

**Notice of public meeting of
Cabinet**

To: Councillors Alexander (Chair), Crisp, Gunnell, Levene, Looker, Merrett, Simpson-Laing (Vice-Chair) and Williams

Date: Tuesday, 8 January 2013

Time: 5.30 pm

Venue: All Saints' RC School, Upper Site, Mill Mount Lane, York YO24 1BJ

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:

4:00 pm on Thursday 10 January 2013, if an item is called in *after* a decision has been taken.

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

1. Declarations of Interest

At this point, Members are asked to declare:

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

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

- 2. Minutes** (Pages 3 - 20)
To approve and sign the minutes of the last Cabinet meeting held on 4 December 2012.
- 3. Public Participation**
At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Monday 7 January 2013**. Members of the public can speak on agenda items or matters within the remit of the committee.
To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.
- 4. Forward Plan** (Pages 21 - 30)
To receive details of those items that are listed on the Forward Plan for the next two Cabinet meetings.
- 5. Local Government Finance Settlement Update**
(Pages 31 - 36)
This report provides an analysis of the Local Government Finance Settlement, announced on 19 December 2012. It also provides an update on the status of the Leeds City Region (LCR) pool.
- 6. The Co-operative Council: A Community Benefit Society for Libraries and Archives** (Pages 37 - 58)
This paper responds to the Council Plan and the priority of 'exploring innovative models of service delivery and increasing our skills to deliver shared service opportunities and management buyouts or social enterprise models', looking into future options for running the Council's Libraries and Archive Service. Cabinet are asked to approve the development of a business plan for a potential community benefit society for the services, establish a shadow board for the purpose of taking forward this work and undertake further engagement with the public and staff.
- 7. Access York Park and Ride Funding Application**
(Pages 59 - 70)
This report requests that Cabinet approves the submission of the Access York Full Approval application to the Department for Transport. Phase 1 of the Access York project to enhance the Park & Ride network is critical for the future economic prosperity and environmental wellbeing of the city and the receipt of tenders for the main construction works is a key milestone in the delivery of the project.

8. Tenancy Strategy (Pages 71 - 100)

This reports sets out the legal requirements for the Council to have an adopted Tenancy Strategy for social rented properties for the City. Cabinet are asked to adopt the draft tenancy strategy attached to the report.

9. York Museums Trust Scrutiny Review Final Report

(Pages 101 - 136)

This item presents the final report arising from the York Museums Trust (YMT) scrutiny review and Cabinet is asked to approve the recommendations arising from the review.

10. Urgent Business

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

Democracy Officer:

Name: Jill Pickering

Contact details:

- Telephone – (01904) 552061
- E-mail – jill.pickering@york.gov.uk

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

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

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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

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City of York Council

Committee Minutes

MEETING	CABINET
DATE	4 DECEMBER 2012
PRESENT	COUNCILLORS ALEXANDER (CHAIR), CRISP, GUNNELL, LEVENE, LOOKER, MERRETT, SIMPSON-LAING (VICE-CHAIR) AND WILLIAMS
IN ATTENDANCE	COUNCILLORS BARTON, BROOKS, HEALEY, STEWARD AND RUNCIMAN

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

56. DECLARATIONS OF INTEREST

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

Cllr Williams declared a prejudicial interest in respect of agenda item 14 (Approval of the City of York Council Surface Water Management Report), as an employee of Yorkshire Water and left the room and took no part in the discussion or voting thereon.

Cllr Levene declared a personal non prejudicial interest in respect of agenda item 6 (Final Report of the E-Planning Facilities Review) as a former member of the review Task Group and took no part in the discussion and voting thereon.

57. MINUTES

RESOLVED: That the minutes of the last meeting of Cabinet held on 6 November 2012 be approved and signed by the Chair as a correct record subject to:

In Minute 38 – Minutes (Minute 30 – Delivery and Innovation Fund – Funding Decisions), the following addition to the first bullet point and the deletion of resolution (ii) and its replacement with:

- City of York Council – Science City York Innovation Catalyst Programme – Yr 1 £165k/Yr 2 £165k, totalling £330k *and require full input, output, and outcome metrics on the proposal, and how it contributes to Council priorities.*¹.

(ii) *That the Chief Executive be requested to develop standards metrics and common protocols for all third party funding and SLAs.*²

Action Required

- | | |
|-------------------------------------------------------------------------------|----|
| 1. Compile requested information on this programme. | KS |
| 2. Develop requested metrics and protocols for future funding and agreements. | WB |

58. PUBLIC PARTICIPATION/OTHER SPEAKERS

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme, and that two Members of Council had requested to speak on various agenda items.

Dennis Martin, spoke on behalf of Dunnington Parish Council, in relation to Agenda Item 14 (Approval of the City of York Council Surface Water Management Report), highlighting three particular issues. He asked members to take account of local parish knowledge, referred to the poor response to problems from Yorkshire Water and finally drew attention to the national requirement for provision of drainage attenuation measures for developments which exceeded 4sqm of non porous surface. He circulated additional information from the Parish Council to Cabinet Members at the meeting.

Heather McKenzie spoke on behalf of Unison in relation to Agenda item 10 (Implementing the Living Wage), particularly welcoming the authorities commitment to implement the living wage and confirming their wish to be involved in its implementation. She went on however to express a number of concerns relating to the exclusion of apprentices and casual staff, the procurement by April 2014 and to payment of supplements and urged reconsideration of these issues.

Cllr Steward also made representations in respect of Agenda item 10 (Implementing the Living Wage) highlighting the vague criteria set out in the report for the use of Economic Infrastructure Funding to support the Living Wage. He expressed support for the protection and valuing of staff however he felt that this was not the right time to implement this policy.

Councillor Steward also spoke on Agenda item 9 (Economic Infrastructure Fund – Proposals) particularly the Arts Barge project expressing concern at the proposed funding when budgets were being cut and salt bins left unfilled.

Cllr Barton also spoke in respect of Agenda item 9 (Economic Infrastructure Fund – Proposals) and the Arts Barge. Concern was expressed at the proposed investment of £100k for the purchase and renovation of a river barge during a particularly difficult economic time when core funding should be the priority. It was questioned whether guarantees had been sought that the project was sustainable

59. FORWARD PLAN

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

60. MINUTES OF WORKING GROUPS

Members received a report which presented the minutes of meetings of the Local Development Framework Working Group (LDFWG) held on 2 April 2012, the Local Plan Working Group (LPWG) of 3 September 2012 and the Equality Advisory Group of 30 July 2012 attached as Annexes A, B and C respectively.

Members were invited to consider the advice offered by the working groups in their capacity as advisory bodies to the Cabinet, and in particular the comments of the LPWG in respect of the City of York Council Subdivision of Dwellings Supplementary Planning Document Annex B (minute 5) and in respect of Council House Extensions and Alterations also at Annex B (minute 6).

The Cabinet Member for Transport, Planning and Sustainability recommended the adoption of the Supplementary Planning Documents for use as interim planning guidance.

RESOLVED: (i) That the minutes at Annexes A, B and C to the report be noted.

(ii) That Cabinet approves the 'Subdivision of Dwellings' and 'House Extensions and Alterations' Supplementary Planning Guidance documents as interim planning guidance, incorporating the changes suggested by the LPWG at their meeting held on 3 September 2012.¹

REASON: (i) To fulfil the requirements of the Council's Constitution in relation to the role of Working Groups.

(ii) To allow the documents to be used to consider planning applications for subdivision of dwellings and house extensions and alterations.

Action Required

1. Proceed to use for Development Management purposes.

MG

61. FINAL REPORT OF THE E-PLANNING FACILITIES REVIEW

Councillor Runciman, as Chair of the Task Group who had examined the scrutiny topic based around e-planning facilities, presented the report and recommendations arising from the review.

The review had highlighted problems encountered by Parish Councils and Planning Panels following the introduction of electronic working for dealing with planning applications. This had resulted in a set of recommendations which amongst other things sought training for Parish Councils and Planning Panels together with the provision of rooms at West Offices or local libraries, at minimum cost, with facilities to view planning applications. Members were asked to support the recommendations, some as a matter of urgency, as Parish Council precepts were now being set. This would have

implications if there was a need to include the purchase of additional equipment to display plans.

Members questioned a number of points including:

- Possible equipment hire
- Previous lack of interest in Planning Panels in particular wards
- Effect on income streams in relation to library use
- Insufficient information relating to financial impact re use of West Offices, level of use, costs etc.

Following further discussion it was

- RESOLVED:
- i) That Cabinet note the contents of the final report of the E-Planning Facilities Review.
 - ii) That the Cabinet Member for Transport, Planning and Sustainability examine, in more detail, the recommendations of the Review as set out at paragraphs 5 and 6 of the cover report, with the Cabinet Member providing an early response to the key issues raised at the meeting and report back to his Decision Session.¹

REASON: To fully inform the Cabinet of the outcome of the review.

Action Required

1. Include item on future Forward Plan.

SS

62. REVIEW OF FEES AND CHARGES

Consideration was given to a report which sought approval to increase a range of the Council's fees and charges with effect from 1 January 2013, details of which were set out at Annex A of the report.

An increase of approximately 5% was proposed on fees which had last been reviewed in January 2012 relating to the following service areas:

- Registrars
- Community Centres
- Bereavement Services
- Waste Services
- Libraries, Information and Archives
- Parks and Open Spaces
- Housing Services
- Transport, Highways and Planning

RESOLVED: That Cabinet approves the proposed increase in fees and charges as from 1 January 2013 as set out in the Annexes to the report. ¹.

REASON: To enable the Council to effectively manage its budget.

Action Required

1. Implement revised charges from 1 January 2013. SK

63. ECONOMIC INFRASTRUCTURE FUND - PROPOSALS

Consideration was given to a report which set out details of the following Economic Infrastructure Funding allocations, providing the rationale for investment together with an analysis of the proposals :

- Le Marche International des Professionnels de l'immobilier (MIPIM) 2013, for attendance at an international property fair, detailed at paragraphs 2 to 28 - £25k
- City Centre Holiday Footfall Measures, detailed at paragraphs 29 to 44 and in the revised report circulated - £34.5k
- Arts Barge, detailed at paragraphs 45 to 60 - £100k

The total EIF spend to date and under consideration would amount to £12.124m with £16.376m of the budget remaining, and full details set out at Annexes A and B of the report.

Updated information, which had been published online, proposed the following revisions to the City Centre Footfall Measures:

- The package would include free evening parking on Thursdays combined with free Park and Ride services,

and one day's free parking at CYC city centre car parks on Boxing Day (totalling £34.5k)

- The provision of free parking on the four Thursdays had been estimated at £4k, free parking on Boxing Day at £10k and free evening Park and Ride Services after 6pm an £2k.
- The above package would revise total EIF spend to date and under consideration to £12.122m, £2.152 of which was revenue and £9.970m capital, with £16.378m of the EIF budget remaining.
- It was recommended that £34.5k of the EIF allocation was used to fund the footfall measures.

In answer to earlier representations, the Cabinet Member referred to the five criteria that all proposals were required to meet, prior to consideration for funding, and to Government support for economic growth.

RESOLVED: That Cabinet agrees to:

- Approve the EIF allocation of £25k for CYC to be represented at MIPIM 2013, along with private sector partners
- Approve the EIF allocation of £25k required by the Arts Barge project to secure a boat and to delegate responsibility to the Director of CBSS to make 3 further stage payments of £25k pending a due diligence review of Arts Barge Project Business Plan ;
- Approve the EIF allocation of £34.5k required to fund the City Centre Holiday Footfall Measures.¹

REASON: To support the Council Plan priorities of creating jobs, growing the economy and investing in the city's economic future.

Action Required

1. Allocate funding as agreed.

KS

64. IMPLEMENTING THE LIVING WAGE

Members considered a report which reaffirmed the City of York Council's commitment to implement the Living Wage from 1 April 2013 for all Council staff earning below the national living wage of £7.45, in response to the Fairness Commission's initial

report. It was confirmed that a further phase would follow during 2013/14 with its promotion to all suppliers and partners.

Further information on the numbers of staff affected, the consultation undertaken, ongoing pay implications and the effect on apprentices and casual workers were set out in the report at paragraphs 11 to 42.

Members were informed that the only option under consideration was to implement a Living Wage for employees with council contracts building on the commitment already given to becoming a Living Wage Employer. This option would include working closely with the trade unions to develop an approach which minimised any impact on the Council's pay and grading structure.

With reference to earlier comments the Cabinet Leader confirmed that the issue raised regarding casual staff required clarification however he was proud to be one of the first authorities supporting the implementation of the living wage.

