In many cases, these changes often make little or no difference to the person's entitlement to Council Tax Support, but still have to be assessed. This creates additional work for the council, excessive paperwork for persons and costs the council money.

The council is considering introducing a new approach to assessing these changes from April 2021 to reduce the impact of income changes on Council Tax Support claims.

Question 2 *I am answering this survey:

- As a resident

Question 2a

Which of the following best describes the make-up of your household?

- One person, not retired
- One person, retired
- Couple, not retired
- Couple, one or both retired
- Couple with child/children
- Single parent with child/children
- Other (please specify)

Question 2b

Do you currently receive Council Tax Support?

- Yes No N/A

- On behalf of a business
- On behalf of a public sector organisation
- On behalf of a charity that covers the York area
- On behalf of a community group in York
- Other (please specify)

Please tell us who you are answering on behalf of:

Organisation _____

Contact email _____

Option 1: Introduction of a Tolerance Scheme

A tolerance scheme is where a person's income can change up to an amount set by the council before their council tax support claim is affected.

The council is proposing that if a person's income goes up or down and the difference in their council tax support award would be either plus /minus £2.50 per week, the change will not be assessed. This means that a person's Council Tax Support would not be changed and their bill would remain the same.

If the change in their award is more than £2.50 per week, their Council Tax Support and bill will be recalculated as it is now.

The proposal means the council would process fewer changes to a person's council tax support claim, which in turn would result in fewer changes to amount of Council Tax due and monthly instalments. Which would reduce the number of amended bills they would receive.

We have looked at a sample of award notifications for the current council tax support awards. On this basis we recommend a monthly tolerance amount of £2.50 per week.

Based on this amount we would achieve 43% reduction in the number of bills sent out due to changes in income. Of these changes which would be ignored 64% would have seen a reduction in there council tax support if the change was implemented and 36% would have seen an increase in Council Tax Support.

If the tolerance level was set below £2.50 this would be less effective, whilst there is little to gain by increasing the tolerance level. The attached examples show a range of changes to peoples Council Tax Support accounts and how they would be affected.

Most people who are affected by regular small changes have both increases and decreases which level out the amount of support. However, anyone disproportionately affected by the changes they would be able to apply for discretionary council tax reduction.

It should be noted where customers' circumstances noticeably change, for example when employment ceases, the tolerance rule will not apply, given the change will be greater than £2.50 per week. In these circumstances the customer's council tax support will be immediately adjusted to provide extra benefit.

It is also recommended that the changes to the Council Tax Support Scheme include discretion to reassess entitlement where a reduction in earnings occurs and it is clear that this level of earnings have and will be likely to continue at a lower level.

Option 2: Leave the current process in place

The current process is to at the moment, each change notified to the council has to be reassessed, the person has to be notified of the effect on their council tax support, and where necessary, their council tax bill will be recalculated.

Examples of implementation of proposed tolerance scheme for Council Tax Support – Sept 20

Single parent - 2 children	Net weekly income after disregards	Weekly CTS Amount	Difference	
07/09/2010	£362.35	£2.06	-£2.74	New bill
12/07/2020	£348.67	£4.8	£2.54	New bill
11/05/2020	£361.36	£2.26	-£6.17	New bill
01/04/2020	£338.47	8.43		New bill

Single person	Net weekly income after disregards	Weekly CTS Amount	Difference	
29/06/2020	£264.09	£6.18	£2.43	No change
01/06/2020	£276.27	£3.75	£3.37	New bill
04/05/2020	£293.08	£0.38	-£13.95	New bill
01/04/2020	£220.35	£14.33		

Single parent - 2 children	Net weekly income after disregards	Weekly CTS Amount	Difference	
29/06/2020	£341.45	£12.04	0	No change
15/06/2020	£341.45	£12.04	-£2.21	No change
11/05/2020	£352.49	£9.83	£5.01	Bill
13/04/2020	£376.92	£4.95	-£0.13	No change
01/04/2020	£375.61	£4.82		

11/5/20 bill will show change from in amount from £4.82 – £9.83

Couple	Net weekly income after disregards	Weekly CTS Amount	Difference	
15/06/2020	£231.22	£14.51	£1.72	No change
10/05/2020	£239.82	£12.79		

