



Notice of meeting of

Executive

To:	Councillors Waller (Chair), Ayre, Steve Galloway, Moore, Morley, Reid and Runciman
Date:	Tuesday, 5 October 2010
Time:	2.00 pm
Venue:	The Guildhall, York

AGENDA

Notice to Members - Calling In:

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

10:00 am on Monday 4 October 2010, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 7 October 2010, if an item is called in *after* a decision has been taken.

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

1. Declarations of Interest

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

2. Minutes (Pages 3 - 14)

To approve and sign the minutes of the Executive meeting held on 21 September 2010.

3. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or a matter within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 4 October 2010**.

4. Executive Forward Plan (Pages 15 - 20)

To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.

5. Affordable Housing Viability Study (Pages 21 - 36)

This report advises the Executive on the production of the Affordable Housing Viability Study for York as required by national planning guidance in Planning Policy Statement 3 Housing.

6. Liberating the NHS (Pages 37 - 52)

This report outlines the proposals within the White Paper "Liberating the NHS", in particular, those that have most impact for the Local Authority, and seeks approval for a proposed response to consultation on the White Paper and for the development of a Transitional Health and Wellbeing Board to oversee and support the local changes that the White Paper potentially heralds.

7. Reforming Rail Franchising - DfT consultation paper and implications for York (Pages 53 - 72)

This report informs the Executive of the Department for Transport's consultation on possible changes to rail franchising, highlights the specific implications of the changes for York and presents a proposed response to the specific questions in the consultation.

Note: Annex A to this report (the consultation paper) has not been included in the agenda pack and is available to view on-line only. Printed copies have been circulated to Executive Members and Group Leaders.

8. Attendance Management Update (Pages 73 - 78)

This report provides the Executive with an update on the Council's approach to attendance at work and recommends a number of revised work/life balance policy provisions in order to achieve significant and sustained improvements in attendance levels.

9. Reference Report - National Service Planning Requirements for Environmental Health and Trading Standards. (Pages 79 - 86)

This report asks Members to consider a recommendation made by the Executive Member for Neighbourhood Services on 22 June 2010 that they approve the service plans for food law enforcement, health and safety law enforcement and animal health enforcement.

10. Urgent Business

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

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – fiona.young@york.gov.uk

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

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

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Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

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If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
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City of York Council

Committee Minutes

MEETING	EXECUTIVE
DATE	21 SEPTEMBER 2010
PRESENT	COUNCILLORS WALLER (CHAIR), AYRE, STEVE GALLOWAY, MOORE AND REID
APOLOGIES	COUNCILLORS MORLEY AND RUNCIMAN

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**62. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

63. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of the following, on the grounds that they contain information classed as exempt under Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006), as indicated below:

- Annexes 2, 3, 4a and 4b to agenda item 6 (The Barbican Auditorium) – information relating to the financial or business affairs of particular persons, exempt under paragraph 3 of Schedule 12A
- Agenda item 14 (Equal Pay Update) – information relating to negotiations in connection with a labour relations matter arising between the authority and employees of the authority, and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings – exempt under paragraphs 4 and 5 of Schedule 12A.

64. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 7 September 2010 be approved and signed by the Chair as a correct record.

65. PUBLIC PARTICIPATION / OTHER SPEAKERS

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme, and one request to speak at the discretion of the Chair.

Owen Clayton, of *York Residents Against Incineration*, spoke in relation to an item within the Executive's remit; namely, the proposed award of the PFI contract for waste management. He queried the economic basis for the incineration of waste and recommended the adoption of an alternative 'zero waste' strategy, with the Allerton site being used as a Resource Recovery Park.

With the consent of the Chair, Heather Mackenzie, of UNISON, spoke in relation to agenda item 12 (Exit Provisions and Pension Discretions). She objected to the recommendations in the report and urged Members to adopt the proposals put forward by UNISON, as detailed in the consultation section of the report, which would be cost neutral, provide a clear and transparent process and encourage more voluntary redundancies.

66. EXECUTIVE FORWARD PLAN

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

67. THE BARBICAN AUDITORIUM

[See also under Part B Minutes]

Members considered a report which provided an update on progress with the formal procurement competition designed to bring the Barbican Auditorium back into public use.

Details of the procurement process were set out in paragraphs 9 to 13 of the report. Of the four bidders shortlisted, two had subsequently withdrawn, and formal tenders had been submitted by:

- Bidder A - a property developer with a proposal for a comprehensive redevelopment of the area, including the Kent Street site
- Bidder B - SMG Europe (Holdings) Ltd., an entertainments operator with a plan to refurbish and lease the Barbican and provide a programme of entertainments and conferencing.

Following an evaluation exercise carried out in accordance with the agreed criteria, SMG had been identified as the preferred bidder. Details of the funding and revenue implications of the bid were set out in exempt Annex 4 of the report. Approval was now sought to proceed to an award of the contract and to carry out works to resolve an associated issue raised by the Highways section regarding the pedestrian refuge on Kent Street.

Officers at the meeting provided an update on the potential economic impact of the preferred bidder's proposal, which early calculations estimated could benefit the local economy by between £9m and £12m.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the selection of SMG Europe (Holdings) Limited, or an appropriate nominated subsidiary, as the preferred bidder, be acknowledged.

(ii) That authority be delegated to the Director of Adults, Children and Education, in consultation with the Head of Legal Services, to complete a conditional development agreement and lease ('Award of Contract').¹

(iii) That any necessary works be undertaken to the Kent Street pedestrian refuge to ensure that show vehicles can service the Barbican.²

REASON: To enable the Barbican Auditorium to be re-opened for public use.

Action Required

1. Complete conditional development agreement and lease PD
2. Arrange with Highways for works to be carried out to Kent St pedestrian refuge PD

68. CYCLING CITY PROGRAMME - PROGRESS REPORT 4

Members considered a report which provided the fourth update on the progress of the Cycling City York Programme, highlighting works carried out over the past six months and successes achieved to date.

The programme was now in its final stage, with delivery continuing to be implemented around infrastructure, including the orbital route, and revenue schemes aimed at encouraging more people to cycle. It continued to be viewed positively by Cycling England, who were recommending other Cycling City and Town authorities to contact York for advice. Monitoring and evaluation work was also ongoing, including a recent audit of schools and workplace projects and the railway station access schemes. A background note on this work was attached as Annex A to the report. Initial summary evaluation results from all cycling cities and towns had been provided in Annex B, which was available to view on the internet.

Work carried out over the previous six months was detailed in paragraphs 7 to 27 of the report and projects planned for the next six months were highlighted in paragraphs 28 to 41. Officers provided further statistical information at the meeting concerning levels of cycling, which were likely to increase by nearly 50%; well above the 25% target.

Having noted the comments of the Labour Group Spokespersons on this item, it was

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

(ii) That a further and final update report be received in March 2011.¹

REASON: To enable Members to continue to monitor the success of the programme.

Action Required

1. Schedule final update report on Executive Forward Plan GT
for March 2011

69. PUBLIC REPORTING OF ENQUIRIES AND REPLIES MADE UNDER THE FREEDOM OF INFORMATION ACT 2000

Members considered a report which examined how best to provide public access to requests for information made under the Freedom of Information (Fol) Act and related replies. Consideration of this matter had been deferred from the Executive meeting on 30 March 2010, to enable Officers to bring forward alternative proposals to publishing the information on the Council's website.

Four options were presented, as follows:

Option 1 – use the Documentum records storage and management system as a publicly accessible information resource.

Option 2 – publish a monthly web page listing all Fol questions answered that month, each with a pdf link to the response.

Option 3 – publish the Fol questions only, with an offer to provide the reply on request.

Option 4 (not recommended) – do nothing.

The options were examined in paragraphs 10 to 18 of the report. It was recommended that a combination of Options 1 and 2 be adopted, with Option 1 as the longer term solution from 2011 and Option 2 being used in the interim. This would be consistent with the Council's strategy of using Documentum as its principal store of electronic records, whilst allowing time to develop the special configuration required, as part of the More for York Programme plan.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: That a combination of Options 1 and 2, as detailed in paragraphs 6 and 7 of the report be approved, as part of the

improvements to transparency and to Fol processes contained in the More for York Programme, involving: ¹

- The adoption of Option 1, use of the Documentum system (which should be available from 2011) as the longer term solution and
- The implementation of Option 2 in the interim; this being the periodic publication of a web page carrying links to PDF versions of the enquiry and response, with a minimum period of two weeks between a response being sent to the enquirer and its publication on the website.

REASON: To ensure that the Council acts with maximum openness and transparency and provides as much information as possible within the resources available.

Action Required

1. Put arrangements in place to implement Option 2, PS
pending availability of Documentum, as part of More for York

70. TARGET HARDENING FUNDING ALLOCATIONS 2010/2011

Members considered a report which sought approval for the proposed allocation of the 2010/11 Target Hardening fund.

The Target Hardening Fund was a pool of funding, amounting to £40k per annum, held by the Neighbourhood Management Unit and used to support physical improvements to reduce crime at ward level. In previous years there had been sufficient budget to support all eligible applications, but applications in 2010/11 had exceeded the available funding. It was therefore recommended that some eligible schemes be placed on a 'reserve' list for further investigation and should additional funding become available.

Details of all applications received were annexed to the report. Annex 1 showed schemes that did not meet the required criteria and should therefore be rejected. Annex 2 showed schemes recommended for approval. Annex 3 showed schemes recommended for inclusion on the reserve list. Members were invited to agree or amend the recommended allocations.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the recommendations for allocation of the 2010/11 Target Hardening fund, as detailed in Annexes 1, 2 and 3 to the report, be approved. ¹

(ii) That Officers be asked to develop cases for alternative sources of funding to ensure delivery of the reserve schemes, including any carry forward from the 2009/10

Target Hardening fund if the Monkton Road CCTV scheme is rejected by the Heworth Ward Members.²

REASON: To ensure that the budget is effectively utilised to fund community safety projects in the wards, with a view to reducing or minimising the risk of crime or tackling the fear of crime.

(iii) That the applications for Secure Cycle storage be referred to the Cycle City Team.³

REASON: To enable these applications to be dealt with appropriately.

Action Required

- | | |
|---|----------|
| 1. Make the funding allocations as agreed | MS |
| 2. Examine alternative funding sources for the reserve schemes | MS
MS |
| 3. Refer Secure Cycle storage applications to the Cycle City team | |

71. JOINT STRATEGIC NEEDS ASSESSMENT FOR YORK

Members considered a report which introduced the Joint Strategic Needs Assessment (JSNA) for York and sought approval for the findings of the JNSA and recommendations for future inclusion.

All upper tier authorities and PCTs had a statutory duty to undertake a JSNA, identifying the current and future health and well-being needs of the local population and aimed at improving outcomes and reducing health inequalities. The JSNA for York, available on the Council's website as Annex 1 to the report, had been developed under the remit of the Healthy City Board, which included key City of York Council Members, staff and partners. Key messages from the JNSA were highlighted in paragraph 7 of the report.

It was noted that, in view of current pressures on resources and national government proposals for the NHS, working more closely with partners was likely to be vital to achieving outcomes more efficiently and effectively. Members were invited to accept the findings of the JNSA and to support its implementation via the Council's Corporate Strategy and Directorate plans and the Healthy City Board.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the findings of the 2010 Joint Strategic Needs Assessment be accepted.

(ii) That the implementation of the JSNA be supported by:

- a) ensuring that the data and analysis contained within it are used to influence the next Corporate Strategy and relevant Directorate Plans;¹
- b) asking the Healthy City Board, as a sub-board of the Without Walls Local Strategic Partnership, to ensure that the partnership recommendations are fully implemented; and²
- c) referring the report to the Scrutiny Management Committee, with the suggestion that they may wish to arrange for the content of the report to be considered by the relevant scrutiny committees.³

REASON: In order to comply with statutory requirements and support proposals to improve the future health and well-being of the local population.

Action Required

- | | |
|---|----|
| 1. Take steps to ensure that data and analysis in the JSNA influence the Corporate Strategy and Directorate Plans | KE |
| 2. Ask Healthy City Board to ensure implementation of partnership recommendations in the JSNA | PD |
| 3. Take report to the SMC | PD |

72. EXIT PROVISIONS AND PENSION DISCRETIONS

Members considered a report which asked them to propose to the Staffing Matters and Urgency Committee some amendments to the way in which the Council exercised its exit and pension discretions, to ensure that these were fit for purpose and to enable exit costs to be managed proactively.

The Council's current policy, as summarised in Annex 1 to the report, was to exercise its discretions to enhance statutory redundancy and early retirement provisions only in unusual or exceptional circumstances. This had resulted in a rigid system, under which applications were considered on an individual basis rather than in the wider business context. Retaining the current process (Option 1) was therefore not recommended.

An proposed alternative approach (Option 2), to allow flexible application of the provisions within an overarching governance framework, was outlined in paragraphs 18 to 24 of the report. It included, among other things:

- Use of continuous, rather than aggregate, local government service in calculating redundancy pay, and an additional discretionary element
- More use of efficiency retirements in order to facilitate change
- A revised appeals panel, chaired by the Chief Executive

The revised process, if adopted, would not apply to chief officers. Consultation on the changes had taken place with UNISON and the GMB, whose views were presented in paragraphs 30 to 44 of the report.

In response to the comments made on this item by the UNISON representative under Public Participation / Other Speakers, Officers expressed doubt that UNISON's proposals would be cost neutral, or that there would be any benefit to having one union observer on the appeals panel instead of two. Having noted the comments of the Labour Group Spokespersons, it was

RESOLVED: That Option 2 – to amend the existing approach to exit provisions and pension discretions, allowing flexible application within an overarching governance framework - be proposed to the Staffing Matters and Urgency Committee.

REASON: So that the Council's redundancy policy and pension discretions can be exercised in a flexible way to achieve its organisational change objectives.

Action Required

1. Take report to Staffing & Urgency Committee,
incorporating views of Executive

CT

73. WEEKLY TO MONTHLY PAY

Members considered a report which provided an update on progress with the proposal to move from weekly to monthly pay and sought approval to offer an inconvenience payment to affected staff.

The Council currently paid about 960 of its staff on a weekly basis. Moving these staff to monthly pay would be consistent with the HR Blueprint agreed by the Executive in October 2009 and would save the Council £60k per year. Following negotiations at the Joint Pay Board, the trades unions had confirmed that they would be willing to recommend to their members a move to monthly pay in return for a hardship payment of £100 per person.

Three options were presented:

Option 1 – continue to pay staff on a weekly basis (not recommended as it would not address existing inefficiencies)

Option 2 – move to monthly pay for all staff by implementing the necessary amendments to terms and conditions (this could risk conflict with staff and unions)

Option 3 – move to monthly pay for all staff via a collective agreement, facilitated by making an inconvenience payment of £100 per person.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: That Option 3 be agreed and that approval be given to move to monthly pay for all staff via a collective agreement, facilitated by making a bridging payment of £100 per person.

REASON: In order to achieve the associated efficiency savings in the least disruptive manner possible.

Action Required

1 Make arrangements to move to monthly pay, on the terms CT agreed

74. EQUAL PAY UPDATE

Members considered a report which sought a mandate from the Executive to deal with a small number of equal pay issues that had recently arisen.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: That the Chief Executive be authorised to deal with these issues in accordance with the recommendation set out in paragraph 12 of the report.¹

REASON: In order to continue to manage this matter in the most effective way possible.

Action Required

1. Take any action necessary to facilitate the agreed system CT

PART B - MATTERS REFERRED TO COUNCIL

75. THE BARBICAN AUDITORIUM

[See also under Part A Minutes]

Members considered a report which provided an update on progress with the formal procurement competition designed to bring the Barbican Auditorium back into public use.