RESOLVED: That Cabinet agree to the following for implementing a Living Wage for staff employed within the Council:

- i) To adopt an approach for paying a Living Wage for employees with council contracts (excluding apprentices and casual staff), based initially on a discretionary supplement, commencing from 1st April 2013.
- ii) The draw-down of £338k from the Economic Infrastructure Fund to support the Living Wage proposals in the first year for staff with council contracts, including helping schools work towards implementing the Living Wage.
- iii) To develop plans and actions which seek to embed the Living Wage in job design and pay structures by April 2014.
- iv) To agree, as part of the budget process each year, to review the uplift the Living Wage rate annually where possible, informed by

information available from national pay negotiations.

- v) To agree ongoing work on the apprentices scheme to establish a Living Wage for apprentices and eventual employment at grades above the Living Wage.
- vi) To embed the Living Wage in procurement activity by April 2014. ¹

REASON: To deliver a commitment to address low pay for council employees, tackle in-work poverty and as a step towards reducing income inequality which, with the support of other employers in York, will deliver benefits to the whole community.

Action Required

1. Undertake the steps outlined to implement the Living Wage.

PS

65. TRANSFER OF RESPONSIBILITY OF SOCIAL FUND TO LOCAL AUTHORITIES AND ESTABLISHMENT OF THE YORK FINANCIAL ASSISTANCE SCHEME

The Cabinet considered a report which provided details of the transfer of funding, previously used for 'Community Care Grants' and 'Crisis Loans' by the Department of Work and Pensions, with proposals for a replacement scheme that would help to deliver the priorities in the Financial Inclusion Strategy.

It was proposed to administer a one year interim scheme to allow time to develop a comprehensive localised support scheme in partnership with other key agencies in the city. Details of the phased approach to be undertaken to support the changing needs of the local community and the types of proposed assistance were set out at paragraphs 17 to 29 of the report. Further information on the type of items covered, application numbers and awards made over the last two years were also set out in the report.

As there was an expectation by, and funding from, the Government to establish an appropriate scheme to operate from

April 2013, it was reported that the only option proposed was to establish a scheme with future additional funding solutions.

An additional option suggested was to review in full, and consult on, changes to the scheme to reflect local priorities in line with the Council Plan 2011-15 and the Financial Inclusion Strategy.

RESOLVED: That Cabinet agree to:

- i) Approve the approach to establishing an initial York Financial Assistance Scheme from 1st April 2013 with the detail of the scheme delegated to the Director of CBSS to finalise, subject to the approval of the Cabinet Member for Corporate Services. ^{1.}
- ii) Approve the approach to reviewing the initial scheme in 2013 with a view to implementing a revised localised partnership based scheme from 1st April 2014 (as set out in paragraphs 18, 19 and 28 of the report).
- iii) Consider as part of the 2013/15 budget setting process, any opportunities to add Council funds to the base budget of York Financial Assistance Scheme to give greater scope to assist individual residents, families and communities in financial difficulty. ^{2.}

REASON: To ensure there is no gap in provision of urgent financial resources available to our most vulnerable residents at times of crisis or other difficulty. To mitigate the impacts of wide ranging welfare benefits changes. To meet the priorities set down in the Council Plan and Financial Inclusion Strategy.

Action Required

1. Establish a York Financial Assistance Scheme. JM
2. Review scheme and budget provision in 2013. JM

66. TETHERED HORSES - PROPOSED POLICY FRAMEWORK

Consideration was given to a report which raised awareness of the problems associated with horses being deliberately tethered on land without the landowner's permission, often on Council land and in particular public highways. It was proposed to develop a joint protocol which would set out how these issues could be managed by the Council and partner organisations within the legal framework and resources available.

Legal powers available to deal with horse related issues were reported together with a number of suggested interventions were discussed in detail in paragraphs 7 to 19 of the report. The financial and equalities implications arising from the proposals were also reported.

The following were proposed as options:

Option 1 – To agree the proposals set out in the paper:

- That the Council develop a joint protocol with the Police, RSPCA and landowners and travellers setting out responsibilities of all parties and detailing a course of action to be taken in the following circumstances:
 - Where a horse is tethered on a highway verge;
 - Where a horse is grazing illegally on CYC land;
 - Where a horse is grazing illegally on private land;
 - Where a horse is found loose on a public highway.
- The Council consider its land assets to identify areas of land that it feels would be suitable for letting as grazing land.
- The Council works with private land owners and the NFU the potential for land owners to provide land for grazing.
- The Councils Animal Health Service work with the RSPCA and horse welfare charities to develop micro chipping and re-homing service.
- The Council review its licence and tenancy agreements and insert a clause that prevents the tethering of horses on Council land unless there is an agreement in place as part of the provision of land for grazing.

- The Council enter into a procurement process to appoint a contractor to manage the seizure and, where necessary, the sale of any horses.

Option 2 – To agree some but not all of the proposals set out in option 1.

Option 3 - To not agree the proposals and retain the status quo.

The Cabinet Member referred to the high level of correspondence received in connection with this issue and to anecdotal evidence which appeared to support that there had been an increase in the number of horses tethered on the highway. He confirmed the need for a balanced approach to enforcement whilst considering animal welfare and the safety of road users.

RESOLVED: That Cabinet agree to:

- i) The proposals set out at paragraph 21 of the report and agree that a joint protocol be established and brought back to the Cabinet Member for approval in February 2013.
- ii) Consider the costs associated with the proposal as part of the 2013/14 budget setting process.¹

REASON: To ensure that the Council has a robust, yet balanced approach to dealing with tethered horses.

Action Required

1. Await decision of CSMC (Calling In) meeting on 17 December 2012.

SW

67. PROPOSALS REGARDING THE INTRODUCTION OF A VOLUNTARY LANDLORD ACCREDITATION SCHEME IN YORK

Consideration was given to a report which set out details regarding the introduction of a Citywide Private Landlord Accreditation Scheme to support and improve the private rented sector.

It was reported that the private rented sector made up an estimated 17.8% of the housing stock in the city and an Accreditation Scheme for landlords would provide a means of defining and regulating standards and supporting the provision of the types of accommodation the market demanded. To be effective any scheme would need to influence the standards of the local market and would require membership of at least 10% of the landlord market to be effective.

The following were the options proposed and analysed in paragraphs 20 to 37 of the report:

Option 1 – Take no further action with regard to the introduction of an accreditation scheme.

Option 2 – Support another organisation in establishing a landlord accreditation scheme in York.

Option 3 – Negotiate with one of the national industry bodies for the provision of a scheme in York on behalf of the City of York Council.

Option 4 – Develop and implement a specific York Voluntary Landlord Accreditation Scheme, or develop a wider ranging North Yorkshire scheme in co-operation with other local authorities in the area.

Option 5 – Develop a more limited scheme to add value to the existing York Code of Best Practice for Student Accommodation Scheme.

Significant consultation had been undertaken and the financial and equalities implications were provided at paragraphs 38 to 47.

The Cabinet Member confirmed the intention to work in partnership with landlords, the vast majority of which provided an excellent service however it was the small minority who ignored legislation and best practice.

RESOLVED: That Cabinet agree to:

- i) Approving the implementation of a locally developed Landlord accreditation scheme, as detailed in Option 4 of the report and authorise

further consultation and partnership work with local landlords, agents and other stakeholders, to agree the final details of the Scheme, with a view to it being operational by June 2013.

- ii) Authorising the Director of Communities and Neighbourhoods, in consultation with the Cabinet Member for Health, Housing and Adult Social Services, to take forward and implement the Landlord Accreditation Scheme as appropriate when the development process is complete. ¹.

- REASON:
- i) To ensure the support and improvement of the Private Rented Sector in York.
 - ii) To ensure the Scheme is developed in consultation with potential members; is fit for purpose and appeals to as wide a number of landlords and agents as possible to enable a positive start and that it complements any other proposals for supporting the Private Rented Sector.

Action Required

1. Undertake works required to implement scheme in consultation with Cabinet Member.

SW

68. APPROVAL OF THE CITY OF YORK COUNCIL SURFACE WATER MANAGEMENT REPORT

Members considered a report which presented the Surface Water Management Plan covering the whole of the Council's area, at Annex A of the report. This had been prepared following flooding experienced nationally in 2007 which had resulted in the publication of the Pitt Review which included key recommendations for Lead Local Flood Authorities including the preparation of Local Surface Water Management Plans.

The main outcome of the study had identified two principal methods of managing future surface water flood risk, through the maintenance of assets and development control with both these being considered at paragraphs 10 to 14 of the report. A formal partnership would now be formed to prepare the

Council's Local Flood Risk Management Strategy to include appropriate community involvement.

The Cabinet Member referred to the complex ownership of drainage systems, with only 10% of the surface water drainage system being identified to date. Much of the system was not within the authorities ownership so partnership working would be required to address many of the issues. With reference to the important points raised by the speaker, earlier in the meeting, he confirmed that Parish Councils would form part of the partnership working and that best practice would be encouraged in dealing with planning applications.

RESOLVED: That Cabinet agrees to:

- i) Approve the Surface Water Management Plan as attached at Annexe A of the report.
- ii) Approve a review of the Council's highway drainage maintenance service based on the principles of flood risk management, and to ensure that it is suitably funded. This will be the subject of a further report in due course.¹
- iii) Ensure that the current resources in the Flood Risk Management team are maintained, subject to the budget process, to enable effective involvement in the development control and highway design procedures.

- REASON:
- i) To ensure that the Council has an action plan for managing surface water flood risk, and to influence the development of future strategies for maintenance, investment, planning and engagement.
 - ii) To ensure that surface water drainage infrastructure operates effectively to reduce surface water flood risk in vulnerable areas.
 - iii) To ensure that development does not increase flood risk.

Action Required

1. Proceed with review of highway maintenance service subject to further report.

MT

69. LORD MAYORALTY 2013-14

This report asked Cabinet to give consideration to the points system for the annual nomination of the Lord Mayor for the City of York Council and confirmed that the Group with the most points under that system should be invited to appoint the Lord Mayor for the 2013/14 municipal year.

The system for nominating the Lord Mayor was based on an accumulation of points determined by the number of seats held by each group on the Council. Details of the current points accumulated by each group was set out at paragraph 4 of the report showing that the Labour Group, with a total of 47 points qualified for the position in 2013/14.

Officers referred to an error in paragraph 4 which had arisen from recognition that the cumulative points should have been based on the number of points on Lord Mayor's Day to nominate for the following year. As Cllr Jeffries had been a member of the Labour Group at that point this increased the Labour total by one point to 48.

Consideration was then given to the following options:

Option 1- To invite the Labour group to nominate the Lord Mayor for the municipal year 2013/2014.

Option 2 -To review the points system current adopted for nominations.

RESOLVED: That Cabinet invite the Labour group to nominate the Lord Mayor for the 2013/2014 municipal year, in line with the existing accumulated points system.¹

REASON: To ensure that the Council secures the necessary leadership to undertake its civic functions and provides continuity for future selection.

Action Required

1. Note the Labour Group's entitlement to appoint Lord Mayor for the 2013/14 municipal year.

AP

PART B - MATTERS REFERRED TO COUNCIL

70. COUNCIL TAX SUPPORT DECISION PAPER

Members considered a report which set out options for a Council Tax Support Scheme (CTS) for York for implementation from 1 April 2013.

Since initial consultation in August 2011, when it had become known that Council Tax assistance would remain a local authority responsibility, discussions and preparation work had been undertaken. Results of the formal 12 week public consultation exercise on the proposed changes had ended on 4 November 2012 with feedback and details of the consultation programme set out at paragraphs 16 to 21 and Annex D of the report.

It was reported that, as the new system went live in April 2013, the Government would reduce York's funding by 10% based on their estimate of the Council's financial requirements for 2013/14. The likely grant for 2013/14 would therefore equate to a loss of around £1.3m in grant funding. Pensioners however would not be affected by the cut resulting in the percentage of benefit loss to working age customers being much higher than 10%.

Further information on the impacts of protection was set out at paragraphs 9 to 11, work on the development of a local scheme at paragraphs 12 to 15 and details of the comprehensive Community Impact Assessment undertaken at paragraphs 33 to 35.

A financial assessment of the following three main options was reported in detail at paragraphs 25 to 32 and summarised in the table:

Option 1 – Cost Neutral Scheme

Option 2 - Approve accepting the Governments 'one off' Transitional Grant (Paragraph 22) and amend the Scheme set out at Annex A of the report to limit any increase to customers on full benefit to no more than 8.5% capping at 91.5% and reinstating the second adult rebate to comply with the Governments rules.

Option 3 - Passing on none of the reduction in grant to customers, with the Council meeting the entire shortfall in Government grant (£1.155m). In taking this option the Council would receive the transitional grant (Paragraph 22) but as with option 2 it needs to be borne in mind that the transitional grant is only a 'one off' the cost of both options (2&3) will rise by nearly £250K in 14/15 before any further increase in Council Tax. The effect of the three options showing the financial impact of each was shown in the table:

	Option		
	1	2	3
Benefit Cost 13/14	£10,590,990	£10,590,990	£10,590,990
Grant	-£9,214,812	-£9,214,812	-£9,214,812
Transitional Grant 'one off'	£0	-£249,590	-£249,590
Net Loss in grant	£1,376,178	£1,126,588	£1,126,588
Estimated costs of claims inflation	£317,730	£317,730	£317,730
Charge to Customer	-£1,693,908	-£478,701	£0
Total Scheme Cost	£0	£965,617	£1,444,318
CYC Share	£0	£772,494	£1,155,454

Members thanked Officers for their comprehensive report covering complex issues. They referred to the difficult decisions that needed to be made and it was with regret that they had to pass on cuts in Government funding resulting in a tax on the working poor.