Single parent - 1 child	Net weekly income after disregards	Weekly CTS Amount	Difference	
20/07/2020	£264.42	£7.16	£1.79	No change
22/06/2020	£273.33	£5.37	-£3.07	New bill
15/06/2020	£258.02	£8.44	£8.44	New bill
18/05/2020	£321.75	0	-£14.93	New bill
11/05/2020	63.73	£14.93	0	No change

Single person	Net weekly income after disregards	Weekly CTS Amount	Difference	
	£204.07	£2.84	£2.19	No change
	£193.10	£5.03	-£2.19	No change
	£204.07	£2.84		

Single parent - 2 children	Net weekly income after disregards	Weekly CTS Amount	Difference	
06/07/2020	£348.99	£2.89	-0.51	No change
22/06/2007	£346.46	£3.40	£11.53	New bill
11/05/2020	288.81	£14.93	£11.86	New bill
01/04/2020	£346.19	£3.07		

Single	Net weekly income after disregards	Weekly CTS Amount	Difference	
15/06/2020	£177.47	£10.38	£0.98	No change
18/05/2020	£172.56	£11.36	£1.44	No change
13/04/2020	£165.39	£12.8	£0.58	No change
01/04/2020	£168.28	£12.22		

Couple 2 children	Net weekly income after disregards	Weekly CTS Amount	Difference	
27/07/2020	£337.65	£2.54	£1.25	No change
29/06/2020	£337.65	£1.29	£2.13	No change
01/06/2020	405.86	£3.42	£0.01	No change
27/04/2020	£405.88	£3.41		

couple	Net weekly income after disregards	Weekly CTS Amount	Difference	
27/07/2020	£307.58	£14.04	£2.42	No change

01/06/2020	£295.49	£16.46		
------------	---------	--------	--	--

Single parent - 1 child	Net weekly income after disregards	Weekly CTS Amount	Difference	
13/07/20	£282.41	£0.81	£1.53	No change
08/05/20	£274.77	£2.34	£1.74	No change
11/05/20	£222.48	£0.06	£3.56	New bill
13/04/20	£274.77	£2.34	£1.82	No change
01/04/20	£264.98	£4.16		

11/5/20 bill will show change from in amount from £4.16 – £0.06

Couple	Net weekly income after disregards	Weekly CTS Amount	Difference	
13/07/2020	£303.58	£7.12	£3.78	New bill
08/06/2020	284.70	£10.90	£4.49	New bill
23/05/2020	£307.16	£6.41	5.04	New bill
11/05/2020	£307.16	£1.37		

Single	Net weekly income after disregards	Weekly CTS Amount	Difference	
15/06/2020	£105.22	£12.80	£3.45	New bill
18/05/2020	£122.50	£9.35	£8.85	New bill
20/04/2020	£146.51	£0.50	£5.10	New bill

01/04/2020	£14.22	£5.60		
------------	--------	-------	--	--

Tolerance scheme proposals

A new bill will only be issued if a change of income causes a person's weekly Council Tax Support scheme entitlement to increase or decrease by £2.50 per week.

Question 3 To what extent do you agree or disagree with tolerance scheme proposal?

Strongly disagree
 Disagree
 Neither/nor
 Agree
 Strongly agree
 Don't know

Question 4 Do you agree the amount should be set at £2.50 per week?

Yes
 No
 Don't know

Question 5 If no, do you think the amount should be:

Lower
 Higher

Please give amount and tell us why you think the amount should be lower or higher:

Question 6 **If you would like to make any further comments about the proposed changes please use the box below.**

Question 7 **If you have any comments or feedback about the Council Tax Support Scheme in general, please use the box below.**

On the following page we will ask some questions about you.

Any information you share may help us identify themes in specific groups to aid any future support and will not be used to identify you. You may choose not to answer or select 'prefer not to say' to any question. If you would prefer to opt out of this section please click the relevant option below.