Details of the procurement process were set out in paragraphs 9 to 13 of the report. Of the four bidders shortlisted, two had subsequently withdrawn, and formal tenders had been submitted by:

- Bidder A - a property developer with a proposal for a comprehensive redevelopment of the area, including the Kent Street site
- Bidder B - SMG Europe (Holdings) Ltd., an entertainments operator with a plan to refurbish and lease the Barbican and provide a programme of entertainments and conferencing.

Following an evaluation exercise carried out in accordance with the agreed criteria, SMG (Bidder B) had been identified as the preferred bidder. Details of the funding and revenue implications of the bid were set out in exempt Annex 4 of the report. Approval was now sought to proceed to an

award of the contract and to carry out works to resolve an associated issue raised by the Highways section regarding the pedestrian refuge on Kent Street.

Officers at the meeting provided an update on the potential economic impact of the preferred bidder's proposal, which early calculations estimated could benefit the local economy by between £9m and £12m.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RECOMMENDED: That Council approve the financial implications relating to the capital programme contained in exempt Annex 4 to the report.

REASON: To enable the Barbican Auditorium to be re-opened for public use.

76. CHANGING EXECUTIVE ARRANGEMENTS

Members considered a report which presented the results of public consultation on changes to the Council's executive arrangements and sought a recommendation to full Council in respect of the new arrangements.

Details of the requirement to consult under the Local Government and Public Involvement in Health Act had been reported to the Executive meeting on 6 July 2010. The consultation, carried out between 16 July and 1 September, had resulted in 52 on-line responses and one letter. 33 people had responded in support of a Leader and Cabinet Executive and 18 in support of an elected Mayor and Cabinet. Two had not formally expressed a preference. Details of the responses were provided in Annex 1 to the report.

The next stage was for Council to agree and publish its draft proposals. It must then formally resolve, at a special meeting, to change its governance arrangements. Draft proposals were presented in Annex 2, together with a timetable for implementation and transitional arrangements to cover the period between the local elections in May 2011 and the Annual Council meeting. It was noted that these arrangements must proceed, in accordance with existing legislation, despite the fact that the law was about to change.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RECOMMENDED: (i) That Council propose to adopt the Leader and Cabinet model.

(ii) That the timetable should be as set out in Annex 2 to the report.

(iii) That Council not instigate a referendum.

(iv) That Council make provision in the Constitution for removal of the Leader during his or her term of office and adopt the transitional arrangements set out in Annex 2.

REASON: In accordance with legal obligations.

A Waller, Chair

[The meeting started at 2.00 pm and finished at 3.10 pm].

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EXECUTIVE FORWARD PLAN (as at 14 September 2010)

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 19 October 2010		
Title & Description	Author	Portfolio Holder
<p>Cutting Red Tape</p> <p><i>Purpose of report: To examine how the council may reduce waste associated with external duties.</i></p> <p><i>Members are asked to: Consider the proposals presented and recommend following action.</i></p>	Simon Hornsby	Executive Leader
<p>Corporate Performance Framework</p> <p><i>Purpose of report: The report will consider proposals for determining a locally relevant performance framework following the scrapping of Comprehensive Area Assessment.</i></p> <p><i>Members are asked to: Consider the proposals presented and agree a new performance framework.</i></p>	Marilyn Summers	Executive Leader
<p>Income Policy</p> <p><i>Purpose of report: To present the revised Income Policy.</i></p> <p><i>Members are asked to: Approve the revised Policy.</i></p>	David Walker	Executive Member for Corporate Services
<p>Extended Redeployment Provisions</p> <p><i>Purpose of report: To ask the Executive to agree to the Council operating a Regional and City wide redeployment scheme with other Council's and partners for employees who are at risk of redundancy.</i></p> <p><i>Members are asked to: Agree the necessary revisions to HR policies to enable wider redeployment.</i></p>	Chris Tissiman	Executive Member for Corporate Services

<p>Community Stadium</p> <p><i>Purpose of report: Provide an update of the key strands of the project. Provide more detail information about project plan and project costs. Provide possible project management and governance structure.</i></p> <p><i>Members are asked to: Depends on progression of discussions with other project partners.</i></p>	Tim Atkins	Executive Member for City Strategy
<p>The Climate Change Framework and Climate Change Action Plan for York - finalised drafts and implementation plan</p> <p><i>Purpose of report: The report will outline the consultation responses, the revised drafts of the Climate Change Framework (2010-15) and climate Change Action Plan (2010-2013). Also outline the implementation plan and monitoring strategy as well as outlining the supporting communication strategy.</i></p> <p><i>Members are asked to: Approve for implementation the finalised versions of the Climate Change Framework and Climate Change Action Plan for York.</i></p>	David Warburton	Executive Member for City Strategy
<p>York Renaissance</p> <p><i>Purpose of report: To acknowledge receipt of the final draft report including high level officer views and recommend the report is circulated for wider public consultation.</i></p> <p><i>Members are asked to: Note receipt of report and endorse the recommendations.</i></p>	Derek Gauld	Executive Member for City Strategy

<p>Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 2 November 2010</p>		
<p>Minutes of Working Groups</p> <p><i>Purpose of Report: This report presents the minutes of recent meetings of the Young People's Working Group, the LDF Working Group, the Social Inclusion Working Group and the Mansion House and Mayoralty Advisory Group and asks Members to consider the advice given by the groups in their capacity as advisory bodies to the Executive.</i></p> <p><i>Members are asked to: Note the minutes and to decide whether they wish to approve the specific recommendations made by the Working Groups, and/or respond to any of the advice offered by the Working Groups.</i></p>	Jayne Carr	Executive Leader

<p>Accommodation Project – Update Report</p> <p><i>Purpose of report: Response to the request at the 20 July Executive meeting for an update regarding the detail of all current accommodation property lease termination and break clause dates. Information regarding the strategy tendering for dealing with dilapidations. The strategy to minimise the period of time between the council's departure from buildings and lease termination dates. Information to confirm that the relocation of staff is incorporated into the projects financial model and that the move to new premises causes minimal disruption and risk to council services. To present the financial benefits information in a simple form for future communication.</i></p> <p><i>Members are asked to: Further endorse the accommodation project property exit strategy.</i></p>	<p>Ian Asher/ Philip Callow</p>	<p>Executive Leader</p>
<p>Proposed Sale of Mansfield Street Garage, off Foss Islands Road, York</p> <p><i>Purpose of report: The above property is a former garage, originally acquired for a road improvement scheme which did not proceed. It is about 200 sq m floor area, and has been let within the Commercial Portfolio since transferring from the County Council to City of York in 1996. It is now vacant. On remarketing, interest was expressed in purchasing the building, and this has been considered due to the need to find capital receipts, because the building may require substantial repair works in the future, and because the offers to purchase are potentially more financially advantageous compared to re-letting.</i></p> <p><i>Members are asked to: Decide whether to accept any bid to sell the property as opposed to a re-letting.</i></p>	<p>David Baren</p>	<p>Executive Leader</p>
<p>Flood and Water Management Act</p> <p><i>Purpose of report: To advise Members on the contents of the Flood and Water Management Act, and the Preliminary Flood Risk Assessment Guidance. The new legislation has created the term Lead Local Flood Authority and under the definition the Council has become one. This brings new duties with it. The first being the need to develop a Preliminary Flood Risk Assessment for York.</i></p> <p><i>Members are asked to: Understand the new duties these documents place upon the Council and give guidance on how to proceed.</i></p>	<p>Ray Chaplin</p>	<p>Executive Member for City Strategy</p>
<p>Childhood Obesity Scrutiny Review – Final Report</p> <p><i>Purpose of report: To present the Executive with the final report arising from the</i></p>	<p>Tracy Wallace</p>	<p>Executive Member for Children & Young People's Services</p>

<p><i>Childhood Obesity Scrutiny Review</i></p> <p><i>Members are asked to: Approve the recommendations arising from the review.</i></p>		
<p>Office of the Chief Executive Structure</p> <p><i>Purpose of report: Providing proposals for the future structure of the Office of the Chief Executive.</i></p> <p><i>Members are asked to: Approve the recommendations for the future structure of the Office of the Chief Executive.</i></p>	Kersten England	Executive Leader

Table 3: Items slipped on the Forward Plan with the agreement of the Group Leaders

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Flood and Water Management Act</p> <p><i>Purpose of report: To advise Members on the contents of the Flood and Water Management Act, and the Preliminary Flood Risk Assessment Guidance. The new legislation has created the term Lead Local Flood Authority and under the definition the Council has become one. This brings new duties with it. The first being the need to develop a Preliminary Flood Risk Assessment for York. Members are asked to: Understand the new duties these documents place upon the Council and give guidance on how to proceed.</i></p>	Ray Chaplin	Executive Member for City Strategy	19 October 2010	2 November 2010	Awaiting further details
<p>Cutting Red Tape</p> <p><i>Purpose of report: To examine how the council may reduce waste associated with external duties.</i></p> <p><i>Members are asked to: Consider the proposals presented and recommend</i></p>	Simon Hornsby	Executive Leader	5 October 2010	19 October 2010	Report requires further work and is linked to 'Corporate Performance Framework'.

<i>following action.</i>					
<p>Corporate Performance Framework</p> <p><i>Purpose of report: The report will consider proposals for determining a locally relevant performance framework following the scrapping of Comprehensive Area Assessment. Members are asked to: Consider the proposals presented and agree a new performance framework.</i></p>	Marilyn Summers	Executive Leader	5 October 2010	19 October 2010	Report requires further work and is linked to 'Cutting Red Tape'.
<p>Office of the Chief Executive Structure</p> <p><i>Purpose of report: Providing proposals for the future structure of the Office of the Chief Executive.</i></p> <p><i>Members are asked to: Approve the recommendations for the future structure of the Office of the Chief Executive.</i></p>	Kersten England	Executive Leader	19 October 2010	2 November 2010	To allow for consultation.

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**Agenda Item****Executive**

5 October 2010

Report of the Director of City Strategy

Affordable Housing Viability Study**Summary**

1. This report advises Members on the production of the Affordable Housing Viability Study (AHVS) for York as required by national planning guidance in Planning Policy Statement 3 (PPS3) Housing.
2. The AHVS was considered at the LDFWG on the 5th July 2010. Members recommended that the Study be approved, that the principles of the Dynamic Model and the conclusions of the study form the basis for formulating the Core Strategy policy and that the targets and thresholds in the Study be adopted in the interim for Development Control purposes.
3. At the LDFWG meeting Members heard three registered speakers and received a presentation from Dr Richard Fordham from Fordham Research who was commissioned by the Council to produce this study.
4. At the request of Members, officers have met with representatives of the Property Forum and other local developers and agents in order to discuss the issues raised.
5. A full stakeholder event was held on 25th August in order to receive the results of the Fordham Study, and to give attendees the opportunity to absorb and question the findings. This follows an event held earlier in the year, which received strong support for the new approach to affordable housing target setting. Annex 1 summarises the issues raised at the event, including comments received through correspondence from a number of developers (nine at the time of writing this report) post the event, Fordham's response, the Property Forum's view and officer comments.
6. Members are asked to approve the AHVS dynamic model approach and note the continuing positive engagement that is taking place between the Property Forum, CYC Officers and Developers to ensure that the assumptions fed into this approach are appropriate. Both CYC Officers and the Property Forum are working together to gather evidence in order to test the assumptions set out in the Study. Following this a report is scheduled to be brought back to Members in November 2010, which will

set out any considered changes as well as headline conclusions and results. It will also request the publication of the AHVS (with any necessary changes) and interim adoption of targets and thresholds for Development Control purposes, as agreed by LDFWG on the 5 July 2010.

Background

7. PPS3 sets out the government policy on planning for housing. Paragraph 29 sets out the need to carry out an assessment of the likely economic viability of land for housing within the area. The requirement for such studies was enhanced by the Blyth Valley judgement, which has had important implications for all Development Plan Documents in its interpretation of the guidance set out in PPS3. The inclusion of statements within planning policy to the effect that viability factors will be assessed on an individual basis is not seen as sufficient. To date no government guidance has been produced to assist in how these assessments of viability should be carried out.
8. In light of this, and as part of the ongoing work associated with the Local Development Framework, Fordham Research was appointed last year to provide an assessment of the viability for affordable housing in York and to give advice on policy direction. The overall objective of the study was to test the viability of the proposed Core Strategy affordable housing preferred options and to inform future policy development based on a sound evidence base.
9. The Model designed by Fordham Research is a bespoke model. Its aim is to overcome a dilemma created by the recession and subsequent market recession, with the affordable housing targets being assessed annually based on 3 indexes. This method has been positively supported by the LDFWG and through the consultation events (see table in annex 1 for further details).
10. The AHVS was reported to the LDFWG on the 5 July 2010, who agreed:
 - the AHVS be approved for publication as part of the Local Development Framework evidence base,
 - the principles of the Dynamic Model and the conclusions of the study be approved as the basis for formulating the Core Strategy Policy,
 - the targets and thresholds in the Study be adopted for Development Control purposes and the Dynamic Model principles as an interim approach until the Core Strategy is adopted.
11. At Members request officers agreed at the LDFWG meeting to hold discussions with speakers who had registered concerns. (See consultation section for further details).

Consultation

12. A Stakeholder Workshop, which focused purely on the methodology, assumptions used in the study (development profit, land and cushion values etc) and the idea of using a 'dynamic model' was held at the end of January 2010. Attendees included local developers, housebuilders, agents and Registered Social Landlords. The elements presented were positively received and strong support was obtained for this approach to affordable housing target setting.
13. Following concerns raised by 3 speakers at the LDFWG on the 5 July 2010 positive meetings have been held with a Sub-group of the Property Forum set up specifically to work with us on the AHVS, other local developers and agents and an additional stakeholder event was held on the 25 August 2010.
14. The stakeholder event was attended by 17 representatives and began with a presentation by Richard Fordham. It then provided an open opportunity for stakeholders to discuss the assumptions, methodology and the Dynamic Model with Fordham Research and Council Officers.
15. A number of written responses (nine so far) have been received since the event opposing the Study and its results, with concerns centring around land values being too low, no provision should be required from small sites, and that the affordable housing target should be 15% for both brown and greenfield sites as a target higher is not viable. Many of the comments in the letters were also raised as the Stakeholder Event and therefore comments have been included in Table 1.
16. Officers together with representatives from the Property Forum are now carrying out additional research into some of the assumptions, as set out in table 1 in Annex 1. Agreement has been reached with the Property Forum Sub-group on many of the issues. The two key outstanding issues centre on land values/cushions and developer profit.

Options

17. Members have two options:
 - a. Adopting the Study as presented to the LDFWG on the 5 July 2010.
 - b. To agree the Study approach but allow Officers additional time to carry out further research into the assumptions to ensure that these reflect local circumstances and meet the requirements of the Study.