Following further discussion it was

RECOMMENDED: That Council be recommended to approve Option 1, capping Council tax benefits at a figure of 70% (as set out in detail in the report), as the Council Tax Support Scheme.¹

REASON: To ensure that a Council scheme is in place before the Governments statutory deadline of 31st January 2013.

Action Required

1. Refer to Council 13 December 2012.

JP

Cllr J Alexander, Chair

[The meeting started at 5.45 pm and finished at 7.30 pm].

Cabinet Meeting: 8 January 2013

FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 12 February 2013

Title & Description	Author	Portfolio Holder
<p>York800 and 2012: The Legacy</p> <p>Purpose of Report: To update Cabinet on events held during 2012 and to plan the legacy.</p> <p>Members are asked: To agree a legacy strategy for both participation in active leisure and for events in the city.</p> <p><i>This report has been slipped from the December to January meeting as the directorate has a large number of other reports being presented to the December meeting.</i></p> <p><i>A decision will now be taken by Cabinet in February 2013 to allow more time for consulting with partners.</i></p>	Jo Gilliland	Cabinet Member for Leisure, Culture and Tourism
<p>Financial Strategy 2013-2018</p> <p>Purpose of report: This report presents the financial strategy 2013 - 2018, including detailed revenue budget proposals for 2013/14 and 2014/15.</p> <p>Members are asked to recommend to Council approval of the proposals.</p>	Debbie Mitchell	Cabinet Member for Corporate Services

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 12 February 2013

Title & Description	Author	Portfolio Holder
<p>Safer York Partnership Hate Crime Strategy</p> <p>Purpose of Report: The Hate Crime Strategy is a multi-agency strategy which, to be successful, requires the support of all key agencies who can contribute to it's delivery. It forms an important part of the CYC Equalities agenda and support of vulnerable communities within the Council Plan.</p> <p>Members are asked to: agree the content of the Hate Crime Strategy and give the commitment of CYC to contributing to its delivery and development.</p> <p><i>The report will now be considered in February to allow time to build in comments following the Safer York Partnership meeting in December.</i></p>	Jane Mowat	Cabinet Member for Crime and Stronger Communities
<p>Review of Fees & Charges</p> <p>Purpose of report: This report presents the financial strategy 2013 - 2018, including detailed revenue budget proposals for 2013/14 and 2014/15</p> <p>Members are asked to: Recommend to Council approval of the proposals</p>	Debbie Mitchell	Cabinet Member for Corporate Services
<p>Business Plan/HRA Finance</p> <p>Purpose of Report: The report sets out a 30 year business plan on how the HRA money will be allocated with a more detailed plan for the next 5 years.</p> <p>Members are asked to approve the Business Plan.</p>	Tom Brittain	Cabinet Member for Health, Housing and Adult Social Services

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 12 February 2013

Title & Description	Author	Portfolio Holder
<p>Capital programme budget 13/14 to 17/18</p> <p>Purpose of Report: To present the 5 year capital programme budget 13/14 to 17/18 including new capital schemes and appropriate funding arrangements, following this years Capital Resource Allocation Model (CRAM) process.</p> <p>Members are to recommend to Full Council the approval of the 5 year Capital Programme budget 13/14 to 17/18, the new schemes and the associated funding.</p>	<p>Louise Branford-White/Ross Brown</p>	<p>Cabinet Member for Corporate Services</p>
<p>Get York Building</p> <p>Purpose of Report: To inform Members of the work undertaken to stimulate development of residential homes within the City.</p> <p>Members are asked to note the work being done and agree recommendations aimed at stimulating residential development.</p>	<p>Steve Waddington</p>	<p>Cabinet Member for Health, Housing and Adult Social Services</p>
<p>Waste Services - Service Delivery options for 2012/13 and 2013/14</p> <p>Purpose of report: A number of waste services have been reviewed in order to bring forward proposals to achieve approved budget savings for 2012/13 and 2013/14. The review process has included household waste recycling centre</p>	<p>Geoff Derham</p>	<p>Cabinet Member for Environmental Services</p>
<p>Q3 Finance and Performance Monitor 2012-13</p> <p>Purpose of Report: To provide members with an update on the 2012/13 finance and performance information.</p> <p>Members are asked to note the issues.</p>	<p>Debbie Mitchell,</p>	<p>Cabinet Member for Corporate Services</p>

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 12 February 2013

Title & Description	Author	Portfolio Holder
<p>Treasury Management Strategy statement and Prudential indicators for 2013/14 to 2017/18</p> <p>Purpose of Report: To set the Treasury Management Strategy and Prudential Indicators 2013/14 to 2017/18 including the annual investment strategy and the minimum revenue provision policy statement.</p> <p>Members are asked to approve the Treasury Management Strategy and Prudential Indicators including the; Annual investment strategy Minimum revenue provision policy Treasure Management policy statement Treasury Management scheme of delegation and role of the S151 officer. specified/non-specific investment schedule</p>	<p>Louise Branford-White/Ross Brown</p>	<p>Cabinet Member for Corporate Services</p>
<p>Restructure of the Directorate of City and Environmental Services</p> <p>Purpose of the Report: To present proposals contained as recommendations to the Cabinet for the restructuring of Senior Management roles and responsibilities within the Directorate of City and Environmental Services.</p> <p>Cabinet is asked to approve the outline proposals and delegate authority to the Director of City and Environmental Services to review and implement the restructure in accordance with Council procedures.</p>	<p>Darren Richardson</p>	<p>Cabinet Member for Transport Planning & Sustainability</p>
<p>2012/13 Capital Programme Monitor 3</p> <p>Purpose of Report: to present the projected outturn position of the 2012/13 Capital Programme and updated budget position for 2013/14 - 2016/17 following the monitor amendments.</p> <p>Members are asked to: note the monitoring position and the funding of the capital programme and recommend to Council the requests for slippage and adjustments where appropriate.</p>	<p>Ross Brown</p>	<p>Cabinet Member for Corporate Services</p>

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 12 February 2013

Title & Description	Author	Portfolio Holder
<p>Discretionary & Mandatory Business Rate Relief & Discounts</p> <p>Purpose of report: To ask Cabinet to approve policies for dealing with Business Rate relief and Business rate discounts.</p> <p>Members are asked to approve the proposed policies.</p>	David Walker,	Cabinet Member for Corporate Services
<p>Business case for Creation of a Warden Call/CELS Social Enterprise</p> <p>Purpose of Report: This Business Plan has been prepared to seek approval from the City of York Council (CYC) Cabinet for the Community Equipment Loan and Telecare Service (CELTAS) to 'spin-out' and become an independent social enterprise, in the form of a Community Interest Company (Company Limited by Guarantee). It covers: •Our vision; •An analysis of the market place we will operate within; •An explanation of the range of services we will offer; •A description of our legal form and our governance arrangements; •An overview of the infrastructure needed to underpin our business; •Our financial forecasts demonstrating the viability of our business; and •An implementation plan outlining how we will establish the new organisation. Our business plan sets out our ambition to build on the established track record of our staff and their outstanding skills and expertise to deliver high quality, professionally delivered Community Equipment Loan and Telecare Services and represents the navigation document for our formation and early period of operation.</p> <p>Members will be asked to approve the Integrated Business Plan for the Community Equipment Loan and Telecare Service (CELTAS) to 'spin-out' of City of York Council (CYC) and become an independent social enterprise</p>	Heather Barden/Graham Terry	Cabinet Member for Education, Children and Young People's Services

Table 2: Items scheduled on the Forward Plan for the Cabinet Meeting on 5 March 2013

Title & Description	Author	Portfolio Holder
<p>Smarter York</p> <p>Purpose of Report: To update Cabinet on progress with Smarter York. Members will be asked to agree a "Smarter Charter".</p> <p><i>This item was deferred from November to December Cabinet in order to develop a 'Smarter Charter'</i></p> <p><i>The report was then slipped to the January meeting as the directorate had a large number of other reports being presented to the December meeting. The report will now be taken to Cabinet in March to allow more time for development.</i></p>	Charlie Croft	Cabinet Member for Environmental Services
<p>Housing Options and Homelessness Strategy 2013</p> <p>Purpose of Report: To review and update York's five year Housing Options and Homelessness Strategy in line with national requirements.</p> <p>Members are asked to agree new Housing Options and Homelessness Strategy and action plan.</p>	Becky Ward	Cabinet Member for Health, Housing and Adult Social Services
<p>Developing a Thriving Voluntary Sector</p> <p>Purpose of report: To outline the City of York Council's proposed role/obligations as part of a Voluntary Sector Strategy for the City of York.</p> <p>Members are asked to approve the actions identified for CYC within the Citywide strategy.</p> <p><i>This item was slipped from November to the December Cabinet meeting to allow more time for consultation. This report has been slipped to the March 2013 meeting to allow further time for consultation.</i></p>	Adam Gray	Cabinet Member for Leisure, Culture & Tourism and Cabinet Member for Crime & Stronger Communities

Table 2: Items scheduled on the Forward Plan for the Cabinet Meeting on 5 March 2013

Title & Description	Author	Portfolio Holder
<p>Neighbourhood Working Update</p> <p>Purpose of Report: To update Cabinet on progress with the new Neighbourhood Working model.</p> <p>Cabinet will be asked to note the progress to date.</p> <p><i>This report had been slipped from the December to January meeting as the directorate had a large number of other reports being presented to the December meeting.</i></p> <p><i>The report will now be considered by Cabinet at their March meeting to allow for more time for consultation.</i></p>	Charlie Croft	Cabinet Member for Crime and Stronger Communities
<p>Final report of the End of Life Care Scrutiny Review</p> <p>Purpose of Report: To present the Cabinet with the Final Report arising from the End of Life Care Scrutiny Review.</p> <p>Members are asked to approve the recommendations arising from the review.</p>	Tracy Wallis	Cabinet Member for Health, Housing and Adult Social Services

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Safer York Partnership Hate Crime Strategy</p> <p>Purpose of Report: The Hate Crime Strategy is a multi-agency strategy which, to be successful, requires the support of all key agencies who can contribute to it's delivery. It forms an important part of the CYC Equalities agenda and support of vulnerable communities within the Council Plan.</p> <p>Members are asked to: agree the content of the Hate Crime Strategy and give the commitment of CYC to contributing to its delivery and development.</p>	Jane Mowat	Cabinet Member for Crime and Stronger Communities	Jan 2013	Feb 2013	The report will now be considered in February to allow time to build in comments following the safer York Partnership meeting in December.
<p>Smarter York</p> <p>Purpose of Report: To update Cabinet on progress with Smarter York.</p> <p>Members will be asked to agree a "Smarter Charter".</p> <p><i>This item was deferred from November to December Cabinet in order to develop a 'Smarter Charter'</i></p>	Charlie Croft	Cabinet Member for Environmental Services	Nov 2012	March 2013	The report will now be taken to Cabinet in March to allow more time for development.

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p><i>The report was then slipped to the January meeting as the directorate had a large number of other reports being presented to the December meeting.</i></p>					
<p>Neighbourhood Working Update Purpose of Report: To update Cabinet on progress with the new Neighbourhood Working model. Cabinet will be asked to note the progress to date. <i>This report had been slipped from the December to January meeting as the directorate had a large number of other reports being presented to the December meeting</i></p>	Charlie Croft	Cabinet Member for Crime and Stronger Communities	Dec 2012	March 2013	The report will now be considered by Cabinet at their March meeting to allow for more time for consultation.
<p>York800 and 2012: The Legacy Purpose of Report: To update Cabinet on events held during 2012 and to plan the legacy. Members are asked: To agree a legacy strategy for both participation in active</p>	Gill Cooper, Jo Gilliland	Cabinet Member for Leisure, Culture and Tourism	Dec 2012	Feb 2013	A decision will now be taken by Cabinet in February 2013 to allow more time for consulting with partners.

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>leisure and for events in the city.</p> <p><i>Due to the directorate having a large number of other reports being presented to the December meeting</i></p>					
<p>Developing a Thriving Voluntary Sector</p> <p>Purpose of report: To outline the City of York Council's proposed role/obligations as part of a Voluntary Sector Strategy for the City of York. Members are asked to approve the actions identified for CYC within the Citywide strategy.</p> <p><i>This item was slipped from November to the December Cabinet meeting to allow more time for consultation.</i></p>	Adam Gray	Cabinet Member for Leisure, Culture & Tourism and Cabinet Member for Crime & Stronger Communities	Nov 2012	March 2013	This report has been slipped to the March 2013 meeting to allow further time for consultation.