Question 8 **Would you like to continue to the 'About You' section?**

- Yes, continue to this section
- No, skip this section

About you

Question 9 **Your age: (please select the appropriate range)**

- Prefer not to say
- Under 16
- 16-24
- 25-39
- 40-55
- 56-59

60-64

65+

Question 10 Your Gender:

- Prefer not to say Male Female Non-binary/Gender Variant

Question 11 Do you identify as transgender/trans?

- Prefer not to say Yes No

Question 12 What is your ethnic group?

Please choose one section from A-E and then tick the appropriate box to indicate your ethnic background or please tick this box:

Prefer not to say

A: White

British

Irish

Any other white background, please specify:

B: Mixed Race

White and Black Caribbean

White and Black African

White and Asian

Any other Mixed/multiple race background, please specify:

C: Asian and Asian British

Indian

Chinese

Annex A

Pakistani

Bangladeshi

Any other Asian background,
please specify:

D: Black and Black British

Caribbean

African

Any other Black background, please specify:

E: Other Ethnic Groups:

Gypsy

Traveller

Any other background, please specify:

Do you consider yourself to have a disability?

Prefer not to say Yes No

If you answered “Yes” above, please tick as many boxes below as apply:

Physical impairment

Sensory impairment

Mental health condition

Learning disability

Long standing illness or health condition

What is your religion or belief?

Prefer not to say

Buddhist

Christian

- Hindu Muslim No religion
 Jewish Sikh Other

If 'Other' please tell us what your religion or belief is or leave blank if you prefer not to say

What is your sexual orientation?

- Prefer not to say Gay man
 Bisexual Gay woman/lesbian
 Heterosexual/straight

Are you a carer?

A carer is defined as someone who “looks after family, partner or friends in need of help because they are ill, frail or have a disability...” and that the help they provide is unpaid (except for Carers Allowance). Excluding childcare /family responsibility.

- Prefer not to say Yes No

Thank you for completing our survey.

**Please return the survey to
CTS Survey
Customer Services**

Annex A



City of York Council

West Offices

York YO1 6GA

Annex A

Privacy Notice for Consultation on Council Tax Support – September 2020

We developed this privacy notice in September 2020 and will keep it under regular review.

When we use your personal data, City of York Council (CYC) complies with data protection legislation, and is the registered 'Controller'. Our data protection notification is registered with the Information Commissioner's Office (ICO) – reference Z5809563.

Why will information be collected?

This survey is part of consultation on changes to our Local Council Tax Support scheme. We're proposing a change to our Local Council Tax Support scheme so it works better for working-age people. We'd like your views before we decide.

Responses to questions in the 'About you' section may help us identify themes in specific groups to aid any future support and will not be used to identify you. Participation is voluntary and you may choose not to or select 'prefer not to say' to any question. You can withdraw your consent at any time, by contacting: business.intelligence@york.gov.uk or 01904 551550.

What information will be collected?

Through a series of multiple choice and open text questions we will ask for information about views on the proposed changes and how the changes would affect you. We will also ask for personal information including age, disability.

If you are responding on behalf of a group or organisation we will ask for your consent and an email address to contact you for further feedback on the Local Council Tax Support Scheme. You can withdraw your consent for this at any time by contacting business.intelligence@york.gov.uk or 01904 551550.

What will we do with the information?

The information we collect will be included in presentations, reports and performance framework. Any data for publication or use outside of the authorised council staff will be anonymised and will not identify any individuals.

We will not use the data for any other purpose than stated and will not disclose to a third party ie other companies or individuals, unless we are required to do so by law for example for the prevention of crime and detection of fraud, etc.

Online data will be collected using SurveyMonkey and paper questionnaires if these are requested.

To find out how they use your information, please visit the council website www.york.gov.uk

Where will the information be kept?

We will keep the information you give us and your personal data in the council's secure network drive and make sure it can only be accessed by authorised staff. Where you complete a paper copy of a survey we will transfer the information you have given onto the council's secure network drive and then securely destroy the paper copy once the transfer is complete.

How long will we keep the information?

We will keep the information you give us and your personal data for up to three years and then will securely destroy it. Where required or appropriate to, at the end of the retention period, we will pass onto the City Archives any relevant information

Further Processing

If we wish to use your personal data for a new purpose, not covered by this Privacy Notice, we will provide you with a new notice explaining the purpose prior to commencing the processing and the processing conditions. Where and whenever necessary, we will seek your consent prior to the new processing.