Analysis

Option 1

18. The AHVS is an independent study, carried out by very experienced consultants. Whilst stakeholders have voiced concerns over a number of issues, Fordham Research have responded clearly to each of these and believe that they could defend and validate the Study at Inquiry. Current negotiations show that the targets proposed do seem reasonable (for e.g. Terry's 30% and Nestle 25% both align with the figures coming out of the Study).
 19. The Study is a broad brush Study and reports from Planning Inspectors are clearly recommending that assumptions set out in viability studies reflect the norm – the longer term – rather than the down market we are currently faced with. This is to ensure longevity of the Study. Interim adoption of the targets, as well as the final Core Strategy Policy, will allow individual appraisals to be submitted if a developer can not meet the target but site-specific appraisals will need to be very robust in order to demonstrate why the reduced target cannot be met. The Dynamic Model is a new approach and will be reviewed through the Annual Monitoring Report to ensure the delivery of affordable housing in York is not compromised.
- Option 2
20. The Dynamic Model approach in the AHVS has been welcomed. Adopting this method allows the targets to react and stay aligned to market changes. However, it is important that the assumptions are fully tested with the development industry. Officers have built an excellent working relationship with the sub-group of the Property Forum and consider that there is merit in carrying out further research in order to fully test the study findings.
 21. The Affordable Housing Viability Study forms an important part of the evidence base for the LDF. It will be a key piece of evidence used to guide future affordable housing policy and delivery in the City.
 22. Allowing an extra month to further explore assumptions used is considered very worthwhile; it accords with government statements, which advise closer working with the development industry, and has full support of the York Property Forum Sub-group. The short delay in the adoption of AHVS will not delay the production of the Core Strategy Submission draft.
 23. Officers intend to report back to Members in November 2010 following this joint working and further research. This will highlight any changes to assumptions considered necessary and will ask Members to approve the AHVS as part of the evidence base for the Local Development Framework. It will also recommend interim adoption of the targets and thresholds for Development Control purposes.
 24. The targets in the AHVS as it stands now, clearly lower the percentage of affordable homes required for all sites in York except urban sites less than 15 dwellings, when compared to the existing 50% policy target.

Officers are keen to bring this forward for Development Control purposes as soon as possible. It is thought that will speed up the application process – i.e. if an application submitted meets the revised affordable housing target, and subject to other Development Control considerations, it would be approved - there would be no need for an individual appraisal. This would be a great saving in time and resources required for individual site appraisals.

25. The flexibility of allowing individual appraisals where it can be demonstrated that sites still cannot meet the target will apply. It is never going to be possible to set a target that all sites can meet because of individual site circumstances. However, the strong message from developers is that it should not be brought in yet, until the assumptions have been further explored and evidenced.

Corporate Priorities

26. The Affordable Housing Viability Study supports the following Corporate Priorities:
- It will help to support York's successful economy
 - It will enable the City and its communities to grow and thrive
 - It will help to improve health and lifestyles of people who live in York, particularly the poorest by providing decent affordable homes in the City

Implications

27. The following implications have been assessed:
- (a) Financial** – The cost of preparing the Affordable Housing Viability Study will be met through current budgets provided for the LDF. The adoption of an interim policy which has not been through a formal adoption process could lead to possible cost claims
 - (b) Human Resources (HR)** - None
 - (c) Equalities** - None
 - (d) Legal** - None
 - (e) Crime and Disorder** - None
 - (f) Information Technology (IT)** – None
 - (g) Property** – The results will affect the amount of affordable housing required on the development of any land and buildings in the Council's ownership.
 - (h) Other** - None

Risk Management

28. In compliance with the Council's risk management strategy, there are no risks associated with the recommendations of this report.

Recommendations

29. It is recommended that Members:

- a. Approve Option 2 and approve the principles of the Study and the Dynamic approach, and note the progress since the LDFWG on the 5 July 2010 in respect of the collaborative working of CYC Officers with the Property Forum and Developers to ensure that the assumptions in the AHVS are fully tested, prior to the Study being brought back for final approval.

Reason: So that the Affordable Housing Study is a robust evidence base that can be used as part of the Local Development Framework evidence base.

Contact Details

Author:		Chief Officer Responsible for the report:	
Derek Gauld/Sally Cawthorn City Development Officer City Development City Strategy Tel: 551343		Richard Wood Assistant Director, City Development and Transport 01904 55 1448	
Specialist Implications Officer <i>n/a</i>	Report Approved		Date
Wards Affected: All		All	
For further information please contact the author of the report			

Background Papers:

Annex 1: Table 1 - Key issues raised at the AHVS Stakeholder Event – 25 August 2010, Fordham’s response, the Property Forums view and Officer comments, including further work being carried

Copy of the LDFWG Report 5 July 2010 and minutes – available from Democratic Services

Developer Letters – available to view in City Development

Table 1 - key issues raised at the AHVS Stakeholder Event – 25 August 2010, Fordham’s response, the Property Forums view and Officer comments, including further work being carried.

Issue	Stakeholder Issues Raised	Fordham’s Response	Comments/Info from the Property Forum	Officer comments
Land Value Assumption				
<p>Land Values Industrial Land Value = £165k per acre – source: Valuation Office Agency (VOA) 2010</p> <p>Agricultural Land Value = £10k per acre – source: Fordham expertise</p> <p>Open space/ garden land value= £100k per acre – source: Fordham expertise</p> <p>Cushion Values £40k cushion for all land values except agricultural £80k cushion for agricultural land</p>	<p>Land value figures are too low, particularly industrial and agricultural</p> <p>Office land values are higher than industrial land values. Office land worth £250k per acre now; industrial land £150k per acre</p> <p>£305k should be used for Agricultural land based on VOA data for RSS/LDF allocations</p> <p>Landowners will not sell at the prices in the Study</p> <p>1988 was the last time agricultural land was sold at £90k per acre, figures are out of date and not realistic to aid development</p> <p>VOA values not used in viability testing</p> <p>Values are artificially skewed at the moment</p> <p>There is no market at the moment, so difficult to set prices</p>	<p>A lot of concern was expressed about the land values in the Study being too low. However no substantial comment was made about any of the assumptions or costs being wrong, as distinct from matters of opinion where different valuations can vary.</p> <p>The Study needs to establish realistic broad-brush values; it uses data produced by the VOA (a recognised body), along with expertise from an experienced valuer.</p> <p>VOA data is key as there is currently little evidence due to current market conditions</p> <p>Cushions have been included as incentives for landowners, other studies do not include such an allowance</p>	<p>Land values, especially cushion levels, seem low</p> <p>Industrial £165K (£205k with cushion) seems too low, as is agriculture £10K (£90k cushion) too low</p> <p>Note aspirations/ expectations of landowners in York varies. Majority of landowners will take the long-term view and withhold land if values too low.</p> <p>The Forum has a fundamental issue with the approach taken to land value in the study. Further supporting information to be provided.</p> <p>Data and assumptions need to be current.</p> <p>Forum requested further details of VOA data used. CYC to provide.</p>	<p>Key issue.</p> <p>Awaiting Agent data from Property Forum to analyse and carryout sensitivity testing (Data expected 21st Sept 2010)</p>
As above	Not an accepted mechanism for determining land prices.	There are quite a few valuation processes but none obviously better.	Acknowledge there are other well tried and tested methods/approaches accepted by	Input of Property Forum very much welcomed and joint working to find solutions will continue.

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
	Could use DTZ approach to calculate land values – 25% of GDV	DTZ's approach was mentioned, but presumably only because they have in some cases used a slightly more demanding profit rather than the 20% on cost which is standard: 25% of Gross Development Value is slightly more in some cases shown in the analysis but is not so generally used as 20% on cost.	<p>local authorities. Willing to try and make the dynamic model work if possible</p> <p>Fourteen other local authorities and the Homes and Communities Agency National Study have accepted the DTZ approach which uses 25% of GDV as a starting point for land value. Also other studies (eg Entec - Ryedale) use more realistic land value data and assumptions.</p> <p>Key issue is that some of the assumptions used are incorrect for York, are not based on the current situation (or that envisaged for the foreseeable future) and will distort the output.</p>	<p>16 other LA's have signed up to Fordham's approach. Fordham's have discussed their approach with Government Office's and the Planning Inspectorate and have received support and endorsement.</p> <p>Its important that the assumptions are not short term and that they reflect the lifetime of the Study.</p>
As Above	Are there other LA's that have followed this approach?	Sixteen other LA's have adopted this approach.	As above	See above
As above	Is capital gains tax included?	Capital gains tax is not included, it arose after the study and issues like this will change over the life time of the study and should be negotiated as part of the process if applicable	In reality, capital gains tax is going to affect land prices and needs to be built into the picture as it affects land value expectations (and final receipt) of vendors.	<p>Capital gains tax is not designed to improve land values. It is inappropriate for land values to increase by 28%.</p> <p>Evidence produced through the Property Forum into land values and appropriate cushion levels will consider this element</p>
As Above	Housebuilders have land banks. Targets based on lower valuations could have disastrous effects i.e. causing breach of covenants etc	Nobody wants housebuilders to take an even greater hit than they have already. If the land values derived are of the right order, and if these values are at odds with book values of housebuilders, that is unfortunate, but this is not something the study should take into account. This matter is something that will need to be dealt with through site specific negotiations with the Council	The Calcutt Review concluded that housebuilders only have land banks sufficient to secure the immediate future of their business and that there is real risk to their future business if these are not maintained. Need certainty to be able to acquire land.	Accepted – not an issue
Planning Contribution Assumption				
£8K per residential Unit based on Fordham's	Contributions should be higher, particularly on larger sites. For example Germany	The study is not a site specific one, but a broad brush one involving a set of sites that represent market conditions	Agree should be York specific and cannot be site specific, although generalities should not have been applied to specific sites to test	<i>Analysis to be carried out by officers to determine accuracy/reasonableness for York</i>

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
<p>experience.</p> <p>£14K –15k per unit in Ashford/Milton Keynes (which is the highest in the country), halved for York</p>	<p>Beck requires a much higher amount</p> <p>Developers don't have a set of assumptions.</p> <p>Too many S106 payments are required from Developers – making housing not viable</p>	<p>in York. Site-specific details are not used beyond the area and market location, but use a full set of assumptions to generate estimates of the type of development, its viability and consequent capacity to carry an affordable target. Obviously each site has particular characteristics but one of them cannot be included without including all, and that would create a massive job across 15 sites. Hence the comment is not really relevant to this study, but would of course apply to the site-specific negotiations over a target for any new Greenfield site.</p>	<p>model where different contributions (and additional development costs) were known for these.</p> <p>Evidence required to explain how this has been derived . Council's breakdown and analysis of policy requirements awaited.</p> <p>Needs to detail what the Planning Contributions figure includes and what isn't included. There needs to be a recognition that planning contributions should include both costs arising from Section 106 Agreement and by condition.</p>	
Developer Profit Assumption				
<p>20% (on costs) is the industry norm</p> <p>Fees = 10% of build costs – Source Fordham's Expertise</p>	<p>Many banks are now asking for 25%</p> <p>20% accepted industrial standard</p>	<p>A 20% profit is the industry norm, in good times and thus is a defensible figure.</p> <p>Banks are now demanding more. But, as one of the housebuilders said, if present market conditions persist for several years more there will be no housebuilding firms, and so we must hope that this is an exceptional time.</p> <p>There are cases where 4% is being charged for fees, and our assumption of 10% is certainly above the industry norm at present. There is a balance to be made - swings and roundabouts.</p>	<p>Not realistic – banks require 25% to lend in current market</p> <p>Don't consider this 25% will change; fiscal policies of country have changed</p> <p>10% fees are realistic but are often higher.</p> <p>HBF saying generally 20-25% profit is the norm but day to day experience in dealing with financial institutions on the ground is that 25% is now the minimum norm and will be for the foreseeable future. This is supported by comment on experience of many housebuilders of various sizes.</p> <p>Model needs to take account of current financial climate and that of the foreseeable future</p> <p><i>Further evidence to be submitted to support the above</i></p>	<p><i>HBF standard profit to be checked – CYC believe this is 20% nationally</i></p> <p><i>Need to check what VOA standard is – have been carrying out all NY Aff Hsg appraisals</i></p> <p>CYC to check what levels other Study's use</p> <p>CYC have accepted less than 20% profit</p> <p>Need to ensure study is not just short term</p> <p>The study provides generous allowances in other areas for example fees, use of BCIS for build costs, – needs a balance throughout the study</p> <p><i>Can the Dynamic model be adapted to take into account changes in profit level? – CYC to address with Fordham's</i></p>
Density Level Assumptions				
20-33 dwellings per	40-45 dph Base is not	The present is an exceptional time:	30 – 40 dph per developable acre more	<i>CYC to compare to SHMA and SHLAA (whilst 2</i>

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
<p>hectare (dph) Edge of settlement – 2,3,4 bed detached</p> <p>40-45dph Base – mix of 2 & 2.5/3 storey houses including terrace, 15%-25% flats</p> <p>50dph Urban – 30-35% flats and fewer 2 storey than base</p> <p>100+dph High – flats in small 3 storey blocks</p> <p>150+ dph – Very High – flats in large blocks 4-6 storeys</p> <p>Source: Fordham's expertise</p>	<p>achievable currently – developers looking to provide family accommodation based on demand</p>	<p>this study is designed to endure for the plan period and uses densities likely to be typical over that period. It is of course open to applicants in the current market to make that point and to seek different densities and show the viability consequences.</p>	<p>realistic as a base level for majority of suburban and edge of city sites Agree there will be occasional exceptions (eg. niche city centre sites) where densities will be higher</p> <p>Market is not building at the density levels set in the report. There is very limited demand for apartments. Developers and banks perceive them as high risk. Demand is predominantly for 2 to 4 bed family housing in a variety of unit sizes. Most builders have re-planned majority of plots for mainly 2 storey housing for which demand is strongest. and will be building this for the foreseeable future; their business plans are fundamentally based on this model.</p>	<p><i>and 3 bed houses are in demand there is still some need for smaller homes)</i></p> <p><i>CYC to check York Central and British Sugar density levels</i></p> <p>Consistent with draft Core Strategy</p> <p>Long-term view important</p>
Proportion of apartments				
<p>1 bed flat/house – 9.2%</p> <p>2 bed flat – 17.8%</p> <p>2 bed house – 20.7%</p> <p>3 bed house/flat – 26%</p> <p>4 bed house – 24.7%</p> <p>5+ bed house – 1.6%</p> <p>Source Fordham's expertise</p>	<p>RSL want 2 – 4 bed homes not 1 bed or flats</p> <p>Banks will not support flatted schemes</p>	<p>Again this is a short-term point wrongly applied to a longer-term study: exceptional cases can be made at the planning applications stage. The SHMA derives mixes that will endure for the plan period and the viability analysis follows the SHMA.</p>	<p>Will be picked up in the above.</p> <p>The Calcutt Review concluded and confirms that the developer's judgement on what will best satisfy market demand is very likely to be better than the planning authority's.</p> <p>Point is we are trying to set policy for now – so the policy must be based on what we envisage will be developed in the foreseeable future, not based on previous developments of mainly 2 ½ and 3 storey houses and apartments which were much less popular and consequently more difficult to sell. The re-plans outlined above have had financial implications but were necessary to maintain developers'</p>	<p>Will be picked up in the above</p>