Cabinet

8 January 2013

Report of the Cabinet Member for Corporate Services

Local Government Finance Settlement Update

Purpose of Report

1. This report provides a high level analysis of the Local Government Finance Settlement, announced on 19 December 2012. It also provides an update on the status of Leeds City Region (LCR) pool.

Local Government Finance Settlement

2. The provisional Local Government Finance settlement for 2013/14 was announced on 19 December 2012. This is the first settlement that reflects the changes enacted in the 2011 Localism Bill including the localisation of business rates and Council Tax support.
3. The new funding system is predicated on a number of key themes:
 - i) The majority of the Local Government national expenditure control total comprises a **business rates aggregate** which equates to the anticipated amount of rates collected for a given year, and a smaller portion of other funding such as the Early Intervention Grant and Council Tax Support.
 - ii) The business rates aggregate is split in half, with 50% funding the localised rate retention scheme and the other 50% being combined with the other funding to fund a new Revenue Support Grant (RSG).
 - iii) In order to transfer to the new system, each council is given a **start up funding assessment**, the equivalent of what they would have received under the old needs based Formula Grant system.
 - iv) This is split between a **baseline funding** level and an RSG allocation directly proportionate to the national split determined in ii).
 - v) An **individual business rates baseline** is also provided which equates to the council's proportionate share of the national total rates collected, after Government have taken their 50% share.

- vi) Where a council's individual business rates baseline is less than their baseline funding, they will receive a **top up** payment to ensure they are not unfairly penalised.
 - vii) Where a council's individual business rates baseline is higher than their baseline funding level, they need to pay a **tariff**.
 - viii) The Government wants to ensure that no local authority makes disproportionate gains so for any growth, Government keep 50% and the remaining amount will be subject to a **levy** which will be paid into a central pot.
 - ix) Equally, the Government doesn't want any local authority to lose too much money should a local major economic shock occur, so the central pot collected from levies will fund **safety net** payments.
 - x) All business rates figures will be uplifted annually by RPI.
4. Taking this into account, the provisional settlement provided the council with a series of key figures for 2013/14.
- i) A start up funding assessment of £58.1m. This corresponds to a loss of £4.0m compared to the Formula Grant funding received in 2012/13 (10.3%).
 - ii) The start up funding assessment comprises of a £23.2m baseline funding level and a £34.9m Revenue Support Grant (RSG), a 40:60 split.
 - iii) An individual business rates baseline of £45.1m.
 - iv) This results in the council having to pay a tariff to Central Government of £21.9m.
 - v) As York is a tariff authority, a levy rate of 49% has been allocated on any new growth. This means that for every £1 of growth in the city, only 25.5p will be retained locally.
5. Initial figures released for 2014/15 suggest that the RSG allocation will reduce in between £5m and £6m, or a loss of 14-16%. Whilst no details were announced for any financial settlements beyond 2014/15, the clear indications are that the grant support to local authorities will continue to be reduced in coming years.
6. The figures announced for York are broadly in line with the forecasts made within the council's financial strategy and will require some £20m of cost savings to be delivered over the next 2 years due to both Government funding reductions and a range of cost pressures being faced by council services.

7. The settlement is due to be finalised at the end of January. Further detail and any changes to the settlement will be reflected in the budget report to Cabinet in February.

Leeds City Region Pool

8. Members are reminded that they approved the council's participation in the designated Leeds City Region business rates pool at the November 2012 Cabinet meeting.
9. As part of the settlement announcement, the Department for Communities and Local Government (DCLG) approved the designated pool. Each council now has to make a decision on whether it is in their interests to proceed with entering their designated pool. Each council has to notify DCLG of their intentions by 15 January 2013.
10. At the time of publication of this report, data relating to the pool is still being released by Government and analysed by officers. This is compounded by the fact that each council's draft projected business rates yield is not due to be submitted to DCLG until 7 January 2013. It is therefore difficult to recommend a suitable course of action to Members in this report.
11. In light of this, it is recommended that Members agree that the Leader, on the advice of the Director of Customer and Business Support Services, makes this decision when the full information is available. The decision will be reported back to Cabinet as part of the February budget report.
12. Members are also asked to approve that responsibility for approving the annual NNDR1 form, which projects the council's annual business rates yield, is delegated to the Director of Customer and Business Support Services. This is in line with existing arrangements for the Council Tax taxbase.

Analysis

13. The financial analysis is included in the body of the report.

Consultation

14. None specific to this report, however the overall budget process involves consultation with a variety of groups and organisations.

Council Plan

15. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan (2011-15).

Implications

16. The implications are:

- Financial - the financial implications are dealt with in the body of the report.
- Human Resources - the impact of delivering savings is having considerable implications in terms of managing the HR issues. The Council is seeking to manage the process of reducing staffing numbers as effectively as possible, through use of Voluntary Redundancy and working with the Trade Unions.
- Equalities - there are no specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.

Risk Management

17. The risk management processes embedded across the council continue to contribute to managing the risk issues associated with major projects and key areas of service delivery.

Recommendations

18. Members are asked to:

- a. Note the provisional Local Government Finance Settlement figures;

Reason: To inform financial planning decisions for the 2013/14 and 2014/15 budgets.

- b. Approve that the Leader, on the advice of the Director of Customer & Business Support Services, decides on how to proceed with the council's involvement in the LCR business rates pool.

Reason: So that the council's income from the business rates retention scheme is maximised.

- c. Delegate approval of the annual NNDR1 form to the Director of Customer & Business Support Services.

Reason: So that process for Council Tax and business rates are aligned and so that the council can submit business rates figures to Central Government as and when requested.

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
Ian Floyd, Director for Customer & Business Support Services, Ext 1100 Tracey Carter, Assistant Director for Customer & Business Support Services, Ext 3479	Councillor Julie Gunnell, Cabinet Member for Corporate Services Ian Floyd, Director for Customer & Business Support Services		
Debbie Mitchell, Corporate Finance Manager, Ext 4161 Andrew Crookham, Principal Accountant, Ext 2912	Report Approved	√	Date 27 Dec 2012
Wards Affected: All			
For further information please contact the authors of the report			

Annexes - None

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Cabinet

8 January 2013

Report of the Cabinet Member for Leisure, Culture and Tourism

The Co-operative Council: A Community Benefit Society for Libraries and Archives

Summary

1. This paper responds to the Council Plan and the priority of '*exploring innovative models of service delivery and increase our skills to deliver shared service opportunities and management buyouts or social enterprise models.*' It sets out:
 - The results of an options appraisal carried out by officers into future options for running the Council's Libraries and Archive Service
 - The outcome of public and staff consultation
 - Details of a successful application for assistance from the Cabinet Mutual Support programme
2. The report concludes that the Council's library and archive services could benefit from becoming a social enterprise in the form of a community benefit society. It recommends a further period of development during which officers will:
 - Develop a business plan for a community benefit society
 - Establish a shadow community benefit society governance structure for the purpose of negotiating with the Council the terms of a potential transfer
 - Engage further with the public and with staff on the proposal
 - Bring back a further report to the Cabinet identifying whether it would be in the overall interests of the Council to transfer the Libraries and Archive service to a community benefits society
3. A final decision on whether to transfer the libraries and archives service to the community benefits society would be taken by the Cabinet at the end of this period; this is likely to be in June 2013.

Background

4. The Council Plan sets out an ambition to engage the voluntary sector in the provision of Council services and specifically to pursue alternative delivery models for cultural services.
5. York has signed up to the Co-operative Council movement in order to empower employees who wish to take a greater stake in their work. At the same time, the Open Public Services white paper encourages the public sector to explore the opportunities for establishing social enterprises and working with the voluntary sector.
6. Co-production is a new vision for public services based on recognising the resources that citizens already have and delivering alongside their users, their families and their neighbours in partnership with the public. This would involve the community more deeply in service form and delivery.
7. This social enterprise proposal arises from staff in what is a highly successful service with a strong track record of delivering service improvement:
 - Promoting the highly successful Explore library learning model across the community library network
 - Developing new high quality learning spaces – both inside and outdoors
 - Delivering the Phase 2 development of York Explore
 - Facilitating self-directed learning by joining learners together and providing spaces
 - Opening the country's first reading café
 - Installing self issue machines in all libraries
 - Increasing digital inclusion through developing skills, encouraging volunteer support and providing wi-fi access
8. The Cipfa VFM toolkit 2010 put us in the cheapest 10% of library authorities and the highest performing 10%. Furthermore:
 - We are in the national top quartile for the number of active borrowers
 - Cipfa identify us as a low cost service
 - Over half the population in York uses libraries – the highest rate in the region
 - We deliver about 4,000 volunteer hours a year – which puts us in the top 7 performing authorities

- We have fewer books than some other authorities, but they are borrowed more

Consultation

9. There was a public consultation exercise that ran for six weeks in October and November. The consultation asked:
 - Which current services are most important to you?
 - Which other services would you like to see delivered?
 - How would you like to access these services?
 - How do you think we could use our library buildings better?
 - How do you want to be involved in the delivery and development of the service?
10. The questionnaire was available in all libraries as well as online. There were versions for adults and for children and young people. A range of organisations were approached as well as all Parish Councils, all Councillors, equalities groups, early years settings, community groups, etc. Around 2,000 people completed a questionnaire. The majority of respondents were library users and so there is more work to be done to engage with non- users. Only 177 respondents were children so we plan more work to be undertaken with both children and young people.

Results:

11. 72% of respondents had used the library within the last week. Explore York was the most used library, with our online library coming in second. This reflects the move in society to using online services and helps us to identify resources to develop our 'e-offer'. Over 90% of respondents cited borrowing as the main service they used, which is a typical response to library questionnaires. Books are still our main product.
12. 81% of respondents wanted to see libraries stay in their current buildings. 72% wanted to keep the opening hours at the current level and 55% wanted more books to be bought.
13. 35% only want to be a user and 24% would be willing to attend a meeting to help make decisions on their local library. 23% would consider volunteering for specific tasks e.g. delivering books to housebound readers. On the basis of those responding to this questionnaire alone this suggests that there is a pool of around 500 people willing to get involved at a practical level in the running of the service.

14. Overall, the responses show continued support for library services with some interest in getting more involved in local decisions. It is clear, however, that more engagement work will now be needed, on a face-to-face basis to increase residents' understanding of the potential of a social enterprise and to get people involved.
15. We have been talking to staff about the idea of a social enterprise for over a year now. There is a small group of staff working with the Head of Service to ensure that staff thoughts and queries are reflected back and that they can influence the work. A representative of this group also sits on the Project Board. Key issues for staff at this stage are job security and having the resources to enable them to do their jobs. They demonstrate a high commitment to delivering our services and worry that they cannot do it as well as they would wish. There is anxiety over future funding and the sustainability of the service.
16. As you would expect at this stage staff do not yet have a fully developed understanding of the implications of a social enterprise and are keen for ongoing engagement and involvement. Key to the success of a social enterprise is the staff involvement and the business plan will include a clear demonstration of how staff can influence the development and delivery of the service.
17. Unison has indicated its in-principle opposition to the establishment of social enterprises for the delivery of Council services. It nonetheless continues to be represented on the officer project board.
18. We now want to develop the consultation into engagement which is ongoing and becomes more linked into the way the service operates. The most useful discussions during the consultation were face to face dialogues. We are now planning an engagement plan to focus on people who did not take part in the consultation, as well as furthering discussions with those who did.

Feasibility Study

19. In order to determine what would be the most effective model of service delivery the following questions have been addressed in accordance with the Council's agreed approach to considering alternative delivery models:

a) *Does the service need to be provided?*

Yes. The local authority is required to provide "a comprehensive and efficient" service under the 1964 Libraries and Museums Act.

- b) *Could other organisations currently provide the same or better quality of service at a lower cost?*

There is little evidence of a developed commercial market for the provision of library services. Over the last year there has been a move away from any privatisation of library services. Several authorities have looked at the possibility, but only one has progressed it further. There are only two commercial organisations currently offering library services. There are few existing social enterprises trading in this area and whilst discussions with two leisure trusts have indicated an interest in our library service neither demonstrates any competitive edge in the area of libraries nor has any experience of providing learning. Our own service is already top quartile in terms of cost-efficiency so there is no evidence of any other organisation being better able to provide the service.

- c) *Do other similar organisations have the same requirement?*

Clearly neighbouring authorities are library authorities; however, despite a great deal of discussion within the Regional Cultural Network and a RIEP project there appears to be no appetite for cross border working. Furthermore, no other services in the region have our distinctive focus on learning.

In other parts of the country authorities are sharing back room services; however, in York we have gone down the route of eliminating all non customer facing services as part of our efficiency drive so this is not relevant. We are already part of a consortium for book purchasing and buy into other services for specialist services such as business information.