Your rights

To find out about your rights under data protection law, you can go to the Information Commissioners Office (ICO) <https://ico.org.uk/for-the-public/>

You can also find information about your rights at <https://www.york.gov.uk/privacy> If you have any questions about this email, want to exercise your rights, or if you have a complaint about how your information has been used, please contact us at foi@york.gov.uk or on 01904 554145 or write to: Data Protection Officer, City of York Council, West Offices Station Rise, York YO1 6GA

This page is intentionally left blank

What is the Council Tax Support Scheme?

The Council Tax Support Scheme (CTS) helps residents on a low income to pay their council tax. Under the current scheme, a York resident liable for council tax who is a pensioner could get up to 100% of the charge paid through the scheme, or if they are of working age could get up to 77.5% of the charge paid (i.e. the council tax bill payer is under pension credit age).

The amount of support a household can get through the scheme is determined through a “means test” – this means we look at your total income and any money that you and your partner (if you have one) have as savings. We then compare it against a minimum allowance that you need to live on, depending on your circumstances.

At the moment, the council tax support scheme helps around 9590 York households on a low income to pay their local council tax; 4000 people over pension age and 5590 of our working age residents get support to pay some of their council tax.

Detailed findings

Questionnaire responses

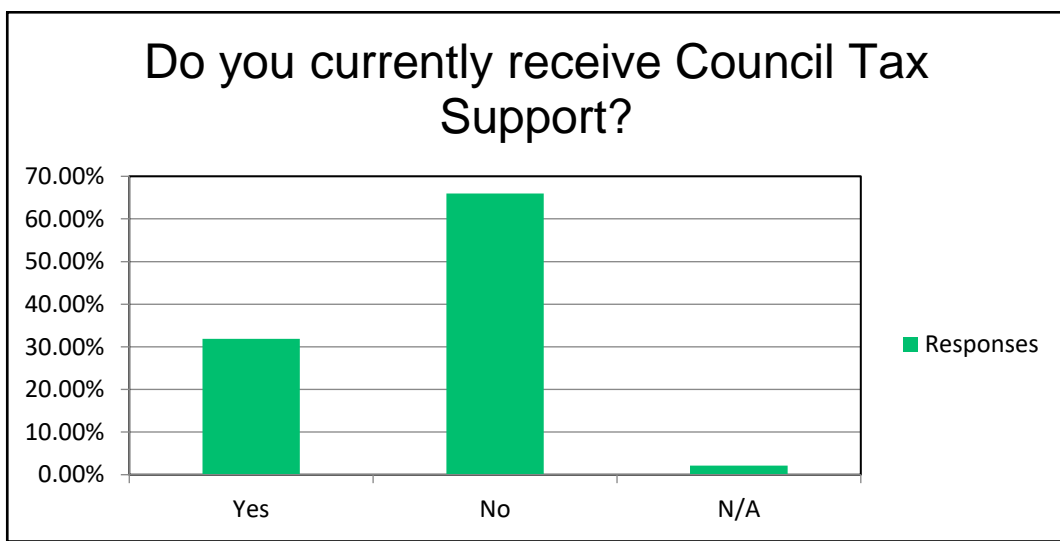
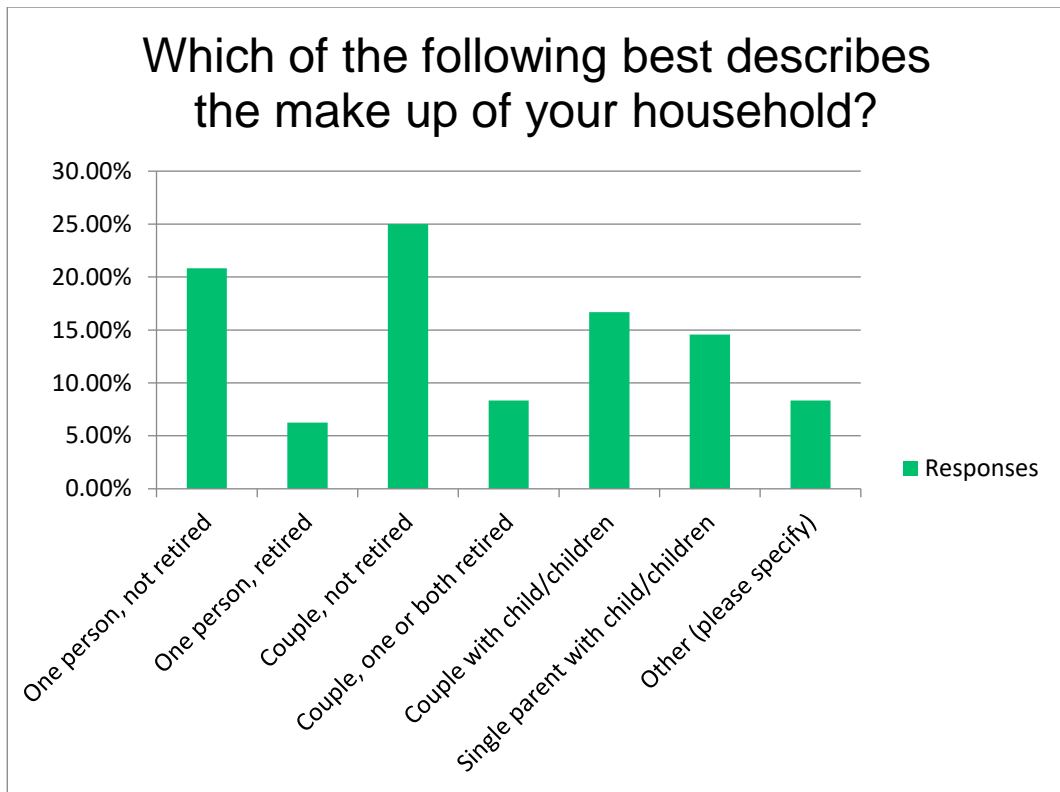
77 people viewed the survey of which 42 responses were received:

- 14% from representative organisations / charities
- 86% from individuals / residents

Residents were asked:

Q1 - the make-up of their household

Q2 - whether they are receiving Council Tax Support



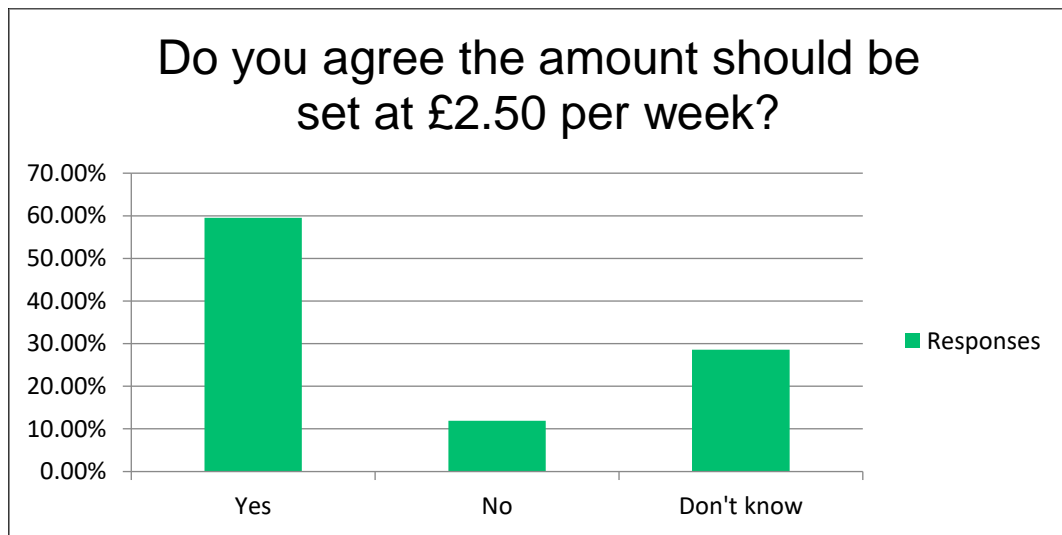
Organisational responses were received from

- Welfare Benefits Unit
- York Mind
- Peasholme Charity
- Age UK York
- Citizens Advice York

Q3 - To what extent do you agree or disagree with tolerance scheme proposal?