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
			businesses. Mainly 2 storey family housing is what housebuilders envisage developing for the foreseeable future in response to market demand and higher design standards now required.	
Sale rates/values Assumptions				
<p>Base on sale prices across York, including apartment market, new build and second hand. Data set out in appendix 1 of the Study</p> <p>Price bands in Study range from £203 per sqft – £322 per sqft</p>	<p>Broadly right except £300 per sqft. Should be capped at the moment at £220 per sqft</p> <p>Houses and flats should be the same £220 per sqft</p> <p>Affordable housing on site effects sale prices</p>	<p>There was some criticism of the price per ft2 assumptions (Table 4.4). Prices in the Study do date back to last year, but only two of the 15 are over £300 per sqft. Most (9 out of 15) lie in the band mentioned, with all but the two £300+ ones lying below £250 per sqft. So, even if the present day were taken, this criticism largely does not apply</p>	<p>£300 per sqft - £322 per sqft is too high £200 per sqft - £220 per sqft is about right Use band above and cap at £220 per sqft</p> <p>Evidence being collected by Forum. Valuation office or advertised sales prices will not reflect the hidden "discount" on prices given as sales incentives etc. which are negotiated on a plot by plot basis.</p>	<p>The average in the Fordham Study is £229 per sqft, which isn't all that far away from the £220 per sqft supported by the Forum</p>
Targets/Thresholds				
<p>Brownfield = 25% on sites equal to or greater than 15</p> <p>Greenfield = 40% on sites equal to or greater than 15</p> <p>Sites 11-14 Dwellings = 25%</p> <p>Sites 5-10 Dwellings = 20%</p> <p>Sites of 2-4 Dwellings = Commuted sum</p>	<p>40% derived from 2 out of 3 sites but 1 of those sites is Germany Beck and this doesn't stack up.</p> <p>Metcalf Lane - CYC land and different issues connected with charity development, and availability of housing grant t</p> <p>Its recognised that a 0% target is not acceptable and developers need to provide some element of affordable housing. The target should be 15% for green and brownfield sites. With no distinction between urban and rural.</p> <p>25% feels right, 40% is the only one that is not</p>	<p>Three major Greenfield sites showed a capacity to carry 40% in two cases and was marginal in the third. That justified the 40% proposed target.</p> <p>As was agreed at the meeting, 25% will work on most brownfield sites. Equally clearly greenfield sites can bear a higher target. The analysis was based on the mistaken assumption that the error (including one wrong valuation sheet in the appendices) would affect the outcome on one of the Greenfield sites: it does not. (See comment below)</p> <p>Thus there are no substantial reasons for altering the 40% target proposal for Greenfield sites, though of course this is a policy matter for the City.</p> <p>Other comments were made about the vast amounts of HCA grant involved</p>	<p>The Forum's view is that the Study outputs are based on incorrect assumptions for sites not yet developed, therefore any assumed conclusions so far are incorrect. Model must be re-run after assumptions are agreed with the Forum to confirm what targets are appropriate.</p> <p>25% mentioned as feeling possibly 'about right' only as better than current requirement but need to re-run with new assumptions to see what genuinely works.</p> <p>Notwithstanding whatever becomes the new target, a further reduced target for a short period would stimulate the market by incentivising some landowners to release land in the short-term.</p> <p>Accept that some sites will achieve the % and some will not, depending on planning gain package as a whole and additional development costs</p>	<p>Need to re-assess targets when assumptions agreed.</p> <p>We could consider a reduced target to kick-start the market in the short term, but this goes against guidance of setting targets based on evidence. The wider dynamics of why private housing isn't coming forward (increased difficulty and cost of borrowing from banks, increase deposits and therefore greater difficulty and cost for buyers) must be acknowledged. Some schemes in York are only coming forward now because of the certainty of affordable housing delivery and funding, not private market housing.</p>

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
	achievable, can live with the rest	i.e. Metcalfe Lane, but the valuations upon which the 40% target proposal was based are all 'Zero Grant' and so this point has no application.	Council to provide evidence of sites that are coming forward on privately owned sites and the amount of affordable (%) achieved on these	
	Error in Metcalfe Lane figure	An objection was made that Site 3 (one of the big three Greenfield sites) had an error in it. The printouts in the Appendix do indeed contain an error (a wrong printout having been inserted in place of the correct one) but the figure in question has no effect on the valuation.	Accepted	Noted – Fordham's have responded directly to the representor on this issue
	Why have two targets (i.e. Greenfield/Brownfield?)	Evidence shows that we get lower affordable housing provision on Brownfield sites due to complexity of sites and higher costs of remediation and servicing. Given the massive affordable need in York we need to maximise provision where possible. Hence the reason for two targets.	See above Major greenfield sites can also be complex ' have high additional costs and massive up-front infrastructure works required. Have huge pre-planning costs and cannot rely on 'exceptions' to policy to be promoted. Need to incentivise major schemes to obtain optimum planning package and sustainable high quality developments. One target, allowing for 'additional development costs' to be declared and set against the affordable requirement, would provide a level playing field for all sites and this should be explored further.	Our own local experience demonstrates that Greenfield sites have the capacity to provide more affordable housing than brownfield sites. It is therefore important to retain the two target approach to ensure affordable housing is maximised on sites where it is viable to do so, whilst having realistic targets that limit the need for individual appraisals. It is accepted that large strategic Greenfield sites could have significant infrastructure costs for example but such sites are not the norm and these are sites where the individual appraisals will be necessary.
	Would developers provide more affordable housing then the target require if still viable and target set lower than the target required – answered no from developers	The targets need to be realistic but also seek to maximise provision, in line with government guidance, Reductions can still be negotiated through site specific viability appraisals where this is clear and robust	Accepted	Noted
Short term/long term targets				
Short term targets set based on the Dynamic Model. These short-term targets provide the annual targets for affordable housing	Not clearly explained in document – misunderstanding of 50% aspirational target	PPS3 implies a plan long target. The reason for Dynamic Viability is that PPS3 was written before the Credit Crunch and takes no account of major down and upturns in the market, which render a single target meaningless: as in the adopted target at Wakefield	Should be explained more clearly PPS3 was reissued in June 2010 therefore up to date reflection of Government policy. The Forum is concerned that 50% would not result in balanced and mixed communities.	<i>Revise and clarify text in report</i>

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
<p>provision required. (current targets are set out under Targets/thresholds above).</p> <p>The long term requirement needs target sets the ceiling level for affordable housing provision. Affordable housing provision required based on the Dynamic Model could rise higher than this target in the future but the Council considers this 50% long term needs target, which is based on housing need, should never be exceeded to ensure mixed and balanced communities are provided. This target also allows grant to be built in to the process.</p>		<p>MBC, which will probably never be deliverable during the plan period to come.</p>	<p>Would also revert to situation (even before the downturn) when landowners were not willing to release land..</p> <p>Revised text awaited from Council</p>	
	<p>Need targets to take account of other matters i.e. code for sustainable homes, changes in planning gains, renewable energy</p>	<p>BCIS figures will build in the changes of costs associated with sustainable homes, renewable etc</p>	<p>Concerns whether BCIS index will take these matters into account</p> <p>BCIS figure normally on high side but represent a reflection of general market rates.</p>	<p>BCIS figures will take into account changing costs such as sustainable homes etc</p> <p>BCIS figures being on the high side impacts provision of affordable housing rather than developer profit.</p> <p>Recognised national index</p>
<p>Targets and thresholds for all site =>1</p>				
<p>Base on viability modelling for</p>	<p>Should not have targets below 15 – other LA's have</p>	<p>PPS3 encourages targets for sites below 15 dwellings if there is evidence</p>	<p>PPS3 allows LAs to set lower targets where an evidence base demonstrates this is viable</p>	<p>Setting local targets lower than 15 dwellings where viable accords with PPS3. Currently the</p>

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
<p>smaller sites the following targets and thresholds are recommended: 5-10 Dwellings = 20%</p> <p>Sites of 2-4 Dwellings = Commuted sum</p>	<p>not lowered their target below this</p> <p>New requirement on small sites will put developers out of business</p> <p>Should have a tax on every home and CYC build them</p>	<p>that they can be deliverable. In York the evidence is that they are at the general level. It remains open to applicants on sites, which have particular problems/ costs to raise them at the planning applications stage.</p>	<p>and where this would not inhibit smaller sites coming forward. Appreciate that this will contribute towards meeting need but concern from small builders that windfall sites will disappear and will not be viable.</p>	<p>study illustrates that this is viable and therefore should not prevent development of small sites.</p>
Dynamic Model Review				
<p>We have recommended the model is reviewed annually, to ensure its remains dynamic and certainty is provided for the development industry</p>	<p>CYC should not have a set period and change when market conditions require this</p> <p>Bi-annually</p>	<p>There was some discussion of the interval at which the Dynamic Viability should be reviewed. There is no absolutely right answer to this. Local authorities do not want to miss out on affordable housing as and when the upturn finally materialises, while housebuilders and landowners would obviously rather see the results of any upturn put into their profit margins.</p> <p>Developments often take more than a year to emerge, but clearly there are market factors that may alter during that period and in turn alter the mix of what housebuilders find most profitable to build. A change in the target is just another of the changes that the market may throw up.</p> <p>There was discussion of an ad hoc interval for reviews of the Dynamic Viability matrix indices. There is nothing in principle against it, except that the format ought really to be agreed at the LDF Core Strategy Inquiry, since such flexibility may require a recall of the Inquiry. The Dynamic Viability process is designed to avoid that extra cost.</p>	<p>The dynamic model principles need to be agreed.</p> <p>Could leave it open to react when market changes but no objection in principle to annual review provided that evidence base agreed jointly and changes are consulted upon</p> <p>CYC could review the target annually but only publish a change if targets change by 5%</p> <p>Important that existing validated apps/pre apps are protected from change of target</p> <p>Major concerns if target can be amended at reserved matters and proposed changes to targets in phased RM applications</p> <p>The affordable requirement has to be fixed at the time when a planning decision is made – ie. outline or full planning permission. The development industry, landowners and financial institutions need certainty if land acquisitions are to be progressed – see Calcutt Review. Uncertainty will mean land transactions will not be progressed and planning permissions not implemented.</p>	<p>Needs a fixed review for certainty and to provide clarity</p> <p>Once the study is approved and agreed, changes to future targets will be based on the Dynamic Model. Any revised target will be published but will not be re-consulted on, as the change will be based on the 3 indexes and the agreed study approach. Both CYC and developers will be bound by the target changes if this approach is endorsed.</p> <p>Exact details and timings of review and implication on existing planning applications to be discussed further with Property Forum – including target set at reserve matters and phased sites. Should not affect developer, as profit not affected. Target will only change based on changes to the three dynamic model principles</p>

Issue	Stakeholder Issues Raised	Fordham's Response	Comments/Info from the Property Forum	Officer comments
Dynamic Model in practice				
	How is the matrix calculated	The Dynamic Viability procedure takes the three indices, as applied to the Benchmark site and calculates what targets are feasible under a wide range of possible variations in all three of the key indices. The model is a fairly elaborate one based on Excel. It sets the targets on the basis that they can be met in full. For instance if the calculation concludes 29.9% as a target, this would be rounded down to 25%. So the figures in the matrices are in fact quite conservative. This is worth noting in any modest challenges to assumptions used	Council to provide more detail as to how this would work in practice.	Further discussions of the review process in practice will be held, see above.
	How will CYC react to lowering of target	The adoption of the model will set future targets; both CYC and the development industry will be bound by increases and decreases of the target. Whichever way the target changes this will reflect market conditions and what is broadly viable.	Accepted – provided it is evidenced and agreed. See comments above re Dynamic Model Review	Accepted
	When will the interim targets be brought in? Targets should not apply to validated applications % can't change once planning permission approved	The precise working of the model is for the Local Authority, and there will be recognition of validated agreements. The target should be set at reserved matters stage and large developments should have a phasing mechanism built in.	See above response to Dynamic Model Review. Whatever is decided must provide certainty if the development industry is to bring forward housing in the numbers required.	See above response to Dynamic Model in principle

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Executive

5 October 2010

Director of Adults, Children and Education

Liberating the NHS

Summary

1. This paper informs Executive of the proposals within the White Paper “Liberating the NHS”, in particular, those that have most impact for the Local Authority. It seeks agreement to the attached proposed response to the Government’s consultations on the White Paper and agreement to the development of a Transitional Health and Wellbeing Board to oversee and support the local changes that the White Paper potentially heralds.

Background

2. The Government launched its White Paper, “Equity and Excellence: Liberating the NHS”, on 12 July 2010. In summary the proposals within the White Paper are:
 - To offer more choice and control to patients over who provides treatment, and what the treatment should be for the vast majority of NHS funded services
 - To provide advocacy and support to help people access and make service choices, and to make a complaint, through HealthWatch England, a new independent consumer champion within the Care Quality Commission, which will take over responsibilities from the current Local Involvement Networks (LINKs)
 - Performance will be measured through new Outcomes Frameworks. These will set the direction for the NHS, public health and social care. They will be supported by quality standards, to be developed by NICE
 - Local authorities will become responsible for delivering national objectives for improving population health outcomes. This can include local authorities commissioning from providers of NHS care to deliver the outcomes.
 - Council’s will become responsible for a ring fenced public health budget. Local Directors of Public Health will be appointed jointly by the local authority and a new national Public Health service.
 - Health and Well-being Boards will be established by local authorities or within existing strategic partnerships – to take on the function of joining up the commissioning of local NHS services, social care and health improvement. These boards will replace the current statutory functions of the Health Overview and Scrutiny committess. They will allow local authorities to take a strategic approach and promote integration across health, adult social care and children's services, including safeguarding, as well as the wider local authority agenda. It is not intended that the Local Authority will be involved in day-to-day interventions in NHS services

- An autonomous statutory NHS Commissioning Board will be established. The Board will assess NHS commissioners and hold GP consortia to account. The Board will be responsible for allocation of resources, and will commission some services including dentistry, community pharmacy, primary ophthalmic services and maternity services.
 - Most of the commissioning currently undertaken by Primary Care Trusts (PCTs) will transfer to local consortia of GPs. This will not be voluntary for GPs, and powers and duties will be set out in primary and secondary legislation. Consortia size is not specified, but there is a requirement that they will need to have a sufficient geographic focus to be able to take responsibility for agreeing and monitoring contracts for locality-based services (such as urgent care services), to have responsibility for commissioning services for people who are not registered with a GP practice, and to commission services jointly with local authorities. Consortia can choose to buy in support for their commissioning activities, such as demographic analysis, contract negotiation, performance monitoring and aspects of financial management. This could be from local authorities, as well as from other public, private and voluntary sector bodies.
 - GP consortia will have a duty to promote equalities and to work in partnership with local authorities, for instance in relation to health and adult social care, early years services, public health, safeguarding, and the wellbeing of local populations.
 - All NHS Trusts will be expected to become Foundation Trusts within three years, and so will be regulated by Monitor, the current Foundation Trust regulator.
 - There will be no barriers for new suppliers of community health services; employees will be able to transform trusts to an employee led social enterprise, and the cap on the income that foundation trusts can earn from other sources will be abolished.
3. Alongside the White Paper four consultations have been launched.
- On the outcomes framework
 - On the commissioning arrangements
 - On local democratic legitimacy in health
 - On provider regulation.
4. NHS commissioning in York is currently provided by the Primary Care Trust, NHS North Yorkshire and York, overseen by the Strategic Health Authority. The proposals would see both of these bodies ending by 2013. Commissioning would in future be undertaken locally by a new GP consortium or consortia, which may or may not be based on the current York Health Group consortium. York Health Group currently covers practices in York, Tadcaster and Easingwold.

Consultation

5. The Government has called for responses to the four consultation papers by 11 October 2010.
6. Both the Healthy City Board and Health Overview and Scrutiny have considered the proposals within the White Paper, and the questions asked within the

consultation documents. Both bodies have focussed on the first three papers listed in paragraph 3 of this report. This is because the final consultation paper is more relevant to health care providers, as it deals with the role of Monitor (the regulator for Foundation Trusts) and its relationship with the Care Quality Commission.

7. The Healthy City Board were aware that much of the detail on the proposals is still to be developed.
 - There was a view that the Healthy City Board could provide a good basis for a Health and Wellbeing Board in York, and a strong interest in the current Board taking an active role in any transition process. The Healthy City Board has a strong history on supporting joint working, and delivering improvements on key issues of health and well being. It already has a membership which includes elected members, NHS commissioners, including the GP commissioners, and LINKs. The Board also has representation from adult social care, the Children's Trust, other council departments with a key role in the well being agenda, Higher York and the voluntary and independent sectors
 - There was a welcome for the focus on Joint Strategic Needs Assessments and the importance of the JSNA in influencing commissioning activity within the City, and setting the agenda for partnership working.
 - There was concern about the proposed integration of the partnership and scrutiny roles in the new Health and Wellbeing Board, and a view that it would be difficult to scrutinise activity and initiatives which the Board has sponsored or promoted.
 - There was some concern about the proposals for the NHS outcomes, which in principle address the right issues, but in practice may be difficult to measure or track. There was some concern that the proposed model has not made it clear where outcomes and measures will be shared, but it was recognised that the frameworks for public health and social care are still to be developed.