- d) *Does the nature of the service lend itself to being provided in or by the community?*

Yes: The service is highly valued by the community and there is good evidence across the country of communities wanting to involve themselves pro-actively in their service as volunteers in support of paid staff. There is good reason to believe that the community of York would be able to provide individuals capable of adding value to the governance of a social enterprise.

We would not, however, just hand over libraries to local communities as other authorities are attempting: this might work if libraries were just rooms full of books but Explore Centres are much more than that, delivering literacy, digital inclusion and free access to information. We do not believe that the community has the capacity, expertise or will, on its

own, to deliver the learning vision we have set out for our libraries.

- e) *Is there potential to build staff interest and competency to operate the service independently?*

The necessary interest and leadership is present; however, it is clear that there is a skills gap that would need to be addressed in terms of business skills; we would need a culture change management programme to embed a new way of thinking. There is, however, evident enthusiasm from staff.

- f) *Does the service have a unique selling point and the potential to be a viable commercial operation?*

Yes: Our Explore offer is unique in the city and beyond. Our early work shows significant potential for exploiting our learning and heritage offer to generate increased income.

Under current government policy, however, libraries and archives will always continue to require significant public subsidy; a social enterprise could reduce this over time but could never eliminate it.

20. The study considered three potential scenarios:

- a) Remaining as now within the Council
- b) Establishing an arm's length unit within the Council
- c) Establishing an external entity such as a social enterprise

Options and Analysis

21. These scenarios were assessed against a number of weighted criteria – see Annex 1. The criteria in the grid were chosen to assess the key issues from the point of view of potential benefit to libraries and archive services:

- Focus on business objectives
- Being more entrepreneurial
- Potential to access new funding streams and grants
- Trading in order to generate income
- Involving the community in developing and delivering the service
- Giving employees a strong stake in developing and directing the organisation
- Provide robust and transparent governance arrangements
- Draw in talent and expertise

22. The judgements against the criteria were made by the project team reflecting the views of staff involved in the services. Their analysis is that a social enterprise is likely to be the most advantageous delivery model for libraries and archive services. (It should be noted that this is not a conclusion at this stage that this arrangement will be in the best overall interests of the Council; this judgement can only be made after the business planning phase).
23. From further work, drawing on advice from the Head of Legal Services, guidance from CIPFA and exploration of relevant examples from other local authorities and relevant organisations, the project team has concluded that if the Council ultimately decides to establish a social enterprise the most appropriate vehicle will be a mutual.
24. Mutuals can either be run for the benefit of staff (co-operatives) or the community (community benefit society). The latter is more appropriate to a libraries and archive service. This is a type of industrial and provident society which is regulated by the Financial Services Authority and whose governance is based on the Rules of the society. A key advantage is the ability to give a wide membership, including the community and employees, a stake in the organisation and a say in management and other affairs.
25. Officers have also concluded that obtaining charitable status is essential as it brings a variety of tax relief and other benefits.
26. Options rejected include a Community Interest Company as these are not eligible for charitable status.

Assumptions

27. Key assumptions concerning the Council's relationship with the community benefits society are as follows:
 - **Statutory Duty:** Responsibility for carrying out the statutory duty to provide a comprehensive and efficient library service would remain with the Council.
 - **Funding relationship:** The Council will carry out this duty by either grant funding or contracting with the community benefit society. Careful consideration will be given at the next stage to which option is best in terms of its implications for:
 - The community benefit society's tax and VAT position
 - Procurement (see below)
 - Charitable status of the community benefit society
 - State aid

- **Procurement:** The analysis in paragraph 19 above indicates that undertaking a competitive procurement would not be best value. The giving of a grant supported by a non contractual service level agreement would not be caught by procurement requirements. Care, however, would need to be taken to ensure that state aid was not unwittingly given.

A number of trusts operate on a grant basis including York Museums Trust. This has provided an effective relationship leading to strong partnership working based around clear shared objectives. A drawback of grants, on the other hand, is that the Council would not be able to take legal action to enforce service standards. To do that a contract would be required. In this case it is likely that the services would be treated as Part B services for the purposes of the Regulations which are not covered by the full procurement regime; however, recent case law has established that the principles of the Treaty of Rome still apply to Part B procurements which would be of interest to suppliers in other Member states.

It may be possible to award an uncontested contract. These issues will be further examined in the next development phase.

- **Reporting:** Whilst a community benefit society would operate at arm's length from the Council, it is recognised that a strong partnership would be essential, particularly with regard to carrying out the Council's statutory responsibility to deliver the library service. The Council would maintain a proactive commissioning role based around a shared vision. A partnership delivery plan would be negotiated in the next phase of development which would underpin the agreed objectives and performance monitoring. This plan would be agreed by the Cabinet Member for Leisure, Culture and Tourism.

It is not recommended that there is a councillor on the board of the community benefit society as this would simply result in a conflict of interest for that councillor and would not provide an effective mechanism to protect the Council's interests.

- **TUPE:** It is assumed that all staff in the current services will transfer on their existing terms and conditions under TUPE.
- **Assets:** The key assets including the civic archives, donated private archives, and the local history library collections will remain the property of the Council. The Council would also remain the legal custodian for Deposited Public Records, Manorial Records, and deposited non-civic archives.

Consumables, such as the library books, are likely to become the property of the community benefit society.”

The Vision

28. The vision for the community benefit society would build upon the success of the Explore concept. It has created centres that have become true community hubs with an enormous range of events and activities happening. We have been able to promote the joy of reading and learning to many more people.
29. For the first time in many years, the City Archive has a positive future. Once completed, this will be a key element of the whole service. Based in the centre, but delivered across the city, it will enable individuals and communities to access their past.
30. Our vision for the future is to build on this solid foundation by developing a range of “explore community hubs”. These will be different for each community depending on the needs of local people. They will be safe, welcoming, impartial spaces for everyone, incorporating all the aspects of libraries that create unique community spaces. The Reading Café at Rowntree Park shows how the model can be adapted to different communities whilst securing new income streams.
31. Community hubs will be different from libraries just as explore centres are different. The core of the hub will be a 21st century libraries and archives service that delivers the promotion of reading, a high quality reference and information service, support for lifelong learning and help with digital inclusion as well as access to the history of York and its people. Wrapped around that will be space for partners whose activities are complementary to a library service e.g. other information providers, community groups, health centres, CAB and voluntary organisations. A range of activities will take place for all ages and there will be a programme of adult learning.
32. We want communities to make use of the spaces and are working with local history groups, parish councils and community groups to trial ideas.
33. The hubs may also be able to provide access to other council services in partnership with the Council. This is something that we are currently investigating to understand the possibilities e.g. we are working with Communities and Equalities to develop designated spaces in all libraries for residents to go to find out about what’s happening in their ward, ways they can get involved and as and

when take part in community consultation. Using the buildings to their full capacity, local residents will be able to access a range of services close to home.

34. The business values of the community benefit society would be:
- a) Sustainable business that can grow through reinvestment of surpluses to meet charitable objectives
 - b) Innovative culture that strives for excellent service delivery
 - c) Impartiality
 - d) Co-production with the community and partners to improve outcomes
 - e) Strong dynamic passionate team

Governance

35. A community benefit society (Industrial and Provident Society for the benefit of the community in full) is governed by a legal document called the Rules. The rules describe how the society is run. A set of model rules, already agreed by the Financial Services Authority (FSA), can be used as a starting point. These are adapted to reflect local need. The key elements of the rules are the objects of the society and the make up of the board of directors. Once we have an agreed set of rules they are registered with the FSA as part of the set up of the society.
36. Suggested objects would be drawn from the following proposed strategic objectives for the society:
- Promote and enable reading, learning and the sharing of knowledge through free access to book borrowing, electronic and other information services
 - Support and promote people's engagement with digital information and resources
 - Provide safe, welcoming community spaces to promote social inclusion and community cohesion
 - To deliver and support lifelong learning and community based learning
 - Develop and deliver activities to improve well-being that allows people to fulfil their potential
 - Support skills development and employability and development of the workforce
 - To build partnerships with communities

- To preserve, maintain and give public access to archives and local history resources relating to the heritage and culture of the City of York and its people as an historical and educational resource for public benefit
37. It is proposed that membership with voting rights would be open to everyone aged over 16 who supports the objects of the society. Each Member would have a single vote based on the issue of a single share valued at £1. There could be a category of Associate Member for children and young people under 16. They would not have voting rights. Advisory Boards could be established as well. These could function like friends groups and could advise on issues related to local service delivery.
38. Membership of the society would be separate to membership of the Library, which would remain free of charge. People would have the choice of belonging to just the library or to the society as well.
39. The society would have a Board of Directors. The composition of the Board could be:
- The Chief Executive Officer
 - A staff representative
 - Three directors elected by the Members
 - The chair of the Community Learning Trust ex officio
 - A representative nominated by the York Economic Development Partnership
 - A representative nominated by the Youth Council
 - Three other directors co-opted by the board
40. Directors would also be selected in accordance with the requirement to cover the specific skills sets required on the board such as finance, legal, business, marketing, archives, digital inclusion, etc.
41. It should be noted that staff representation on the board, which will be important to the ethos of the organisation, is not always acceptable to the Charity Commission; a case would need to be made.

The Business Case

42. The financial context for this initiative is that the service is already working to deliver a £250k saving in 2013/14 (£200k saving agreed for libraries plus a £50k contribution to CANs cross-cutting savings).

It is doing this by reimagining service delivery to ensure sustainability and create a fast paced, responsive service. This work is built around the following principles:

- Removal of layers of management to create a flexible structure built around groups where resources can be directed as needed
- Creating a core of professional staff (librarians, archivists, and other professions as required by business needs) to drive strategy and ensure the quality of the service is maintained
- A variety of staffing options – paid staff, volunteers, interns, apprentices etc.
- Improvement in opening hours to better reflect community need

43. Work is underway to deliver a new staffing structure for April 2013. This will not deliver the full £250k, however, and there will be a need to find further reductions for example in supplies and service. To ensure that the service is in a sound financial position going forward it will be essential to complete the process of dealing with the current budget pressures. This will ensure that the base budget for the new organisation is realistic and that any assumptions made about future savings are achievable.
44. We have been successful in obtaining support from the Cabinet Office Mutual Support Programme in order to undertake the next stage of business planning. This will provide:
- Business planning support, to understand all costs and implications of different treatments of assets to produce a robust business plan
 - Legal advice on assets, and support on the legal processes associated with the staff transfer in terms of HR, TUPE and pensions
 - Transition planning support to produce a detailed transition plan and its implementation
45. This work, which will draw upon national best practice, will clarify whether the community benefit society model would be viable and sustainable, whether it would be in the overall financial interests of the Council to establish it, and the extent to which it would be capable of delivering any further savings to the Council.

Financial assumptions:

46. **Support services** –We are working to the assumption that the society would be given an equitable share of business support resources to take with it together with its corporate recharge budget. Therefore, further work will need to be undertaken to determine a reasonable and fair budget value to cover the resources required for the new entity. It is envisaged that the new entity would continue to ‘buy in’ the services currently provided by the council in the short term. In the longer term the new entity may procure support from CYC trading or external sources.
47. **Funding** - We are working to the assumption that the society would be given a five year financial settlement from the council to allow it to plan effectively (in line with the York Museums Trust). This settlement would be reflective of the Council’s budget position and may include a built in savings requirement over the period.
48. **VAT** – An exercise is being undertaken to establish the impact of these service areas being removed from the Council’s financial accounts specifically to determine how it affects the Council partial exemption calculation.
49. **Pensions** – Work is currently being undertaken to establish the costs of pensions for the new provider. On the assumption the new social enterprise will apply and be granted admitted body status to the North Yorkshire the Council will need to agree which of the two contribution rates it wishes to see the body fund. Broadly there are two options:
- A pension contribution rate paid by the new provider that leaves a degree of risk with the Council.
 - A pension contribution rate that fully transfers all pension risk for the staff at the day of transfer to the new provider.
- Under the first option the contribution rate for the provider is significantly lower than that of the second option that can be as high as 30%, which would equate to approximately an additional £120k per annum.
50. All these assumptions will be fully tested in the next development phase.

Development Costs

51. The table below highlights the key budget and sets out the costs that are likely to be incurred in the next development phase:

Description	Cost
IPS registration	£3k
Specialist advice:	
Legal	£15k
Property	£15k
Vat	£5k
Pension	£2k
Additional support services:	
Marketing/branding	£15k
Accountancy/business	£30k
Training & development of new skills required	£10k
Admin. support to head of service	£22k
Total one-off set up costs	£117k

52. Support of up to £100k will be provided by the Cabinet Office. A bid will be also made to the Delivery and Innovation Fund for any elements not covered in the Cabinet Office package and which cannot be contained within existing operational budgets.