Strongly disagree	Disagree	Neither/nor	Agree	Strongly agree
4.76%	2.38%	16.67%	40.48%	35.71%

Q4 - Do you agree the amount should be set at £2.50 per week?



Q5 - If no, do you think the amount should be higher or lower?

5 responses received of which:

- 2 higher
- 3 lower

Q6 - 3 comments were received about the proposed amount

I think the concern is that is someone should have got a reduction of £2.50 every week over 52 weeks that is £130 a year which is a significant sum. Although that may be unlikely we think someone on a low income would want to be able to access that saving and know they are getting that money back.
not lower otherwise it won't be effective
£10 Probable cost of notifying the claimant of the increase/decrease so no loss to the council.

Q7 - 9 comments were received about the proposed changes

Not sure of the optimal tolerance level without knowing cost implications of varying amounts
There needs to be some way of picking up if someone is getting a significant refund on an ongoing basis - so if there is a change then after a number of months, perhaps writing to the resident. Any communication needs to be clear, and offered in a range of accessible formats.
Also if someone is meticulous about their bills and then finds their bill is different to what they thought it should be, they are likely to contact you which will then cause more work. So at the start of each CTAX year it will be really important to make it really clear what you are doing.
I think the tolerance scheme is a sensible way to reduce the bureaucracy involved and helps keep people's bills consistent
The proposed changes will have a positive impact on people's well-being as it can be daunting and frustrating finding that a change has happened due to a very slight increase in wages and by the time all the council's protocols have been put in place i.e. 10 days notification period for DDs or Instalment plans it can have a detrimental affect on the family's finances
Use the £2.50 as a trial and I assume it could be changed once the effectiveness of this action has been assessed
Good idea. Would lower costs to the council too in paper and postage. Any saving is good
You need to make sure that you get these bills sorted as soon as possible for people so they aren't paying too much or too little. It will help keep people budget and get money in for the council.
The exemptions to the tolerance exact rule are important for people whose circumstances have changed negatively, and seriously such as complete job loss.
Anything that simplifies things can only be good.

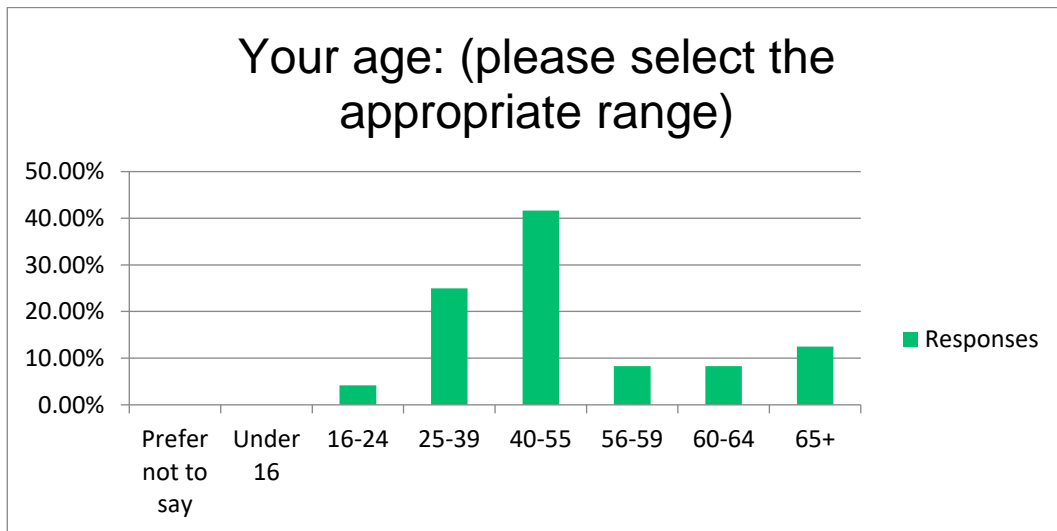
Q8 - 5 comments were received about the Council Tax Support Scheme in general

I think it is difficult for residents to understand. A simplification may help
It seems to make sense to me. Anything that cuts down on the paper work (at least for something which I think is on the whole, quite minor like this is) and lets people live their lives is a benefit.
I agree that too many bills are sent out and confuses people.
Good idea
It shows that the universal credit doesn't make things like this any easier as the government promised it would. A total waste of money.