8. Health Overview and Scrutiny considered a draft response to the consultations on 22 September 2010.
 - In general the Committee was supportive of the draft response to the consultations, as set out in Annex 1.
 - There were concerns that the proposal to bring the role and powers of the health scrutiny committee within the remit of the Health and Wellbeing Board would bring a potential conflict of interest. It was considered that the Health and Wellbeing Board would find it difficult to hold itself to account and that without the statutory powers a scrutiny committee would be less effective.
 - There were concerns over the proposed membership of the Health and Wellbeing Board, with concerns that the membership could be unwieldy. There were also questions raised about whether the Leader or Elected Mayor would be the most appropriate representative from the Council, with a view that political balance is needed to achieve true democratic legitimacy.
 - There were concerns about how GP consortia might be able to reflect localities, given that GP surgeries are unlikely to be co-terminous with either local authorities boundaries or health provider catchment areas. There was concern about how GP consortia will develop the capacity to undertake the commissioning proposed
 - The proposals on the new Health Watch organisations was broadly welcomed as a way to develop greater patient voice and influence over services.

- The proposal to transfer responsibilities for public health to local authorities was also broadly welcomed.

Options

9. To confirm the proposed response to be sent on behalf of the Council, as outlined in Annex 1, in response to selected questions from the consultation papers
10. Or to seek changes to this response and agree that the Leader approve a final response.
11. To agree the establishment of a Transition Board in York, under the direction of the Chief Executive

Analysis.

Key Issues for consideration

12. The proposals contained within the White Paper are significant and wide ranging. To help focus a response on key areas it is suggested that there are five issues that the Council will have a direct interest in:
 - a. How the locality for GP commissioning will be defined, and what this may mean for York
 - b. The implications for the increased role if LINKs become HealthWatch and what this will mean for patient and citizen engagement and involvement
 - c. How the Local Authority will exercise the proposed responsibilities for promoting integration
 - d. The proposed role of the Health and Wellbeing Boards and what this may mean for the Council's scrutiny role
 - e. The implications of public health responsibilities transferring to local authorities

a) GP commissioning and locality definition

13. The consultation on Commissioning for Patients deals with the planned arrangements for the role and functioning of local health commissioning.
14. There is no indication of what a sensible size for a GP consortium would be, or how the geography will be decided, only that there will be local flexibility, with GPs given the opportunity to identify who they wish to join with to form a consortium. The new national Commissioning Body will need to ensure that all GPs are within a consortium. Consortia boundaries will leave no gaps across the country. Locally, there are several options still to be decided upon by our GP partners.
15. Sir David Nicholson, the NHS Chief Executive has said "I want to be clear that this is not a race to have the first or the most GP consortia established, or to rush through unsustainable solutions on the provider side. For commissioning, this is not about dragooning GPs into administrative boundaries that they do not feel any allegiance with. It is certainly not about replicating current structures with some new players involved. The proposals represent a fundamental change, not just in structure, but in culture and ways of working"

16. Locally there are a number of options that GPs will want to explore. One option could be for one or more consortia which are co-terminus with City of York boundaries, although given the nature of patient registrations, it is highly unlikely that our citizens will ever be completely matched by GP surgery patient lists.
17. Another option would be to reflect patients' treatment pathways as the basis for the consortium, and this might suggest a local hospital catchment area could define the locality. In York's case this could mean one or more consortia extending beyond the Council's boundaries and into North Yorkshire, based on the admissions to York Hospital Foundation Trust.
18. In York we have experience of the complexities that result from not having co-terminosity with our health commissioner. Joint commissioning has been slow to be progressed, in spite of good intentions on both sides. Better progress has been made more recently, with a York Adult Commissioning Group leading plans to develop a joint commissioning team and work plan. This has been possible because of a locality focus, based on the City of York boundaries, agreed by NHS North Yorkshire and York (NHSNYY).
19. Working to a wider catchment area in future would mean that NHS commissioners would continue to have to address two JSNAs, and need to work in partnership with two Health and Wellbeing Boards. Governance arrangements are likely to be more complex and opportunities for joint commissioning more complicated to deliver.
20. Discussions are underway to explore these issues with our local GPs and the current Practice Based Commissioning Consortium. We will continue our discussions and seek to help local GPs understand the benefit of being co-terminus with the local authority, whilst ensuring that our partnership work will be protected whatever the final shape of the consortia arrangements. Coterminality becomes even more important when seeking to align the new public health preventative role of the LA.
21. However, Members may wish to make representations within the consultation response to urge that GP commissioning Consortia areas be linked more closely to the JSNA and Local Authority boundaries.
22. The following questions within the consultation paper on Commissioning for Patients would offer the opportunity to do this, and a proposed submission is included in Annex 1.

b) Patient and citizen engagement and involvement

23. The consultation on Democratic Legitimacy in Health addresses these issues.
24. Currently LINKs promote public and patient involvement and seek views on health and social care services, to feed back to local commissioners. LINKs also have an interest in ensuring local commissioners take account of the NHS constitution.
25. LINKs are community organisations made up of a variety of individuals and organisations, and are supported by a 'Host', who is commissioned by the local authority. They do not currently provide an advocacy service or support with

individual complaints. At present, patients access such support through a range of local advocacy organisations.

26. If local authorities are to be able to commission this enhanced service successfully it will be essential that adequate funding is provided. The consultation document suggests that local authorities would receive additional funding to commission the additional services.
27. There would not appear to be any reason to oppose the proposals to extend the role of the LINKs. The LINKs organisation in York is considered to have made a good start, although it is still a relatively new body. However elsewhere in the country, concerns have been raised about the effectiveness of LINKs.
28. Providing a single point of contact for patients and customers needing support in dealing with health and social care organisations would appear to be in line with our own ambitions to simplify contact and access arrangements.
29. Taking on the additional responsibilities for advocacy and complaints could provide the organisation with a broader access to views on services, however these will, by definition, primarily be from those who have experienced a difficulty. Clear expectations about the separation of responsibilities might help to avoid the engagement and participation element of the work being overly influenced by the complaints and advocacy.
30. Taking on an advocacy role could also impact on other local advocacy organisations, and could put at risk some of the more specialist support that is available to more vulnerable groups and those with special communication needs. A requirement to work in collaboration with other advocacy groups might be helpful therefore.
31. Annex 1 contains a proposed response to the consultation opportunity.

c) Promoting integration

32. The consultation on Democratic Legitimacy in Health addresses the proposed role of local government in promoting integration and joint working.
33. The current arrangements under Section 75 of the NHS Act sets out optional partnership arrangements for service led collaboration between health bodies and the local authority. Currently there is only limited use of these partnership arrangements, both nationally and locally.
34. In York, there is a Section 75 agreement and pooled budget for Drugs and Alcohol commissioning. We have a partnership agreement, but no pooled budget for the provision of mental health services for working age adults, and the Children's Trust provides some joined up commissioning in the field of children's services.
35. In July 2010 the Executive Member for Health and Adult Social Services agreed a joint vision for older people's services, developed on a partnership basis as a foundation for future joint commissioning.
36. Work is now under way to develop more robust joint commissioning arrangements with NHS North Yorkshire and York (NHSNYY) and the York Health Group (YHG), for adults service. Whilst the White paper will mean those

plans will need to be reviewed, it is clearly anticipated that this important direction of travel will continue. Such existing work and shared commitment to a total place approach puts York in a good position to consider any opportunity to be an “early adopter” of any changes. Details of application process for “early adopter” status are not at this stage available.

37. Locally in York we already have a positive model of strategic oversight through the work of the Healthy City Board. It mirrors the proposals for the health and well being board, bringing council members and officers, the Primary Care Trust, Practice Based Commissioners LINK and other partners together. The Board addresses both adults and children’s issues, and has complemented the work of other strategic partnerships including the Children’s Trust (the YorOK Board). We have positive relationships with our Primary Care Trust and GP Commissioning Consortium and a shared commitment to developing more locally specific and integrated commissioning/provision.
38. It has to be recognised that this positive relationship has not, to date, led to extended integration of services.
39. The Government is asking whether giving local authorities a statutory role to support joint working on health and well being will encourage more integration, and whether it should therefore be a requirement to have a Health and Wellbeing Board.
40. Statutory powers to support joint working would emphasise the importance of partnership work, but partnership working requires commitment from all partners, and cannot be driven by just one organisation.
41. Of the nine strategic partnerships within the city two currently have statutory powers. These are the Safer York Partnership and the Children’s Trust. There is no evidence that the statutory nature of these two partnerships makes it any easier to ensure integration, and although it does give a focus to the potential to pool funding it does not guarantee that this will happen.
42. The barriers to further integration in York include the impact of the financial risks of pooled budgets, with both the health and social care economies not in balance, and the complexities in governance due to the lack of co-terminus boundaries. Our current work to develop more joined up commissioning includes a commitment to understand the total budget for key areas of service in York, a commitment to develop a single work plan which addresses our shared objectives, and the further development of Adult and Children’s Commissioning arrangements as forums for managing the various governance arrangements of all partners.
43. It is suggested that Members may wish to respond to the consultation that greater integration is unlikely to be achieved without:
 - mechanisms within pooled budget arrangements to better manage risk,
 - toolkits to help show benefit attribution across the whole system
 - co terminous boundaries which will support more joined up governance arrangements
44. Annex 1 contains proposed responses to the the consultation on democratic legitimacy :

d) Establishment of Health and Wellbeing Boards

45. The consultation on Democratic Legitimacy in Health also addresses the proposals for health and wellbeing boards.
46. The proposed functions of the health and well being boards are:
- To assess the needs of the local population and lead the joint strategic needs assessment.
 - Promote integration and partnership including joined up commissioning plans
 - To support joint commissioning and pooled budgets where all parties agree this makes sense
 - To undertake a scrutiny role in relation to major service redesign
47. Membership is proposed to include: The local authority Leader or Directly Elected Mayor, representatives from social care and NHS commissioners (both GPs and the new NHS Board) and champions from local government and patient voice. Representatives from the new HealthWatch and from the new local Authority led public health service would be included in this. The elected members of the local authority would decide who chairs the Board
48. In effect the proposals are to bring together the current responsibilities of the Local Strategic Partnership (our Health City Board) and the Overview and Scrutiny Committee. The proposals would therefore impact on both the current Strategic Partnership arrangements and the governance arrangements for the Council.
49. The expectation is that by developing a partnership approach there would be an opportunity for the local authority to influence the GP consortia commissioning plans, and for the GP consortia to influence the public health plans of the local authority.
50. Under the new proposals GP consortia will be required to work in partnership with local authorities, but will also be able to choose from where they receive the support they may need in their commissioning activity. *The documents make it very clear that the local authority will not be involved in day to day work with NHS, although it also makes reference to joint commissioning between GP consortia and local authorities. Reword needed*
51. The proposed health and well being board is not therefore proposed as a joint commissioning body but as a strategic partnership board. A question that has been raised by others is whether the model of strategic partnership working will be effective, if key investment decisions are still taken elsewhere in partner organisations.
52. Questions have also been raised about changing the authority of scrutiny committees and the potential for confusion between the roles of the Health and Wellbeing Boards and scrutiny committees. Whilst a really strong partnership should be able to challenge the constituent partners, the independence and separation of powers of a scrutiny committee would be lost. This raises questions as to the accountability of the Board and, if the local authority representation is at an Executive Member level, it also raises the issue of what influence other members can have on the health agenda.

53. York benefits from a strong Children's Trust, known locally as YorOK. The YorOK Board has recently discussed its longer term future, now that the government has removed the statutory requirement to establish such Trusts, and given the future establishment of a Health and Wellbeing Board. YorOK Members agreed that York's Children's Trust is a highly effective partnership and that, as such, it should continue to operate on its present model for at least the medium term. It is a key forum for bringing together all of the partners who are concerned with the health and wellbeing of children. The need to review terms of reference, and membership, in the light of future developments around Health and Wellbeing (as well as educational developments such as Academies) was acknowledged. However, it was felt to be too soon to be having these debates now and that there might very well continue to be a need for the two Boards to continue to co-exist, with commonsense arrangements for those parts of their agendas that would overlap.
54. Annex 1 contains a proposed submission in relation to the Health and Wellbeing Board:
- e)Transfer of Public Health responsibilities to local authorities
55. There is currently only limited information available on the proposals for local authorities to take on public health responsibilities and a separate White Paper is due in December which will provide more detail.
56. Public health services currently take responsibility for health improvement, health promotion and health protection. Health protection may become the responsibility of a national public health body.
57. The local authority already plays a significant role in health improvement, and promotion with housing, education and access to sport and leisure being key determinants of good health and well being. The Council is already jointly responsible for the production of the JSNA, with Public Health with the latest version having been recently approved by Executive at its meeting on the 21 September 2010..
58. It would appear in our view to make good sense to transfer public health responsibilities to the local authority. Such an arrangement should enhance our ability to build more detailed, locally specific and shaped understanding of the the health and wellbeing needs of our local community.. It would also provide closer access to clinical and professional guidance on best practice to deliver health improvements, and will enhance the authority with which the Council works to promote joint and integrated working with GP consortia to ensure the right service are commissioned to provide cost effective interventions.
59. It is not clear at this stage what financial resources will actually transfer to Councils, alongside the new responsibilities
60. It is worth noting that within the consultation on the proposed outcome framework for the NHS it is planned that a separate framework will be developed for both public health and social care. Details of these frameworks is again not yet available, but it is anticipated that the principles will be the same as for the NHS.
61. One concern that has been raised is that although there is a commitment to joint responsibility for outcomes across the system separate frameworks will work

against an joined up approach to performance management and delivery of outcomes.

62. There are no specific questions within the consultation regarding the proposed transfer of public health, but there is an opportunity to make any other comments and Members may wish to highlight budget issues.

Transitional arrangements

63. Many of the proposals in the White Paper will require primary legislation and so are subject to the approval of Parliament. The current proposals may be subject to change, however given the anticipated timelines for change it is recommended that some preparation and thinking is undertaken now.
64. The expectation is that each Strategic Health Authority (SHA) will work with local health and social care economies to develop coherent plans, building where possible on existing sub-regional arrangements, for shared commissioning capacity and capability, with leadership and accountability arrangements that can be secured through the transition period.
65. In addition to the work which will be undertaken by the SHA a number of authorities are establishing Transition Boards, to prepare at a local level. It is proposed that this is an approach that York should also adopt. It is suggested that the Board would be chaired by the Chief Executive, and that officers will work on terms of reference, taking account of the opportunities that the current Health City Board also offers.

Corporate Objectives

66. The White Paper will impact on the Council's objectives in respect of:

A Healthy City – we want to be a city where residents enjoy long healthy and independent lives. For this to happen we will make sure people are supported to make healthy lifestyle choices and that health and social care services are quick to respond to those that need them

Implications

Financial

67. There are no financial implications for the Council at this stage but clearly future transfer of responsibilities do bring with them considerable financial implications if not adequately resourced

Human Resources (HR)

68. There are no immediate HR implications for the Council within the consultations, but if the proposals are accepted there will be issues related to the transfer of existing Public Health staff. A clear balance will need to be struck between the potential size and configurations of local public health services in the context of overall public service cost management and reductions.