Next Steps

53. A transition plan will be developed. This transition plan aims to capture all the actions necessary between approval of the society and going live as an independent organisation.
54. The Cabinet Office Mutuels Support Programme has appointed a Contract Manager who is working with us to draw up a specification for the support needed. Once that is agreed, the MSP will procure the support (about four weeks). It will commence in early February. Mentoring support has already started.
55. A project board has been set up with representatives from HR, finance, legal, trade unions etc to oversee and drive the development of the business plan for the society. The board is chaired by the Assistant Director (Communities Culture and Public Realm) to progress the work and ensure the Council's interests are represented.
56. The next step is to establish a shadow governance structure for the community benefit society. A group will be formed who will develop the business plan, the rules and objects of the society and negotiate

with the Council, through the project board, the potential terms of any transfer.

57. To form this shadow board 4 individuals would be recruited who would be expected to become founder members of the community benefit society should it proceed. It is recommended that the four include the Head of Libraries, Information and Archives together with three external individuals with appropriate skills.

Implications

Financial:

58. The Library and Archives service has a net budget of £2,463k in 2012/13 (excluding recharges and capital financing charges). The table below summarises the financial position over the last four years:

Year	Net Budget £,000	Outturn £,000	Budget % Increase/ (decrease)	Main impacts
2009/10	2,566	2,477		
2010/11	2,448	2,438	(4.6)	Reduction in staff
2011/12	2,436	2,230	(0.5)	
2012/13	2,463		1.1	

59. The last 4 year savings total £84k. A 2013/14 budget saving of £200k was agreed in February 2012 with a further £50k contribution in 2013/14 towards cross-cutting savings.

Property:

60. The Cabinet approved the Asset Management Strategy in November 2012 setting out 4 key principles for future asset management planning:
- Reduce revenue costs, increase revenue income and generate capital – rationalise, share or reduce assets
 - Support economic development - use our assets to host new jobs in the city and encourage business start ups
 - Create new homes – Get York Building
 - Create community value - asset transfers or capacity building in the community sector

61. These principles, especially the first and last ones, would be used in considering the best structure for the society's occupation of Council assets to deliver the vision. In particular the opportunity will be taken to look at options for the library service to:

- Share with other Council and partner services and/or the community
- Re-locate to new space specifically created to meet the vision

62. In respect of the current portfolio the following would be proposed:

Freehold property:

- Grant short term full repairing leases on current space occupied
- Include the buildings in the asset review programme
- Include the community benefits society and the community in the review of location, accessibility and suitability analysis
- Once any outcomes are implemented then the Council will to grant a full repairing lease of appropriate length at a commercial rent (unless otherwise mutually agreed)

Leasehold property:

- Initially seek to assign the lease or underlet if landlord unwilling to accept covenant
- Include in asset review as above

63. With regard to West Offices the current space planning proposals indicate that the library and archive service require 5 workstations on the 2nd floor. If the community benefits society is established then it would be treated as any other external partner and space would be leased to it on the following basis:

- Exclusive use of space of 40 sq m
- Use of remainder of building with access to all services including printers, common areas, meeting rooms etc.
- Annual Charges would be:
 - Rent £4000 (at £100 per sq m) – fixed for 5 years then reviewed
 - Service charge £6920 (at £173 sq m) – reviewed annually
 - Vat to be paid on these charges at 20%
 - Total initial annual charge = £10,920 + VAT

Legal:

64. Many of the legal implications are set out within the body of the report including issues relating to procurement, staff transfer and asset transfer.
65. The service is subject to statutory regulation. The Council, being a library authority, has a duty, under s7(1) Public Libraries and Museums Act 1964, to provide a comprehensive and efficient library service.
66. The City Archives has been designated by the Lord Chancellor as a place of deposit for local public records under the Public Records Acts of 1958 and 1967. The City Archives also holds manorial documents as designated by the Master of the Rolls and under the supervision of the Secretary of The National Archives: Historical Manuscripts Commission. The City Archives holds on deposit (i.e. loan) various archives from non-civic organisations and individuals under powers granted to the Council by the Local Government (Records) Act 1962. Under s224 of the Local Government Act 1972 the Council is obliged to make suitable arrangements for its own archives and for any archives held on behalf of others. The National Archives and the owners of the deposited archives will need to be consulted further about the implications of any transfer of the service to a community benefit society.
67. The Council would use primarily the general power of competence set out in section 1 of the Localism Act 2011 to establish the community benefit society.

Equalities:

68. A number of sources of information have been used to identify current users of the service including Experian data (which looks at categories of households) and equalities monitoring information from our ongoing re- registering of users. Encouragingly, all the data shows that our users are already broadly representative of York's communities.
69. As part of the current consultation exercise, some specific user groups were targeted to ensure that our services remain relevant to their needs. Further areas for improvement have been identified. By combining all the information we can draw the following conclusions regarding potential target groups that we must particularly engage with going forward:
 - Those aged 80 plus, about 10,000 people.

- Younger adults 15 – 34, about 63,000 people.
- The BME communities particularly Indian, Pakistani, and Black African
- Disabled people

70. The next step will be the development of a more focussed engagement process with emphasis on the above communities in York. Areas for consultation will be based around the core statutory duty and individual local offers e.g. opening hours, stock, use of buildings. The learning from this will be fed into developing the strategic objectives of the community benefit society.

Human Resources:

71. Informal consultation with staff and unions has been ongoing since November 2010; however the transition plan will detail the TUPE consultation required.
72. Discussions will take place with the North Yorkshire Pension provider regarding the transferring of accrued Pension rights for transferring staff and acquiring Admitted body status which would enable the new entity to offer continued eligibility for the Local Government Pension Scheme.

Risk Analysis

73. The key risks identified at this stage are:
- Long term illness of key staff: The head of service is leading on this project and her absence would significantly impact on the ability to move forward. To mitigate it, she is being supported by the Archives Development Manager and the Library Delivery Manager, who are being kept up to date with work.
 - Resistance to change and fast pace. The success of the project will require different and innovative ways of working and thinking. We will need to challenge “local government” ways of doing things. Having the support of senior officers and councillors will help to mitigate this risk.
 - Public resistance to the idea. Public consultation has been going on since October and will continue through until April, engaging communities and individuals.
 - Business plan not being convincing. We are working on all aspects of the finances and the strategy to ensure this does not happen. The support procured from the Cabinet Office will significantly help towards mitigating this risk

- Not enough time or resources to deliver the plan. The support delivered from the Cabinet Office will significantly help with this risk. We have identified the key areas where help is needed and we are confident that working with suppliers will mitigate the risk.
- Lack of the right skills. We have identified the skills gaps and the support from the Cabinet Office will help us to develop new skills needed both in the short term and over a longer period

Corporate Priorities – Delivering the Council plan

74. The proposals within this paper help to deliver the council plan in two of the main priority areas:

Build Strong Communities – This will be supported in a number of ways:

- Roll out of Explore centres as community hubs for learning
- The primary place of Explore Centres as community information hubs
- Creation of centres of community learning in the larger explore centres located in some of the most deprived communities in the city
- Access to other council services and facilitating community consultation
- Develop volunteering opportunities
- Safe places for communities to meet particularly for children

Create Jobs and grow the Economy - This will be supported in a number of ways:

- Important role in providing first step learning and opportunities for progression into work
- Creation of jobs through the roll out of Explore cafes
- Work placement opportunities for some of the most disadvantaged
- Support for people with mental health problems and learning difficulties to access learning and preparation for work
- Provide opportunities for the development of digital skills

Recommendations

75. Cabinet is asked to approve:

- a) Development of a business plan for a potential community benefit society for the Council's libraries and archive services

- b) The establishment of a shadow board for the purpose of taking forward this work
- c) Further engagement with the public and with staff on the proposal

Following which a further report will be brought to the Cabinet identifying whether it would be in the overall interests of the Council to transfer the Libraries and Archive service to a community benefits society.

Reason: To identify the best delivery model for libraries and archive services in York.

Contact Details

Author:	Cabinet Member & Chief Officer Responsible for the report:		
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Charlie Croft Assistant Director (Communities, Culture and Public Realm)	Sally Burns Director of Communities and Neighbourhoods		
	Report Approved	<input checked="" type="checkbox"/>	Date 21 December 2012
Specialist Implications Officer(s) Sarah Kirby – Principal Accountant Andy Docherty - Assistant Director Governance & ICT Sue Foley – HR Business Partner Philip Callow – Head of Asset and Property Management Isabel Jones – Audit Manager			
Wards Affected: List wards or tick box to indicate all		All	<input checked="" type="checkbox"/>

For further information please contact the author of the report

Background Papers: None

Annexes

Annex 1 - Options Appraisal Grid

Criteria	Weighting	Status Quo	Social Enterprise	Arm's length unit	Comments
Independence i.e. impartiality	7	3	4	3	Impartiality / neutrality is the most important aspect of the public library service. Also corresponds with an increasing expectation of govt. that local govt. will provide infrastructure for learning rather than the provision itself.
Freedom to act e.g. speed of decision making, choice of support services, flexibility in use of budgets	9	1	4	2	An independent organisation could make decisions much more quickly than current arrangements within the council. However, a new organisation could replicate some of the frustrations if not set up correctly.
Ability to deliver change e.g. handle tough decisions	8	1	2	1	Likely to be easier in an independent organisation, although some caution needs to be added here: it depends on the way it was set up.
Ability to form a clear and compelling vision	10	3	5	4	Focus can currently be lost within corporate or directorate issues that have little impact on the individual service area. A clear business focus would deliver on specific Council Plan outcomes.
Ability to bring in external investment	7	2	4	2	YMT has attracted multi-million of additional resources from sources not open to CYC. There would be some similar potential here.
Ability to be responsive e.g. to technology	10	2	3	1	New IT arrangements needed e.g. ability to introduce new software quickly + more flexible practices in employment e.g. ability to appoint more swiftly and to have recruitment processes that enable a wider range of people to apply.
Improved focus on business objectives	10	2	4	2	Significant internal CYC distractions would be removed e.g. involvement in directorate and corporate issues that have no impact on the service.
Creativity and innovation	10	1	3	2	Current rigid CYC structures are a hindrance. E.g. Filtering on the public access IT and software development, recruitment of staff and facilities management.

Entrepreneurialism	10	1	5	2	Empowering staff to be enterprising is key; the social enterprise ethos of profits invested back into the service likely to motivate staff, knowing they will see positive impacts and positive financial results being put back into their service.
Culture	8	1	3	2	Flexibility of staffing and building the right culture within the staff is going to be crucial to any organisation delivering services these types of services.
Long-term financial planning	7	1	3	3	Depends how the financial relationship with any external organisation was set up; however, the expected contract length with a new external organisation would be at least a 5 year agreement, which allows long term financial planning. This can give confidence to borrow capital for investment in services, with a long enough period to recoup.
Ability to commission effectively	7	3	0	2	A social enterprise would not primarily be a commissioning organisation.
Increased leadership (governance) capacity	7	0	4	0	Depends on the governance model and the quality of any external governance recruited. Positive examples exist where voluntary members are recruited to a management board and bring business links and opportunities that benefit the service.
Be an attractive and responsible employer	10	5	3	4	TUPE will ensure employees' T&Cs remain the same. Pensions advice will be required to understand pension options.
Ability to engage effectively with other partners	8	4	2	3	It is clear that as council departments we are able to engage with other partners and have credibility when we do so as part of the council.
Ability to engage the community	10	2	3	0	A Social Enterprise can make firm commitments to the local community to reinvest into Library/Archive services and to give the community a stake through membership, management and volunteering. A YouGov poll released in 2007 found that over 60% of the British public would prefer their local services to be run by a social enterprise instead of government, business or traditional charity.

Total 325 496 325



Cabinet**8 January 2013**

Report of the Cabinet Member for Transport, Planning & Sustainability

Access York Park & Ride Funding Application**Summary**

1. Phase 1 of the Access York project to enhance the Park & Ride network is critical for the future economic prosperity and environmental wellbeing of the city. The receipt of tenders for the main construction works is a key milestone in the delivery of the project. This report requests that Cabinet approves the submission of the Access York Full Approval application to the Department for Transport (DfT).
2. Tenders have been received which are within the overall project budget allocation but at a level which is not considered to provide an adequate contingency allowance. It is recommended that minor adjustments are made to the project and funding is increased to cover this issue. A maximum funding increase of up to £750k from the Economic Infrastructure Fund is recommended. Subject to final clarification of the tender values it is anticipated that it will be possible to reduce the proposed funding increase significantly.
3. The report also recommends that Cabinet approves the advance site clearance and utility work to ensure that the project progresses to programme.