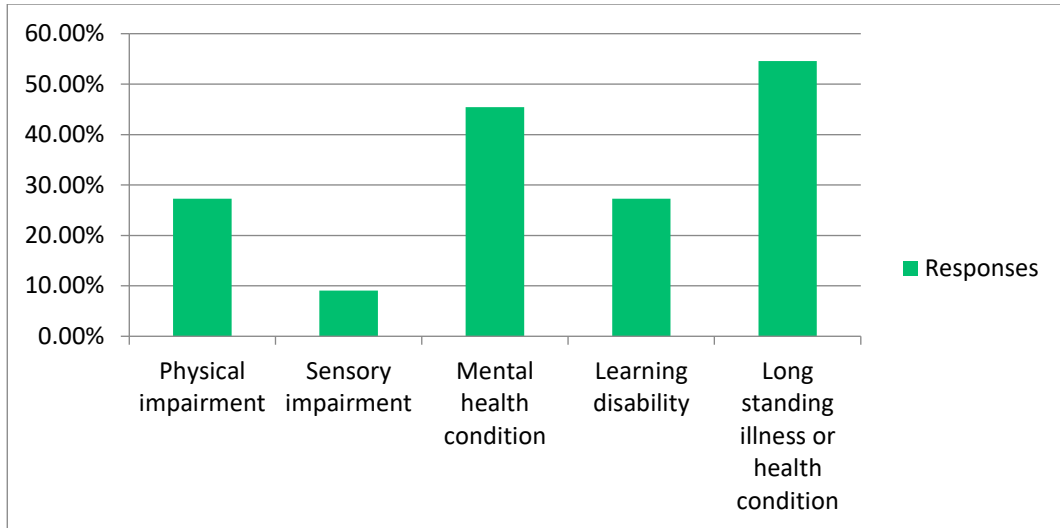
Monitoring Questions

24 people completed the monitoring questions

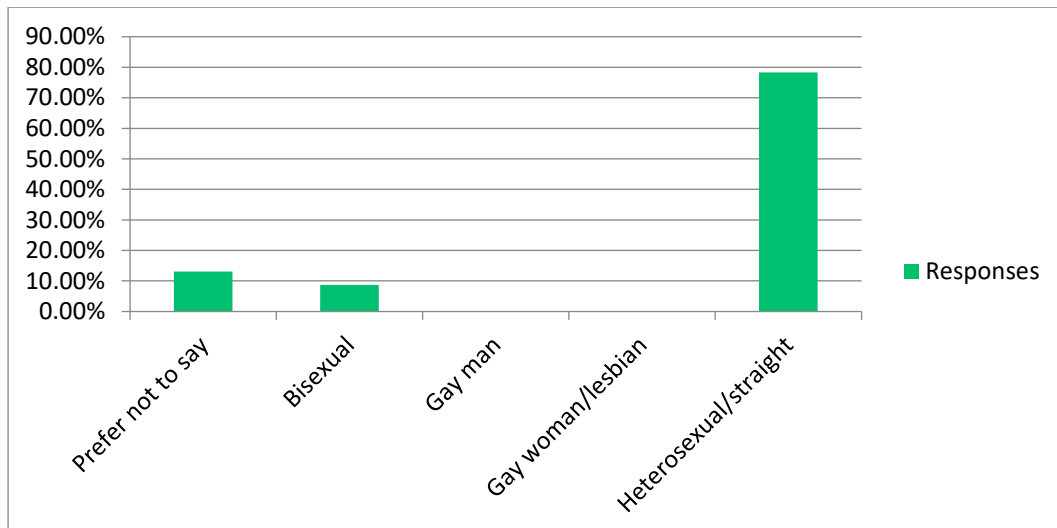
- Responses were received from people across age ranges



- 3 out of 4 respondents were women
- Only 1 person identified as non-white British
- 42% of respondents identified as having a disability



- 23 responded regarding their sexual orientation



- 13% of respondents identified as being a carer