Equalities

69. The Government has undertaken its own Equality Impact assessment on these proposals

Legal

70. There are no legal implications flowing directly from the consultations and this report. However, the implementation of the Government proposals will have a range of implications particularly relating to staffing and governance issues.

Crime and Disorder

71. There are no crime and disorder implications

Information Technology (IT)

72. There are no immediate IT implications at this stage

Property

73. There are no property implications at this stage

Risk Management

74. There are no risks that require registration in the council's risk register in relation to the proposed submission to the Government's consultations.

Recommendations

75. It is recommended that Executive approves the responses in Annex A, and that further reports are provided on the detailed implications and opportunities as they become known.

Reason: To ensure that York's views are made known, and to enable the authority to review the implications of major change in more detail.

76. It is recommended that the Executive agrees to the setting up of a Transition Board in York, under the direction of the Chief Executive, building on the work of the Healthy City Board, with terms of reference to be developed by officers.

Reason: to enable the thinking and planning to be undertaken locally, in line with the general advice from the Chief Executive of the NHS

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Report Approved Date

01904 554003

Wards Affected:

All

For further information please contact the author of the report

Annex

Annex 1 Draft response to consultations of Liberating the NHS White paper

ANNEX 1

Draft response to the Government's consultations on Liberating the NHS

The Executive of City of York Council has considered the White Paper and the consultation documents. In formulating the responses to the questions posed in the consultation advice and views were sought from both the Healthy City Board (our LSP Board for health) and the Health Overview and Scrutiny Committee.

The Executive has selected the questions of most relevance and concern to the authority, and has not sought to answer every question posed in all papers. We therefore have set out beneath headings for each consultation the questions that have been considered, followed by our response.

Commissioning for patients

- How far should GP consortia have flexibility to include some practices that are not part of a geographically discrete area?
- Should there be a minimum and/or maximum population size for GP consortia?
- How can GP consortia best be supported in developing their own capacity and capability in commissioning?
- How can GP consortia best work alongside community partners (including seldom heard groups) to ensure that commissioning decisions are equitable, and reflect public voice and local priorities?
- How can we build on and strengthen existing systems of engagement such as Local HealthWatch and GP practices' Patient Participation Groups?
- How can GP practices begin to make stronger links with local authorities and identify how best to prepare to work together on the issues identified above?

We believe that all of these issues can be addressed by the close alignment of GP commissioning consortia boundaries to tier 1 local authority boundaries.

This will mean that GP consortia are only having to work to one JSNA, which will reflect the public voice and local priorities. Community partners are already likely to be aligned to local authority boundaries, and the local HealthWatch will be commissioned on local authority boundaries.

We have experience in York of working with a PCT that is not co-terminous with our boundaries, and although every effort has been made on both parties behalf, our experience is that the complications of having to align two local authorities has in many cases slowed down progress on joint working in service development and change.

We believe that commissioning should be based on the identifiable needs of the community. We recognise the importance of GPs having flexibility over the formation of consortia and the potential pull to organise consortia based on patient pathways, but have concerns that this will mean that commissioning is shaped by the current

provider landscape and not by communities. There is no reason why more than one consortium cannot contract with a health provider, and we could envisage some opportunities for collaborative commissioning across consortia and local authorities on particular aspects of health and social care provision

Such an approach would clearly help to strengthen the links between GP practices and local authorities, and would offer GPs a clear opportunity to work with the local authority to develop capacity and capabilities in commissioning. This will help facilitate the integrated working the Government is seeking.

Democratic Legitimacy in Health

Patient and citizen engagement and involvement

Q1 Should local HealthWatch have a formal role in seeking patients' views on whether local providers and commissioners of NHS services are taking account of the NHS Constitution?

Q2 Should local HealthWatch take on the wider role outlined, with responsibility for complaints advocacy and supporting individuals to exercise choice and control?

Q3 What needs to be done to enable local authorities to be the most effective commissioners of local HealthWatch?

We think there is value in continuing the role of LINks and extending it to include offering a single point of contact for support and advocacy in respect of health and social care services, provided the funding for the provision of the enhanced service is sufficient and adequate to provide a quality offer.

However we would want to see clear separation between the two elements of the function, so that the wider engagement and involvement agenda is not overshadowed by any complaints and issues that the public might have.

We would also welcome, as potential commissioners of the service, an explicit requirement that any advocacy is undertaken in collaboration with other advocacy services within an area.

Promoting integration

Q4 What more, if anything, could and should the Department do to free up the use of flexibilities to support integrated working?

Q5 What further freedoms and flexibilities would support and incentivise integrated working?

Q6 Should the responsibility for local authorities to support joint working on health and wellbeing be underpinned by statutory powers?

Q7 Do you agree with the proposal to create a statutory health and wellbeing board or should it be left to local authorities to decide how to take forward joint working arrangements?

We think it is important for all partners to be required to work in partnership, and welcome the opportunity for the local authority to lead on supporting partnership working. We do not consider that this alone will generate more opportunities for joined up working. We believe that giving local authorities statutory powers will not guarantee trust and shared purpose, which are needed to underpin any partnership working.

In York we believe that one of the barriers to more integrated working is the financial risk that organisations run by pooling budgets, particularly at a time when budgets are reducing and, in York, where economies are under significant pressure. A national framework for risk sharing, and toolkits for benefit attribution would help with this, but ultimately a recognisably fair allocation of funding to meet the needs of the community will be essential.

A second barrier is the complexities of governance arrangements for organisations that are not co-terminus. We have already expressed our views on the benefits of GP consortia boundaries being co-terminous with local authorities, but repeat it here as well. Such an approach would facilitate shared understanding of needs- based on the JSNA, and would help in the identification of the total budget available. If decisions are being taken for the same population it will be more achievable to develop joint governance arrangements for the commissioning of services. Our experience in York is that a PCT that has to relate to more than one local authority finds it hard to move quickly, and cannot always ring fence funding and approaches to one part of the area.

Health and Wellbeing Board

Q8 Do you agree that the proposed health and wellbeing board should have the main functions described ?

Q9 Is there a need for further support to the proposed health and wellbeing boards in carrying out aspects of these functions, for example information on best practice in undertaking joint strategic needs assessments?

Q10 If a health and wellbeing board was created, how do you see the proposals fitting with the current duty to cooperate through children's trusts?

Q12 Do you agree with our proposals for membership requirements set out in paragraph 38 - 41?

Q13 What support might commissioners and local authorities need to empower them to resolve disputes locally, when they arise?

Q14 Do you agree that the scrutiny and referral function of the current health OSC should be subsumed within the health and wellbeing board (if boards are created)?

Q15 How best can we ensure that arrangements for scrutiny and referral maximise local resolution of disputes and minimise escalation to the national level?

Q16 What arrangements should the local authority put in place to ensure that there is effective scrutiny of the health and wellbeing board's functions? To what extent should this be prescribed?

We have no concerns about the delivery of a JSNA, particularly with the proposed transfer of public health resources.

We do have some concerns about the combination of the partnership role proposed for the Health and Well Being Boards, and the scrutiny role. We believe both roles are required, but that combining them will be confusing, and will make it more difficult to achieve both functions. Although strong partnership working requires the ability to challenge partners, this challenge is not the same as a scrutiny role.

The separation of powers, which the current scrutiny arrangements offer, gives a clearer focus on objectivity and democratic challenge. Continuing this separation would allow the Health and Wellbeing Board to focus on dealing with any disagreements or disputes, using the wider local strategic partnership arrangements to address any issues that need escalation to achieve resolution.

Any other comments

We would welcome the transfer of public health responsibilities to the local authority, and see significant benefits for both the commissioning of services and the delivery of health improvement services. However, as with many of the other proposals this will be dependent on a satisfactory level of resources and funding being transferred to local authorities.



Executive

5th October 2010

Report of the Director of City Strategy

Reforming Rail Franchising

DfT consultation paper and implications for York

Summary

1. The Department for Transport is currently consulting on possible changes to rail franchising. This report for the Executive contains our proposed response to the specific questions asked and highlights specific implications for York.

What is being considered?

2. The Government believes that the existing system of rail franchising has become too prescriptive at the point of bidding, and lacks flexibility once operational. Arguably, the Government now exercises more control over the railways than in the days of British Rail.
3. The Government Coalition has highlighted the need to attract significant private investment and believes this could be released by granting longer franchises, resulting in important benefits for passengers. It believes that this investment will help to deliver the important enhancements to the railway, such as station improvements, better trains, more car and cycle parking and higher quality services.
4. Longer franchises could also make it easier to establish the successful long term working relationships between train operators and Network Rail which are so vital to running efficient and successful railways. The Government also wishes to reduce the involvement of Whitehall in the prescription of specific detail in rail franchises, allowing the industry to be more innovative in their approach.
5. The consultation paper elaborates on the Government's aspirations for rail franchising – specifically, its aim to deliver a much more efficient rail industry which is more responsive to the needs and concerns of its customers and delivers the best possible value for money for the taxpayer in the face of a highly constrained public spending environment.

Key proposals

6. In summary the consultation paper seeks to achieve the following aims:
 - Deliver better quality services for passengers, addressing problems such as overcrowding

- Reduce the cost of the railways, delivering better value for money for the taxpayer
 - Introduce intelligent and focused reform to deliver the right conditions to foster a successful and sustainable railway
7. The consultation document is included as Annex A to this report and is separated into several areas of consideration as follows:
- Franchise specification
 - Franchise procurement
 - Contract design and management
 - Revenue risk
 - Franchise investment
 - Cost control and efficiency

The Council's proposed response to this consultation is included as Annex B with a glossary of terms included as Annex C.

Options

8. Option 1 – Agree the proposed response outlined at Annex B.
9. Option 2 – Not to agree the proposed response.

Analysis

10. The following provides a summary of the consultation response

Franchise specification

11. This question relates specifically to the model of franchise proposed in the consultation document including the possible lengths of franchise and the possible specifying of an 'affordability figure' of subsidy/premium for bidders. The consultation also asks for comment on any alternative models for franchising than those used to date.
12. The proposed response highlights the following:
- The current model for franchising is too restrictive and over specified
 - We are supportive of longer franchises to encourage a greater degree of private sector investment and believe that a franchise length of 15 years would be most practical
 - The Council is concerned that a model of franchising exposing companies to full risk could lead to increased costs for the taxpayer.

- As a minimum, the base specification should set the approximate times of first/last trains, stations to be served, minimum frequency of service to each station and, in association with Network Rail, achievable key journey times.

Franchise procurement

13. This question relates specifically to the procurement process and any measures which might be adopted to reduce the complexity of bidding whilst protecting the interests of taxpayers and passengers.
14. The proposed response supports the measures outlined in the consultation, namely:

'It is proposed that the selection of the winning bidder will be on the basis of the compliant, affordable and deliverable bid, offering acceptable commitments in respect of crowding, customer satisfaction and other specified targets. Bids would be judged both qualitatively and quantitatively, with the winner putting forward the best combined financial offer of premium/subsidy, investment and broader economic benefit. This last category can embrace service quality issues such as journey times and frequency.'

'This approach allows the selection decision to reflect both the headline financial offer and the value of additional benefits passengers would receive as a result of bid solutions and proposed investment; while at the same time respecting budget constraints and protecting the interest of the taxpayer.'

Contract design and management

15. This area builds on the information provided in paragraphs 9 and 10 above and seeks opinion on what measures should be adopted to ensure operator performance and passenger satisfaction.
16. The proposed response supports the aims of the consultation. The following are highlighted:
 - The Council is supportive of the Government's desire to reduce overcrowding but believes that this cannot be achieved in all areas without the provision of longer trains on busy corridors. With specific reference to York, Arriva Cross-Country trains are highlighted in the response, but attention is also drawn to the need for longer trains at times on the East Coast, Northern and Trans-Pennine networks
 - With regard to ticketing, the response is supportive of a diversification of the number of options (including the possibility of mobile phone ticketing) but believes that a minimum of ten percent of seats per journey should still be reserved for 'walk up' passengers
 - The performance of train operators should be based on trains arriving on time at every calling point (rather than just on arrival at the final destination on time)
 - Whilst not in opposition to the concept of poor performance sanctions for operators, the Council would not want these to be so severe that they run the risk of putting train operators out of business

- The Council is of the view that whilst there are many improvements can be made through the franchise process, there are some improvements which can only be obtained through a Government commitment to infrastructural improvements. An example highlighted is with regard to the section of line between York and Leeds which would greatly benefit from electrification for a number of operational reasons

Revenue Risk

17. This section of the consultation focuses on the apportionment of risk over a longer franchise period. The consultation asks where the revenue risk should lie, with the Government and the train operator or even, potentially, with the train operator alone.
18. The proposed response warns against awarding franchises based on unrealistic revenue growth predictions and argues that the Government will have to retain a proportion of the revenue risk, not least because of the risk of an operator no longer being able to operate. Further, a decision to place all of the revenue risk on the train operator would result in unrealistic and unaffordable tender prices being returned.

Franchise Investment

19. This section of the consultation focuses on the desire to introduce a greater degree of private sector investment into the rail network through longer franchises.
20. The proposed response recommends that any uncertainty concerning the lease of rolling stock for the life of the franchise be resolved at the bidding stage so as to give the operator confidence that they will achieve maximum value for the life of the franchise.

Cost control and efficiency

21. The final question posed in the consultation asks what measures might be adopted to assist train companies in controlling their costs and which would enable them to be more cost efficient.
22. The proposed response acknowledges the need to drive efficiencies but highlights that railways are more susceptible to economic fluctuation than many other industries, as evidenced by the problems with the East Coast Main Line franchise in recent years.
23. To overcome these problems, the response suggests that some form of reward based mechanism is incorporated into the franchise to provide an added incentive for operators to meet pre-set targets for controlling costs or improving cost efficiency. It is believed that the potential to gain a franchise extension should these targets be met or exceeded would provide the most satisfactory means of rewarding cost control and efficiency whilst ensuring that subsidy/premium levels are unaffected.

Corporate Strategy

24. Accepting the proposals for self financing support a number of themes within the Council's Strategy. Retaining more money in York will enable us to invest in our

stock, supporting the Thriving & Sustainable themes. Having local control over the long term finances for the HRA also supports the Effective Organisation theme.

Implications

25. There are no direct implications arising out of this report as it is only a response to the consultation document. Only Passenger Transport Executives and Transport for London have direct input into rail franchising. To this end, the current consultation is the only direct opportunity the Council will have to make its view known and to inform the proposed changes.

Risk Management

26. Responsibility for the provision of rail services and indeed the content of this consultation document fall outside the remit of this Council. In terms of risk management, if any of the outcomes of the consultation are believed to have a controversial or potentially damaging impact on York, a further report will be brought to the Executive to advise of this and to seek guidance on what action should then be taken by the Council.
27. However, given this is a response to a consultation document the risks arising from this report are minimal and score less than 16.

Recommendations

28. Executive are asked to agree:
- i. Option 1 – to approve the proposed response to the consultation paper as set out at Annex B.

Reason: To ensure that the Council takes this opportunity to share its views on rail franchising with the Department for Transport.

Contact Details

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		Report Approved		Date	
Specialist Implications Officers: None					
Wards Affected:	All				
For further information please contact the authors of the report					

Additional Papers:

Annex A – Consultation paper

Annex B – Response to consultation questions

Annex C – Glossary of terms

Annex B

CITY OF YORK COUNCIL

RESPONSE TO DfT CONSULTATION

Reforming Rail Franchising

INTRODUCTION

City of York Council is a Unitary Authority in North Yorkshire.