Background

4. The existing Park & Ride service has insufficient capacity to keep pace with York's buoyant and growing economy. The full Access York Phase 1 project involves:
 - the construction of 2 new Park & Ride sites at Askham Bar and A59 near Poppleton,
 - a major upgrade to the A59/A1237 Outer Ring Road roundabout,

- associated bus priority measures,
 - procurement of the Park & Ride operator.
5. The scheme has Programme Entry status in the DfT's Major Scheme programme which indicates that funds have been allocated to the scheme subject to Full Approval being granted.
 6. The current overall funding provision is indicated in the following table

Funding Source	£k
Total Local Contribution	6,605
DfT Contribution	15,317
Total	21,922

7. A variety of sources have been identified to contribute to the £6.6m local funding of the scheme including: Local Transport Plan, Land Sales, Land Value, Developer Contributions, Economic Infrastructure Fund and Prudential Borrowing. The proposed funding sources were approved by the Council prior to the submission of the Best and Final bid in September 2011 and are identified in the Council's current Capital Programme.
8. The receipt of tenders for the construction works is a key milestone in the delivery of the scheme and enables the Full Approval Application to be finalised and submitted to the DfT.
9. The necessary land has been purchased and the main sites have planning consent. The main construction works can commence immediately DfT funding is confirmed. Subject to Full Approval being received in March 2013 completion is programmed for April 2014.
10. This report identifies a number of key decisions which the Cabinet needs to make so that the project can progress to the required programme.

Submission of the Full Approval Application to the Department for Transport

11. Full Approval from the DfT is required before the contract for the works can be accepted and grants received. The Full Approval Application has to be made on the basis of tendered values to

confirm costs. The submission must be authorised by the s151 Officer for the Council confirming that the match funding is available. The submission document must identify any significant changes to the project (scope, benefits etc.) since the Best and Final Bid submission in September 2011.

12. It would be beneficial for budget management and programme delivery purposes if approval is received before the end of the 12/13 financial year. For the works to commence in March 2013 the full approval submission must be submitted by the end of January at the latest as the DfT need at least 6 weeks to respond.
13. The main works construction has been procured using the European Union restricted route with tenders issued on 17 October. Three tenders were received on 17 December.
14. The lowest tender received can be accommodated within the overall project budget but at a level which reduces the contingency allowance significantly. The increased cost relative to the estimate is principally due to a higher risk allowance being allocated by the Contractors for the ground conditions at the former landfill tip site at Askham Bar.
15. The cost estimates were prepared by the project's external design consultants - Halcrow. A suitable allocation for ground condition risk was considered to have been provided in the estimate but the contractors have assessed their commitments at a higher level. This is partially due to the contract conditions imposed to reduce the Council's liability with the contractors required to provide insurance and performance bonds. In addition the contract transfers risk for weather and elements of ground improvement settlement to the contractor.
16. The higher construction contract value would mean that the contingency allowance would reduce to an unacceptable level if the scheme progressed without amendment. There are a number of options for addressing this issue whilst maintaining a reasonable allowance for contingency.
17. The cost pressures could be accommodated by
 - varying the allowance for *other work* planned to be undertaken outside the scope of the main contract

- minor adjustments to the specification for elements of the overall project (*Value Engineering*)
 - minor *adjustments to the scope* of the overall project
 - reducing the nominal *contingency allowance*
 - increasing the *local funding contribution*
18. The elements included in the construction tender represent the main site works but there is an allocation of over £4.6m for *other work* items which are needed to deliver the overall project. These include Preparatory Costs (Detailed Design, Site Investigation etc.), Supervision, Utility Diversions, Land, Bus Priorities on A59, Accommodation Works etc. It is considered that the allocations for these areas could be reduced by approximately 5% without affecting the delivery of the project.
19. A number of *Value Engineering* exercises have already been undertaken during the development of the scheme to reduce costs. Further costs will be removed from the scheme by working with the main contractor during project delivery.
20. Significant changes to the scope of the work, which could remove the cost pressures, may affect the value for money assessment leading to the DfT reconsidering their provisional support for the scheme. Major scope variations are not therefore recommended. However minor *adjustments to the scope* of the project will be reviewed to reduce overall costs.
21. It is considered that the current *contingency allowance* for the project could be reduced by approximately 10% to cover the construction phase of the project. The original risk assessment included allowances for risks associated with planning, design, inflation etc. which have now been resolved. A contingency level of approximately 9% of the construction value is considered appropriate at this stage.
22. To minimise the risk of the DfT not accepting the Full Approval submission due to scope changes it is also considered prudent to increase the *local funding contribution*. The actual allocation required will be dependent on the extent of the costs savings achieved during the value engineering exercise however to give the necessary certainty to enable the Full Approval Application to be finalised it is proposed to increase the local contribution by £750k to maintain a reasonable contingency level.

23. Subject to approval by Cabinet the overall project cost in the Full Approval application to the DfT would increase to approx. £22.7m with a local contribution of £7.35m (increased from £6.605m).

Re-profile Capital Programme

24. The current Capital Programme profile will need to be varied to match the approval and delivery programme. There are two scenarios depending on when Full Approval is received:
- a. If Full Approval is received before April 2013 the DfT will fund an agreed proportion of the 12/13 costs incurred including any utility works.
 - b. If Full Approval is received after 1 April 2013 the 2012/13 Access York project spend will need to be funded from local resources in the short term (but the spend would become part of the overall local contribution following approval).
25. The current projected spend in 2012/13 is approximately £3m (assuming construction commences in March) compared to £4m originally anticipated – due to the later expected start on site. The DfT have indicated that they will want to maximise their contribution in 2012/13 if the scheme is approved, which will reduce the Council's costs in the year.
26. If approval is not received before the end of the year costs already incurred will need to be covered by bringing forward the proposed local contributions. However total expenditure in 2012/13 will reduce to approx. £2.5m as the main works would not have commenced in the year.
27. If funding approval was received in 2012/13 there would be a nominal impact on the currently allocated corporate resources. However if approval is not received until 2013/14 approx. £1.5m of additional Council resources would need to be brought forward to fund the expenditure in 2012/13. This assumes that approx. £750k of s106 contribution and LTP funding is available to fund the remaining in year expenditure.
28. To maintain a reasonable contingency allowance it is considered prudent to increase the available funding by £750k. The DfT contribution is capped therefore the local contribution will need to be altered to cover the increased funding requirement.

Economic Infrastructure Fund

29. The Access York project is a critical element of the Council's objective to 'Get York Moving'. The project reduces congestion in the city centre and provides public transport options for residents and commuters reducing the constraints on economic activity and increasing the opportunities for growth. Based on the cost estimates the project was allocated £2.5m from the Economic Infrastructure Fund because of its importance to the future prosperity of the city.
30. To ensure that this critical project is delivered it is proposed to increase the funding allocation from the Economic Infrastructure Fund in 2013/14 by £750k. Subject to Full Approval this increased local contribution will release the £15.3m of infrastructure investment from the DfT enabling the additional Park & Ride and highway capacity to be delivered.
31. The revised EIF position as approved at Cabinet on 4th December 2012 shows the total value of commitments, including those schemes that are still subject to receipt of a satisfactory business case, as £12.121m against a total fund value of £28.5m over the 5 year fund period.
32. Approved Budget profile vs. Commitments are as follows:

	Budget	Commitments
12/13	£3.300m	£3.374m
13/14	£5.800m	£6.343m
14/15	£6.800m	£2.133m
15/16	£6.800m	£0.136m
16/17	£5.800m	£0.135m
Total	£28.5m	£12.121m

33. The position set out above does not take into account the proposed additional funding for the Access York project detailed above. Allocating an additional £750k in 13/14 the revised budget vs. commitments position would be:

13/14 - Budget £5.800m, Commitments £7.093m

34. It should be noted that funding may need to be brought forward to 12/13 depending upon the decision made by the DfT with regard to the release of funding for the project. Further changes may also be

required to the Capital Programme depending on the Contractor's detailed spend profile when confirmed.

35. The Director of CBSS will provide, as part of the capital monitor in February, a further review of the EIF profiled spend, as some areas will require a further update. This will consider the most recent information regarding planned expenditure, and this report will also consider if any formal amendment to the EIF profiled budget is required.

Acceptance of Tender

36. The tenders are currently being evaluated on a 70:30 Cost:Quality basis to determine the preferred bidder. The tenders have been assessed in sufficient detail to allow the DfT's Full Approval documentation to be completed. Further clarification of the tender prices will continue during the DfT evaluation period, prior to award.
37. It is proposed that authority is delegated to the Director of City and Environmental Services (in consultation with the Cabinet Member for Transport, Planning and Sustainability) to accept the Most Economically Advantageous Tender. The acceptance will be subject to the approval of the changes to the Capital Programme by Cabinet, satisfactory resolution of any clarification items with the tenderers and receipt of DfT Full Approval.

Commencement of advance site clearance

38. To prevent delays of up to 6 months to the delivery programme the clearance of vegetation from the site must be complete by mid – February to avoid the bird nesting season (Mid-February to End August).
39. It is anticipated that there is 3-4 weeks work to clear the sites of bushes/trees/hedges. Due to time constraints this will need to be undertaken before Full Approval is received from the DfT. However as the scope of the scheme has not changed significantly and the overall value for money is still considered to be good the level of uncertainty over the project progressing is significantly reduced.
40. The clearance of bushes and trees will have a significant visual impact on the area (particularly around the A59/A1237 roundabout). If full approval is not granted and alternative funding sources are not available landscaping can be reinstated in the area.

Commencement of advance utility diversions

41. The works affect a number of utilities (BT, Gas, Water etc.) which will require diversion or protection. The total estimated cost of the diversions is approx. £850k. There would be significant benefit in undertaking the diversions in advance of the main works to prevent delays (and additional cost) to the main contractor and the Council. Owing to long lead in periods orders must be placed as early as possible to avoid disrupting the main works and to minimise the risk of claims for delay. Diversions will be integrated into the contractor's programme to minimise construction and traffic management costs where possible.
42. To receive the 18% Highway Authority discount under the New Roads and Street Works Act 1991 utility companies are paid 75% of the value of the works in advance prior to commencement of the detailed design and programming stages. Under the financial regulations approval by the Chief Finance Office is required for payment of this level of expenditure in advance of the works being undertaken.
43. To meet the desired completion date the utility works must be ordered in advance of the receipt of Full Approval from the DfT. Under the national agreement the council will pay for actual costs incurred with a standard discount attached for the highway works element. Therefore funds would be returned for works which had not been undertaken/started if the scheme had to be suspended. In the short term the works would need to be funded from Council resources if DfT funding was not available.
44. It is estimated that the costs of the advance works to be delivered before Full Approval by the DfT could be between £350k and £450k depending on when approval was received. The remaining works also need to be ordered immediately to enable detailed planning to commence and to reduce the risk of interface claims but could be cancelled if the project was suspended.

Procurement of the Operator for the new service

45. An operator for the new A59 site needs to be identified at an early stage so that there is sufficient time to purchase vehicles. To enable a standardised Park & Ride service to be provided across the city and minimise claims for passenger abstraction a solution is currently being negotiated with the current Park & Ride operator. The procurement team have confirmed that a negotiated

procurement route is acceptable as an extension to the existing contract. If negotiations fail a separate tendered route for the A59 site will be pursued

46. The possibility of a bid to the green bus fund for the provision of electric vehicles for the A59 route is being investigated (bids must be submitted by 26 March 2013). A separate report will be submitted to the Cabinet Member for Transport, Planning and Sustainability identifying options for providing the service.

Consultation

47. Considerable levels of consultation have already been undertaken on the scheme during the preparation of the planning applications and detailed design for the highway works. A detailed communication plan for the construction phase of the project will be developed with the successful contractor.

Council Plan Priorities

48. Phase 1 of the Access York is critical to the future economic prosperity and environmental wellbeing of the city and assists in the delivery of the following Council Plan Priorities:

Get York Moving –

- Removes traffic from the city centre
- Increases capacity of the Outer Ring Road.
- Provides bus priority for Park & Ride and service bus routes to encourage transfer to sustainable transport.
- Improves access across Outer Ring Road by walking and cycling

Create jobs and grow the economy –

- Reduces impact of congestion on business
- Provides improved public transport options for staff and customers

Protect the Environment –

- Improves air quality in the city centre
- Reduces carbon emissions.

Implications

Financial

49. Owing to the higher estimated cost for the scheme and the need to include a reasonable level of contingency it is proposed to increase the local contribution by up to £750k. It is proposed to fund the additional contribution from the Economic Infrastructure Fund. Further work will be undertaken to reduce costs prior to the award of the main contract to minimise the council's funding commitment.
50. Subject to the approval of the Cabinet the proposed EIF funding will be allocated to the scheme. The necessary re-profiling of the Capital Programme will be confirmed in a future monitor report once the DfT decision is known and the contractor's spend profile is finalised.
51. Following the changes to the DfT processes it should be noted that the funding of any cost overruns will be the responsibility of the Council.

Human Resources (HR)

52. The scheme will continue to be Project Managed by in-house staff. Supervision and Quantity Surveying services will be provided by external resources.

Equalities

53. The work carried out will benefit everyone in the community, either because of the opportunity to use the new Park & Ride sites or because of the benefit of reduced congestion on the roads and improved air quality. Sites have been designed to incorporate measures to ensure good accessibility.