Franchised rail links to the City are provided by Directly Operated Railways (East Coast), DB Arriva Cross Country Trains, First Trans-Pennine Express and Northern Rail. In addition, services between Sunderland and London Kings Cross provided by open access operator Grand Central Trains also serve the City. Thus we have experience of all sectors of the rail passenger transport industry.

The responses given in this document reflect the views of the City of York Council. Should any clarification of the views expressed above be required, please contact

City of York Council

Transport Planning Unit

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RESPONSES

1. Franchise Specification

It is the view of this authority that the existing DfT model for franchising is too restrictive and over specified. We consider that the failure of the franchise for operation by National Express of the East Coast Main Line was directly attributable to the model encouraging unrealistic bids based on unattainable growth predictions. However, under the previous SRA model, the franchise for Northern Rail was let on a 'no growth' basis in an apparent bid to reduce the cost of projected subsidy. However, by improving performance and punctuality, franchise winners Serco-Ned Rail grew patronage by 29% in the first three years, figures which it was totally ill equipped to manage.

Therefore, any review that leads to a more practical scenario is to be welcomed.

There can be no doubt that where franchises have been let for longer terms, i.e. Chiltern and c2c, there has been significant investment that has led to continual improvement in service levels and, in the latter case, it would seem that the exposure to full risk has been a significant factor in bringing this about. However, as identified in the consultation document, c2c has a relatively predictable revenue stream that is not replicated across the majority of franchises.

We are of the opinion that adopting a model that exposed franchisees to full risk would lead to substantial increase in costs to the taxpayer.

Conversely, the current 'cap and collar' arrangements are considered to provide too substantial a cushion and encourage bidders to over forecast revenue (and thus premia payable to the Government) safe in the knowledge that support will be forthcoming should these figures not be realised.

Because of the vast differences across the varying types of business (i.e. commuter, inter-city, regional), we do not believe that it is possible to successfully adopt a 'one size fits all' approach to financial performance targets and protection.

We are of the view that the approach detailed in paragraphs 4.19 and 4.20 of the consultation document, providing for periodic reviews should there be a material change in circumstances that detrimentally affected either the forecasts made by the franchisee at the time of bidding or demand levels, is the most practical option.

As longer franchises would cross control periods, there is also a necessity for franchises to be open to review dependent on the HLOS and SOFA for each period.

An issue that requires further consideration is the basic level of service demanded from each franchise. Whilst we are generally in favour of setting a minimal level of service and allowing franchisees to implement additional services that they consider commercially attractive and viable, safeguards must be put in place to ensure that there is no over duplication of services to one area at the expense of another, less attractive but equally essential one. A case in point would be Doncaster to York, where commuter traffic has grown by 35%. However, the level of service has not developed to match this, in part due to a franchise requirement for a half-hourly London-Leeds service on the East Coast main line. From 2011, the existing hourly service linking Sheffield, Doncaster and York provided by DB Arriva Cross Country is to be reduced, with alternate trains travelling via Leeds. Although East Coast's draft 'Eureka' timetable proposes a two hourly London – York service, this will not replace the lost Cross Country service but simply allow for more trains travelling to Newcastle and Edinburgh to be accelerated by removing Doncaster stops. Open Access operator Grand Central is prevented from calling Sunderland-London trains at Doncaster while for both Northern Rail and First Trans Pennine, the route is outside their franchise area. It is considered essential that such reductions in service are prevented simply because the Leeds route is seen to be more commercially attractive. There is also the danger that allowing free choice over selection of routes will adversely affect pathing of existing passenger and freight services. Government must therefore work to develop a core service specification that meets the needs of passengers without increasing costs to the taxpayer.

We are therefore supportive of the idea that the amount of support available be concomitant with the franchisees willingness to prioritise the service level to all areas within the franchise. To achieve this will require a combination of the OPRAF and SRA models for setting base service level whilst encouraging investment.

We therefore agree that, as a minimum, base specification should set the approximate times of first/last trains, stations to be served, minimum frequency of service to each station and, in association with Network Rail, achievable key journey times.

Because of the differing nature of operations, it is difficult to suggest an ideal franchise length. Clearly it is easier to predict trends on commute railways than on those that are reliant on occasional traffic and therefore more exposed to variations in the economy as a whole. However, we agree that because of the intricacies of the rail industry and the long lead times

necessary for any planned improvements in service levels or rolling stock to be introduced, the existing short franchises are a disincentive to investment. Conversely, with control periods of five years, too long a franchise could lead to franchisees being subjected to excessive risks.

Our feeling is that, as a rule, franchises of fifteen years length are the most practical.

In the past decade we have witnessed the outcome of over zealous bidding and optimistic predictions with both GNER and National Express, both episodes leading to a reduction in confidence as to the sustainability of rail and bringing the franchise system into disrepute.

We consider that the supplying of an initial 'affordability' figure for premium or subsidy will go some way to preventing a repeat of these occurrences, albeit with a degree of flexibility built in to allow for the vagaries of the economy over the medium to long term.

2. Franchise Procurement

It is acknowledged that railways are complex and that there are too many issues that must be addressed when awarding franchises to allow for much simplification of the process. It is essential that sufficient consideration is given to all areas before awarding a franchise. Failure to do so risks leading to increased cost to the taxpayer and lower quality of service.

We welcome the proposed increased focus on quality and support the process described in paragraphs 5.4 and 5.6 of the consultation document. We also consider the Financial Model to be preferable to the NNL/NNG system when it become necessary to alter terms of the contract, as the clarity this provides, in our opinion, outweighs the complexities involved.

3. Contract Design and Management

As outlined in response (1) above, it is necessary to ensure a commitment to provide a suitable level of service to all areas of the franchise, even where this may require the use of resource that the franchisee believes could obtain greater return elsewhere. Franchisees should be encouraged to work toward increasing the revenue stream from these, less commercially attractive, routes by innovation and investment. It is recognised that certain improvements are dependent on infrastructure upgrades, for example the electrification of part of the GWML. However, other, less costly, measures can be implemented

without Government investment to improve the quality of service and achieve growth.

It is our opinion that, in addition to setting a minimum service level as described above, bidders should be required to commit to set levels of investment appropriate to the franchise being let. The amount and degree of investment could be agreed either by direct negotiation during the bidding process, set against predictions of income generation and reduction in subsidy/increase in premium, or by an independent body similar to the former SRA. Factors that would need to be taken into account are the growth (or contraction) of the wider economy and the availability of finance. There should however be a commitment to achieve a minimum level of growth during the life of the franchise and to achieve a set reduction in carbon emissions.

Many improvements can be obtained relatively easily. We fully support the Government's desire to eliminate overcrowding although we have reservations that this can be achieved by increasing frequencies. Much of the network is already near to or at capacity; thus finding paths for additional services can only be achieved by eliminating another service (or reducing the number of paths set aside for freight movements, a move that we would not support). This problem was recognised in the provisos attached to services proposed over and above those required by the SLC's in the SRA model. We consider that the only way the issue of overcrowding can be tackled is by providing longer trains on busy routes and/or at peak times. Arriva Cross-Country have long been a particular concern due to their concentration of four car class 220 Voyagers, although we are hopeful that the recent acquisition of Arriva by Deutsche Bahn will lead to the issue being addressed as a matter of course. However, the issue of overcrowding at certain times on services of First Trans-Pennine, Northern Rail and East Coast is also a cause for concern. We therefore feel that franchisees should commit to providing a minimum number of seats per journey, albeit with provisions for minimum pitch and spacing. For the franchises serving York, we believe the ideal would be for the number of seats available to match that currently provided (using existing seating layouts) by trains consisting of nine-ten coaches on East Coast, six-seven coaches on Cross Country, four-eight coaches on Trans Pennine and a minimum of two coaches on Northern. Modern multiple units lend themselves to uncoupling diagrams, thereby allowing operators to align the number of seats available to known demand at any given time. In addition, this would provide the additional sets required to introduce new and innovative commercial services at minimal cost, thus improving the likelihood of their continuation.

We are aware that there are important issues relating to inter-franchise travel that must be addressed travel before smartcards can provide an alternative to existing card based ticketing arrangements. However we believe that franchisees should commit to extending the availability of internet/print at home and mobile phone ticketing. In addition, season tickets should be available for purchase online and, on long distance services, should offer the option of a free seat reservation. Although we are keen to retain an element of 'walk-up' availability on inter-city and cross country trains, we accept that, in the longer term there are benefits to moving toward a requirement for pre-booking on such routes. In the shorter term, holders of inter-city and cross country franchises should commit to keeping ten per cent of seats per journey available for 'walk-up' passengers.

We accept that longer, and thus heavier trains, would impact slightly on journey times but believe that the effects of this can be assuaged by replacing the present system whereby a train reaching its final terminus is considered to be 'on time' if it arrives no more five or ten (inter-city) minutes late. This has led to schedules incorporating excessive recovery allowances between the penultimate calling point and the terminal, features that are unpopular with passengers and unnecessarily take up paths. We believe that new franchisees should commit to achieving a situation whereby trains do not arrive any more than three (local) or five (long distance) minutes late at EVERY scheduled calling point, a move which in addition to ensuring more precise point to point timings would, once achieved, improve the PPM of the franchise.

We note the popularity of 'quiet' coaches on longer distance services but are concerned that these are not effectively policed. We therefore feel that franchisees should commit to providing and enforcing these zones, possibly by treating designated coaches to prevent the penetration of wireless signals and imposition of fines on those who openly flout the restrictions.

We are also in favour of the proposal to add to franchises the responsibility for station maintenance and improvement, although this may prove difficult with category A-C stations. We would not wish to see stations served by a number of franchises become effectively divided into units with each franchise responsible for the platforms they use. Not only would this lead to the greater fragmentation of the railway, with one set of platforms providing a different level of customer facility to others but it would also risk causing operational difficulties by reducing flexibility or adding unnecessary cost (e.g. would First Trans-Pennine have to pay access and usage charges to Northern if they were unable to use their own platforms at York for any reason?). That said, we do believe that franchisees should commit to a minimum level of facility at each station, this level determined by annual usage so that a station with a throughput of 500,000 passengers per annum would require a lower level of

facility that one with a throughput of 1 million, with improvements necessary to match growth. There should also be a minimum level of facility for every station, encompassing real time information, passenger shelter, ticket machines, lighting, interchange with other modes and accessibility.

There are certain areas where improvements can only be obtained through infrastructure upgrade and we believe that Government should be prepared to support investment in such where these are necessary to achieve desired improvements and can be shown to meet the DfT cost/benefit requirements. Locally, we would welcome the in-filling of the missing link in the electrified network between Neville Hill and Colton Junction as this would enable improvements in stock utilisation, journey opportunities and operational flexibility. We would also welcome greater levels of consultation between franchise holders and local authorities to enable development of services and facilities in accordance with Local Transport Plans, for example we have long held an aspiration for the re-opening of Haxby Station.

Whilst it is essential that some form of sanction be available to ensure operators deliver their commitments, financial penalties alone run the risk of putting the operator into a position where they are no longer able to function as franchisee. Such a situation could then negate the sanction as the Government is forced to absorb the costs of re-tendering the franchise and, possibly, having to take on board the operation in the short term, as is the case with the ECML.

We feel that for any sanction to be effective, it should not put at risk the ability of the franchisee to continue in business. Whilst financial penalties can be set for failure to meet a degree of commitment, it is considered that a shortening of the franchise term with the cost of re-franchising met by the parental guarantee or performance bond is more effective.

We consider it problematic to answer definitively which of either parental guarantee or performance bond is preferable. Much would depend on the financial situation of the owning company and/or the bond market at the time. It is without doubt that the cost of either would likely be passed on in the form of higher bid price; however the necessity for such a safeguard to be in place is unquestionable.

4. Revenue Risk

The existing 'cap and collar' arrangement allowing for the Government to fund up to 80% of the franchise payment of the operator is missing revenue targets has proven to be a millstone for Government whilst providing a valuable cushion for operators. It seems certain that the existence of the protection has

led to bidders making impracticable revenue growth forecasts simply to win the franchise, although this was somewhat encouraged by the DfT's approach to awarding franchises based on such predictions. However, there are arguments against leaving risk entirely with the operator, not least the danger that the operator may be unable to continue trading should the anticipated return not materialise. It may even be that with a longer franchise, the risk of failure is greatly increased.

It is our opinion that Central Government must retain a level of GDP risk in order to obtain the most cost effective bids. The costs of operating in the railway environment are so dependant on outside factors, particularly the overall economy that few would, or indeed could, commit to a major level of investment without some guarantee of stability of income. We believe that the provision for periodic reviews to ensure that there is an independent mechanism for resetting of payments to or from the franchisee is essential for obtaining best value from initial bids. However, we do not believe these reviews should be preset but rather activated by the reaching of an agreed set of changes in financial circumstances.

5. Franchise Investment

There is a problem with any franchise operation in that the franchisee is disincentivised from committing to large scale investment due to the short-termism of the franchise. Obviously for any company to be willing to commit funds to investment, they need some guarantee that they will see a financial return. There can be no doubt that because of the long lead times in the rail industry, the existing franchising system effectively removes such guarantees and makes it extremely difficult to encourage investment. However, the ongoing Evergreen project of Chiltern Railways proves that this problem can be overcome with franchises awarded for a longer term.

There is always a risk that, as the franchise nears its end, the incentive to continue investing reduces substantially. Because rolling stock is normally purchased by the ROSCO's and then leased to franchisees, the likelihood of any operator committing to introduce new vehicles in the latter half of a franchise term is much reduced; the higher asset values apportioned to the leasing charges simply do not allow for a business case to be made. The 'residual value' model is difficult to apply in these cases as a new franchisee may wish to lease alternative stock or even own their own. This in turn requires the ROSCO to apportion more of the initial cost to the early years of the lease, further lessening the incentive for the franchisee. However, we are keen to ensure that rolling stock is designed with maximum route availability as this allows for easy cascade to other routes in later years. If franchisees were encouraged to commit to purchase stock specifically for one franchise,

this raises the risk that the specification would be route specific, resulting in excessive cost to the taxpayer if it were then simply sold back to the Government at the end of the term.

We therefore believe that investment in rolling stock issues be addressed at the bidding stage with a view to procuring vehicles at the start of the franchise in order that the operator obtains maximum value during from the investment.

For all other areas, we consider that the 'residual value' model is the most appropriate method of ensuring long term investment although there need to be a mechanism that provide for inflationary increases in costs and value that may occur during the life of the franchise to ensure that the franchisee does not suffer financially for agreeing to commit to the level of investment required. It may be that this would require the creation of an independent body to adjudge residual values.

6. Cost Control and Efficiency

As the intent of offering longer franchises is to encourage investment and improve the passenger experience, there must be an acceptance that the cost of maintaining the operation will rise. However, companies should be able to account for this in their predictions when formulating their bids. It would also be expected that efficiencies would be made over the term of the franchise as with any other business. However, railways are more susceptible to economic fluctuation than many other industries, as evidenced by the problems with the ECML franchise.

Whilst 'cap and collar' was designed to protect franchisees against the effects of economic fluctuation, we believe that this alone can be a double edged sword and, in certain cases, lead to operators taking the view that applying normal business rules for improving efficiency are of low priority as any shortfall in predicted revenue will be made up later in the franchise term. We note, however, that even the existing cap and collar arrangements would not have saved National Express from being unable to meet the terms of the franchise agreement.

We therefore feel that there should be some form of reward based mechanism incorporated into the franchise to provide an added incentive for operators to meet pre-set targets for controlling costs or improving cost efficiency. These targets would aligned with the commitments offered in the bidding process, possibly by an independent body overseeing the process. We believe that the potential to gain a franchise extension should these targets be met or exceeded would provide the most satisfactory means of

rewarding cost control and efficiency whilst ensuring that subsidy/premium levels are unaffected.

September 2010

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ANNEX C

Acronyms used in the documents.

The railway industry, including DfT rail has a wide variety of acronyms in everyday use that are well understood by industry professionals.

The DfT consultation document, and thus our response, contains a number whose meaning might not all be immediately apparent to Members of the Executive.

A glossary is therefore provided below to ease comprehension.

Cap and Collar – A mechanism whereby Central government funds up to 80% of the franchise payment when the operator is missing revenue targets.

ECML -	East Coast Main Line
GNER -	Great North Eastern Railway
GWML -	Great Western Main Line
HLOS -	High Level Output Specification
NNL/NNG -	No Net Loss/ No Net Gain
OPRAF -	Office of Passenger Rail Franchising
PPM -	Public Performance Measure
ROSCO -	Rolling Stock Company
SLC -	Service Level Commitment
SOFA -	Statement of Funds Available (for each control period)
SRA -	Strategic Rail Authority

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Executive**5th October 2010**

Report of the Director of Customer and Business Support Services

ATTENDANCE MANAGEMENT UPDATE**Summary**

1. This report provides the Executive with an update on the Council's approach to attendance at work and recommends a number of revised work/life balance policy provisions in order to achieve significant and sustained improvements in attendance levels.

Background

2. On the 1st October 2007 the new Attendance at Work Policy came into effect which provided staff and managers with detailed guidance and support on sickness absence management.
3. This new approach has led to significant improvements in sickness absence rates across the Council with an overall reductions as follows:
 - 2006/07 – 12.93 days per full time equivalent (FTE);
 - 2007/08 - 9.54 days per FTE;
 - 2008/09 – 9.08 days per FTE;
 - 2009/10 – 8.98 days per FTE.
4. In comparative terms, in 2006/07, York was the worst performing unitary authority in this area and one of the worst in the country. The 2007/08 and 2008/09 performances both placed the Council in the third quartile and 2009/10 second quartile performance was achieved with the improvements being significant both in real and relative terms.
5. Sickness absence levels are monitored monthly with Directorate Management Teams (DMTs) being supplied with data regarding their performance for the period and also in comparison to previous years. The period April to June 2010 showed that all sickness reported was at a higher level in this year than for the same period in the previous two years.

Analysis

6. It is difficult to undertake any trend analysis based on performance over this relatively short period, although it should be considered to be an early warning that sickness levels may 'bounce' and may be starting to deteriorate. Prompt action now, as outlined in this paper, may show these early results to be a 'blip' and re-establish the downward trend shown in paragraph 3.
7. In order to continue to improve it is critical that the council continues to treat the management of sickness absence as a priority. In order to help in this regard, HR Business Partners are planning and leading discussions at DMTs aimed at identifying absence trends and hotspots, helping DMTs develop directorate action plans containing specific interventions designed to tackle local issues. This will dovetail with the work currently being undertaken by the Health and Safety Team around stress related sickness absence.
8. The council's sickness absence procedures have been benchmarked against high performing councils and have been found to be 'best of breed', incorporating all elements of best practice. The main differences between York and these other councils are around enabling attendance at work and the modernisation of working practices.
9. As well as continuing to manage sickness absence when it occurs, improvements in sickness absence levels can be maintained by taking a holistic approach to attendance and enabling attendance, enabling a more flexible and responsive workforce to increase efficiency and productivity.
10. In this regard work has been undertaken in the following areas.

Management training

11. A specific module on managing attendance has also been developed and included in the Effective Manager Programme for this year and bespoke training has already been provided to managers to expand and develop their skills in dealing with sickness absence casework.

Health and Well-being Promotion Activities

12. A range of health and well-being promotional activities have taken place designed to maximise the physical, psychological and social health of all employees, focusing areas such as healthy eating, back care, smoking cessation and fitness. The Communities and Neighbourhood Services directorate have run a month of healthy lifestyle and wellbeing promotional activities as part of the Excellence in Everything programme.

Occupational Health Service (OHS)

13. Work has taken place with council's contracted occupational health service, York Hospitals NHS Foundation Trust to provide additional services such as flu vaccinations, physiotherapy/ osteopathy, influenza and Hepatitis B jabs,

specialist display screen equipment (DSE) and workplace assessments, ergonomics and rehabilitation programmes amongst others.

Work/life balance

14. The council's current work/life balance provisions have been reviewed with a view to extending and re-marketing them, thereby making it easier for staff to attend work and to use the correct provisions for unavoidable absence. The revised provisions were piloted as part of the Office of the Future work being undertaken by the Accommodation Project, which has resulted in recommendations being made for amendments to some existing policy provisions and for the development of some new policies. The revised policy provisions, summarised below, are now recommended to the Executive.

Policy	Description
Flexible working	Extend the current right to request flexible working scheme to all employees rather than only those who qualify in accordance with the statutory right in this area.
Variation in hours	Extend the current right, which only allows employees to request permanent amendments to contracts, to request a temporary reduction in hours, retaining the right to return to their previous contracted hours after the agreed period of time.
Flexitime	The adoption of a revised flexitime scheme with increased flexibility around working hours, supported by a framework of guidance for managers to determine the most appropriate working arrangements for their service.
Compressed Hours	The adoption of a compressed hours policy to give employees the opportunity to work their contracted hours over a shorter number of days than the standard working week.
Career Breaks and Sabbaticals	A period of unpaid leave of no less than 3 months and not more than 12 months after which time the council will guarantee the employee the opportunity to return to work. This will be either a return to the same job as the employee occupied before their career break, or if that job is no longer available or it is not reasonably practicable from the council's perspective to offer the same job, a return to another job on terms and conditions not less favourable.

15. All of the above provisions will be subject to a formal process to consider their suitability against the needs of the particular service before agreement and the exigencies of the service will take precedent. However the new and revised provisions will enable attendance at work and will contribute to lower sickness absence levels in the long term.
16. In addition to enabling attendance, flexible working schemes have also become common in the private sector during the current recession as a way of achieving temporary and permanent cost reductions in the workforce, whilst avoiding wholesale redundancies and therefore retaining the skills of the workforce. Whilst the public sector has operated similar provisions for some time, they have more usually been associated with work/life balance and recruitment and retention, although they are now becoming increasingly common as a way of achieving cost reductions and could be used as such within the Council.

Corporate Priorities

17. The action being proposed in this report is designed to support the Council's corporate priority "Effective Organisation" and is consistent with the required outcomes of the More for York programme.

Implications

18. The issues contained in this report have the following implications:
 - i. **Financial** – no direct financial implications of the actions in this paper, although continuing to increase attendance levels will reduce the cost of sick pay, both the indirect costs of backfill and cover for absent employees and also increase efficiency and productivity.
 - ii. **Human Resources (HR)** – included the body of the report.
 - iii. **Equalities** – All of the proposals in this report have been subject to an Equality Impact Assessment (EIA).
 - iv. **Legal** – no implications.
 - v. **Crime and Disorder** – no implications.
 - vi. **Information Technology (IT&T)** – no implications.
 - vii. **Property** - no implications.
 - viii. **Other** - no implications.

Risk Management

19. The specific risks associated with this issue are financial, legal, operational and reputational. The current gross risk score for this issue is 14, placing the issue in the medium category. Implementation of initiatives in this report will reduce the risk to low in the long term.

Recommendations

20. The Executive is asked to:

- 1) Note the work undertaken in this area and the need to continue to treat the management of sickness absence as a priority
- 2) Agree to adopt the revised policy provisions set out in paragraph 15.

Reason: In order to achieve significant and sustained improvements in attendance levels.

Contact Details

Author:

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Chief Officer Responsible for the report:

Ian Floyd
Director of CBSS

Report Approved

Date 20th September
2010

Ian Floyd
Director of CBSS

Report Approved

Date 20th September
2010

Specialist Implications Officer(s):

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

All

For further information please contact the author of the report

Background Papers:

Attendance Management Update Executive Report 7th October 2008
Attendance Management Policy, Procedure and Guidelines – available in the Council's HR Manual

Annexes

None

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Executive

5 October 2010

Report of the Head of Civic, Democratic and Legal Services

Reference Report: National Service Planning Requirements for Environmental Health and Trading Standards Services**Summary**

1. This report requests Members to consider a decision referred by the Executive Member for Neighbourhood Services on 22 June 2010. This referral was made in accordance with the delegation scheme detailed in the Council's Constitution.

Background

2. At the Decision Session of the Executive Member for Neighbourhood Services on 22 June 2010, the Executive Member considered a report, which sought approval of the service plans for food law enforcement, health & safety law enforcement and animal health enforcement.

The Executive Member resolved to recommend that the Executive approve the service plans for food law enforcement, health and safety law enforcement and animal health enforcement.

The food law enforcement plan forms part of the Council's policy framework and therefore requires full Council approval. The remaining plans are for the Executive to agree.

Consultation

3. No further consultation has taken place in addition to the consultation detailed in paragraph 11 of the report attached as Annex 1 to this report.

Options

4. The Executive can either approve or reject the proposal of the Executive Member.

Analysis

5. Members need to consider the details in the report attached as Annex 1 and make a decision based on the information therein.

Corporate Priorities

6. The aims in facilitating this referral to the Executive accord with the key principles of improving the Council's organisational efficiency and complying with the requirements of the Council's Constitution.

Implications

7. The implications of the original decision are set out in paragraphs 15 to 17 of Annex 1.

Risk Management

9. There are no risk management implications in relation to the referral to the Executive of this matter and none associated with the recommendations of the original report.

Recommendations

That the Executive approve the service plans for health & safety law enforcement and animal health enforcement and endorse the food law enforcement plan for onward submission to Council..

Reason: In line with Constitutional requirements.

Contact Details

Author:
Laura Bootland
Democracy Officer
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Chief Officer Responsible for the report:
Andrew Docherty
Head of Civic, Democratic and Legal
Services
01904 551004

Report Approved Date

Specialist Implications Officer(s)

N/A

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Decision list from the meeting of the Executive Member for Neighbourhood Services and Advisory Panel, 22 June 2010 (published on the Council's website on 23 June 2010)

Animal Health Service Plan 2010-2011
Food Law Enforcement Service Plan 2010 – 2011

Health and Safety Enforcement Service Plan 2010-2011

The above documents are available on the Council's website at

<http://democracy.york.gov.uk/ieListDocuments.aspx?CId=675&MId=5353&Ver=4>

Annexes

Annex 1: Report to the Decision Session for the Executive Member for Neighbourhood Services – National Service Planning Requirements for Environmental Health and Trading Standards Services – 22 June 2010.

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Decision Session - Executive Member for Neighbourhoods**22nd June 2010**

Report of the Director of Communities and Neighbourhoods

National Service Planning Requirements for Environmental Health and Trading Standards Services**Summary**

1. Service plans for food law enforcement, health & safety law enforcement and animal health enforcement are produced on an annual basis in response to national requirements.
2. The purpose of this report is to seek member approval for these plans.

Background

3. In 2001 the Food Standards Agency (FSA) introduced mandatory service planning arrangements for local authority food law enforcement services. In 2002 the government extended service planning regimes into other areas of local authority regulatory work and the Health & Safety Commission (HSC) placed a duty on local authorities to produce a health & safety enforcement service plan.
4. In 2004/05 the Department for the Environment, Food and Rural Affairs (DEFRA) added an additional plan. This plan covers animal health and welfare and was introduced to improve local authority enforcement practices following the national outbreak of foot and mouth disease.
5. The previous national plans were approved by the Executive Member for Neighbourhoods on 15th September 2009.
6. The purpose of each plan is similar in that they are to contain details of how local authorities are addressing national (FSA, HSC and DEFRA) enforcement priorities and how activities locally work towards meeting local authority corporate objectives and priorities. The guidance for completing each plan (issued by the FSA, HSC and DEFRA) states that it should be submitted to the appropriate member forum for approval.
7. All plans must demonstrate that a local authority is providing core functions and an appropriate 'mix' of regulatory activities. The mix includes:

- conducting inspections of premises to a risk based inspection programme to ensure compliance with legislation.
 - taking samples of food to ensure they are safe and correctly described.
 - investigating complaints.
 - taking formal enforcement action (including prosecution) where necessary.
 - providing an educational, promotional and advisory programme to raise standards.
 - working in partnership with business and other enforcement agencies.
8. The plans are extensive in nature and their format prescriptive. They will be available on the Council's web site during the week before the meeting and can be accessed through the Meeting agenda.

Alternatively, copies can be obtained by contacting the Head of Environmental Health on 01904 551502 or, the Democracy Officer, by telephone on (01904) 552062, or by email on laura.bootland@york.gov.uk.

Copies of the plans will also be available at the meeting.

Reporting and Monitoring

9. The council is required to submit an annual monitoring report on each plan. The FSA have used these reports to 'name and shame' poor performing local authorities and to target their audits of local authority enforcement services. The HSC has indicated that they may use their default powers to take over a local authority's health and safety enforcement responsibilities in circumstances where insufficient resources are allocated to this function.
10. The 2010/11 food and health & safety plans include performance variances with targets set in the 2009/10 plans. Reporting these variances is a requirement of the national bodies.

Consultation

11. Staff in environmental health and trading standards have been involved in the development of their respective plans and consulted on the targets that have been incorporated into the supporting work programmes. The activities set out in the animal health plan have been agreed with the DEFRA Divisional Veterinary Manager.

Analysis

12. Each of the plans represents an appropriate mix of enforcement, educational and advisory work required of modern local authority environmental health and trading standards services. Approval of the plans by members is a requirement of the FSA, HSC and DEFRA.
13. It is not known what action will be taken against the council if any of these plans does not receive member approval although it is likely to result in close scrutiny of the council's ability to provide the relevant service.

Corporate Priorities

14. Enforcement activities in the Health and Safety Enforcement Service Plan and Food Law Enforcement Service Plan support the corporate priorities to make York a safer and healthy city. The Animal Health Plan supports the thriving city priority.

Financial Implications

15. The work programme outlined in the 2010/11 plans can be resourced from existing budgets. DEFRA are currently directly funding additional animal health and welfare enforcement. This funding is conditional on submission of a service plan that is acceptable to DEFRA.

Legal Implications

16. It is a legal requirement to set a service plan for food law enforcement and health and safety enforcement (Food Safety Act 1990 and Health and Safety at Work etc Act 1974) respectively. The Food Law Enforcement Service plan is part of the Council's Policy Framework and therefore needs approval by full Council following a recommendation by the Executive. The Health and Safety Law and Animal Health Enforcement plans are matters for the Executive to approve.

Human Resources (HR) and Other Implications

17. There are no HR, or other implications associated with this report.

Risk Management

18. In compliance with the Council's risk management strategy. There are no risks associated with the recommendations of this report

Recommendations

19. That the Executive Member approves the plans and recommends that they are referred to Full Executive for approval.

Reason: In order that the council can discharge its statutory obligations in regard to service planning for environmental health and trading standards.

Author:
Colin Rumford
Head of Environmental Health
and Trading Standards

Chief Officer Responsible for the report:
Andy Hudson
Assistant Director
Neighbourhoods and Community Safety

Phone: 551814

Phone: 551502

Report Approved **Date** 21st May 2010

Specialist Implications Officer(s)

None

Wards Affected:

All

For further information please contact the author of the report

Copies of the national service plans will be available on the council's web site for the week prior to the meeting – they can be accessed through the Meeting agenda

Background Papers:

Food Standards Agency Framework Agreement on Local Authority Food Law Enforcement
Health and Safety Commission Section 18 HSC Guidance to Local Authorities
DEFRA Framework Agreement