Legal

54. The legal department and their advisors drafted the contract for the works to ensure that the Council's interests are protected.

Property

55. The acquisition of the main sites was completed earlier in the year. Resolution of the land issues in the A59/A1237 area is being finalised. The existing Askham Bar site will become vacant as a result of the project and will be available for sale. The project will

increase the Council's property assets with the operator undertaking maintenance of the sites and buildings.

Risk Management

56. The scheme has a detailed construction phase risk register which will be managed and monitored through the delivery of the project with the main contractor. The principal risks relate to ground conditions, traffic management, interface with neighbours, utility diversions etc. The contract has been developed to reduce the risk allocated to the council. Major project risk elements such as the acquisition of land and granting of planning consent have already been resolved.
57. The Council will need to fund any cost overruns on the project. The contract has been developed to allocate appropriate risk to the main contractor. Insurance, bonds and guarantees are required in the contract.

Recommendations

58. It is recommended that Members approve the following items:
 - a. Submission of the Full Approval Application to the Department for Transport
 - b. An increase in the local contribution to the scheme of up to £750k from the Economic Infrastructure Fund and a re-profile of the Capital Programme where necessary
 - c. Commencement of advance site clearance
 - d. Commencement of advance utility diversions
 - e. Delegation of the acceptance of the Most Economically Advantageous Tender to the Director of City and Environmental Services in consultation with the Cabinet Member for Transport, Planning and Sustainability.

Reason: To enable the delivery of the Access York project to programme.

Contact Details

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	Darren Richardson Director of City and Environmental Services		
	Report Approved	✓	Date 28 December 2012
Specialist Implications Officer(s) Finance: Patrick Looker Finance Manager City Strategy			
Wards Affected: List wards or tick box to indicate all			All ✓

For further information please contact the author of the report

Background Papers:

- (1) Access York Phase 1 Park & Ride Development – Update Report
Following Programme Entry – to the Executive 13 April 2010.
- (2) Update Report to City Strategy Decision Session – 1 Feb 2011
- (3) Access York Park & Ride Funding Bid – Report to 6 September
2011 Cabinet

Annexes

None



Cabinet**8th January 2013**

Cabinet Member for Health, Housing and Adult Social Services

Tenancy Strategy**Summary**

1. This reports sets out the legal requirements for the Council to have an adopted Tenancy Strategy for social rented properties for the City. Cabinet are asked to adopt the tenancy strategy that is attached at Annex 1.

Background

2. Within the Localism Act 2011 there is a requirement for Local Authorities to publish a tenancy strategy by the end of January 2013. The strategy should aim to set out the principals to the management of social and affordable rented homes. It should give guidance to social housing providers in York, how the local authority thinks they might best use this important resource to meet housing needs in the City.
3. The strategy is intended to last for a 5 year period between 2013 and 2018; however the intention is to annually review the document to ensure flexibility and relevance.

Consultation

4. Between June and August 2012 there was a wide range of people and organisations consulted on what they thought this tenancy strategy should contain. These included:
 - Members of the general public
 - Private Registered Providers (Housing associations)
 - Local councillors
 - Charities and non-statutory agencies involved in the provision of housing or housing related support
 - Resident and tenants' groups

- Households currently awaiting accommodation from the housing register
 - Private sector landlords
4. The consultation was carried out in two phases, with the initial phase looking at the key principals that should be included, gaining stakeholders views and testing views of key legislative changes. The second phase set out the draft responses and proposals for York's Tenancy Strategy.

Options

5. Option one – To adopt the strategy as set out in Annex 1.
6. Option two – To ask officers to revise the document

Analysis

7. **Option one** - This tenancy strategy covers five specific topic areas:
- Tenancies
 - The affordable housing register and the allocation of homes
 - Homelessness and use of the private rented sector
 - Enabling greater mobility within the social rented sector
 - Affordable rents
8. The key issues arising from these five areas are:

Tenancies

9. Possibly the most contentious area is the issue of granting fixed term tenancies. The council has adopted a cautious approach to fixed term tenancies. It sees that they should only be used in limited circumstances and clearly states where it would be inappropriate. The strategy clearly states that any fixed term tenancy should be for a minimum of five years (in exceptional circumstances for two years). The authority would also expect that where fixed term tenancies are used there is a presumption that they will be reissued unless the household falls outside clearly defined and published criteria.

The affordable housing register and the allocation of homes

10. The council welcomes the greater scope set out within the Localism Act for the council to have a greater role in determining how its homes should be allocated. Allocation of homes in the city should not only meet housing need but encourage mobility whether it is for work or responding to the changing needs of a household. Key to the future direction of any policy should be ensuring local connection to the area, ensuring priority is given to those in need, support to care leavers and foster carers as well as ensuring best use of the available housing stock.

Homelessness and the use of the private sector

11. City of York Council broadly welcomes the freedom to place homeless households in private rented accommodation. It is thought to be a useful additional tool to prevent and tackle homelessness. There will be safeguards to ensure that accommodation is of a suitable standard and government is to issue guidance on this shortly.

Enabling greater mobility within the social rented sector

12. The council supports greater mobility within the sector and measures designed to facilitate this as set out in the Localism Act.

Affordable rents

13. The authority's stance on affordable rent has been previously agreed which is to acknowledge that this is the new national model but that given the high rental values in the private sector affordable rents at 80% of the market rent will be unaffordable for a significant number of people in housing need. Work has been undertaken with the HCA & RSL's to develop a more realistic approach where RSL's will let properties under the new affordable model at a range of levels slightly higher than social rent but not at unaffordable levels.
14. **Option Two** – The proposed tenancy strategy is based around stakeholder views and has been developed following consultation with all stakeholders. Major changes to the proposed strategy would need to be further consulted upon. It is proposed that the strategy is annually reviewed.

Council Plan

15. The tenancy strategy specifically relates to building stronger communities priority. By deciding to take a cautious approach to fixed term tenancies and adopting a default position of supporting secure tenancies we feel that this will provide a stronger commitment from tenants to invest in their community. By taking the stance on affordable housing the authority has taken into account what it feels is realistically affordable and protected the position of those that are on low incomes and vulnerable

Implications

16. The implications arising from this report are:
 - **Financial** - None
 - **Human Resources (HR)** - None
 - **Equalities** - An equalities impact assessment has been undertaken to ensure none of the recognised equality strands are unduly affected by the tenancy strategy.
 - **Legal** - Under the Localism Act 2011 there is a legal requirement to have a tenancy strategy in place by January 2013.
 - **Crime and Disorder** - None
 - **Information Technology (IT)** - None
 - **Property** None

Risk Management

17. There are no known risks

Recommendations

18. Cabinet is asked to:
 - Agree Option 1 to adopt the Tenancy Strategy as set out in Annex 1 of the report.

Reason: The strategy takes into account the views of key stakeholders, including local social landlords and seeks to utilise the new freedoms and flexibilities offered by the Localism Act to address housing needs. It is a requirement for the local authority to have a tenancy strategy.

Contact Details

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Specialist Implications Officer(s) Implication - Legal Name Glen McCusker Deputy Head of Legal Services Tel No. 01904 551048	Report Approved	√	Date 14 th Dec 2012
Wards Affected: <i>All</i>			√
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Annexes

Annex1 – Tenancy Strategy.

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City of York Council

Tenancy Strategy 2012-2017

Final draft

Version control: N - 13 December 2012

Contents	Page
Foreword	1
Tenancy strategy consultation	1
1. Introduction	2
1.1 National policy context	3
1.2 What is a tenancy strategy?	3
1.3 York housing market and agreed housing priorities	4
2. Tenancy strategy guidelines	10
2.1 Tenancies	10
2.2 The affordable housing register and allocation of homes	13
2.3 Homeless households and private renting	15
2.4 Enabling greater mobility	16
2.5 Affordable rents	18
3. Implementing the strategy	20
3.1 Monitoring and review	21
3.2 Equalities and diversity	21
Appendix 1: Glossary of terms	21
Appendix 2: Registered Providers' tenancy policies	22
Appendix 3: The different types of tenancies offered in York	22

Foreword

City of York Council is committed to improving the health and well-being of its residents and ensuring access to decent, safe and affordable homes. Good progress has been made to date, with many residents reporting high levels of satisfaction with their homes and neighbourhoods. But we know there is more to do to achieve a more balanced housing market that offers choice and opportunity to everyone.

This strategy concerns the management of social and affordable¹ rented homes in York. It looks at how local registered social housing providers² might best use this important but limited resource to meet the needs of households that find it difficult to compete in the open market.

The strategy represents the council's considered response to the new freedoms provided within the Localism Act 2011 and sets out the extent to which we think these freedoms should be used to address the challenges we know exist.

¹ Social rents are ones charged at levels well below private sector rents. They have been the usual basis on which social landlords have let their homes. The new 'affordable' rents regime was introduced more recently by the coalition government and these can be anything up to 80% of market rents.

² Registered providers of social housing are ones registered with and regulated by the Homes and Communities Agency. They include City of York Council and a range of private registered providers (PRPs) sometimes known as housing associations.

It provides the basis for changes we will make in the management of our own stock, and gives guidance to other housing providers active within the city when formulating their own tenancy policies.

Tenancy strategy consultation

Between June and August 2012 we consulted a wide range of people and organisations on what they thought this tenancy strategy should contain. These included:

- Members of the general public
- Private Registered Providers (Housing associations)
- Local councillors
- Charities and non-statutory agencies involved in the provision of housing or housing related support
- Resident and tenants' groups
- Households currently awaiting accommodation from the housing register
- Private sector landlords

We used the comments we received to write the final draft of this document.

Whilst the strategy is intended to cover the period 2012 to 2017, we plan to review the strategy on a regular basis to ensure it remains relevant and fit for purpose.

We are always eager to know what you think about the issues covered in this document. You can submit comments or ideas to us at any time and we will use these in the review process. You can do this in several ways:

- Email us at: yourservice.yoursay@york.gov.uk
- Phone us on: 01904 554379
- Write to us at: City of York Council, Housing Services, 10-12 George Hudson Street, **FREEPOST** NEA 13348 York YO16ZZ
- Go on line at: www.york.gov.uk/housing

1. Introduction

There are few things more important to a person's well being than a decent, safe, affordable home. Inappropriate and unaffordable housing can give rise to a wide range of problems that severely limit a person's life chances.

In York, we face some particularly difficult housing challenges. High house prices and high rents mean many households look to the social rented sector to meet their housing needs. But the proportion of social rented homes in York is relatively small meaning not everyone who needs an affordable home can get one. In this context it is vital landlords work together to make best use of this important but limited resource.

There is a wide range of providers working to address York's housing needs. These include City of York Council, which owns 7,900 properties and private registered providers (generally known as housing associations) that together own around 4,500 homes.

Together these providers address the needs of many different households, from general needs to more specialist ones such as those of older people, homeless households and those with disabilities. An overarching goal is to ensure policies remain attuned to the diverse and pressing needs of local residents, particularly the most vulnerable and those least able to access the private housing market.

Housing providers have generally let homes on the basis of a secure tenancy, giving tenants a long term stable base with social rents that are significantly below market levels.

Who gets access to social and affordable rented homes is a hotly debated topic. So too are questions about how long tenancies should be for and the role housing providers play in creating mixed, sustainable and safe communities.

The revised Regulatory Framework for Social Housing requires providers to publish clear and accessible policies that outline their approach to tenancy management. We hope this tenancy strategy provides a useful framework within which the key decisions underlying these policies can be taken.

1.1 National policy context

The Government's overall housing policy goal is to '*ensure everyone has an opportunity of living in a decent home, which they can afford, in a community where they want to live*³. It identified several issues it believes are standing in the way of achieving this goal and has put a programme of social housing reform in place to address them.

Many of the measures to help deliver these reforms form part of the Decentralisation and Localism Act 2011 (henceforth termed the 'Localism Act'), which received Royal Assent on 15 November 2011. The measures;

- allow for the use of a wider range of tenancies in social housing, including new fixed-term tenancies⁴ to be used alongside traditional long term secure tenancies
- allow local authorities to move away from 'open' housing registers with more powers to decide who can apply for social housing in their areas and what priority they should be given
- enable authorities to discharge their homelessness duty through the private rented sector without needing the applicant's consent
- enable greater mobility within the social rented sector
- enable the use of new 'affordable rents' that can be up to 80 per cent of market rents to help fund new homes

The Act places a new duty on local authorities to publish a tenancy strategy, which all providers in the area must have regard to when formulating their individual tenancy policies. Tenancy strategies are expected to be in place by 15 January 2013.

1.2 What is a Tenancy Strategy?

Tenancy strategies aim to inform a number of decisions that affect the supply of social and affordable rent housing in

³ Laying the Foundations – National Housing Strategy 2011

⁴ To be known as Flexible Tenancies for local authority housing and Fixed Term Tenancies for PRP (housing association) housing.

York. They are developed in cooperation with local partners and reviewed at least every five years.

This strategy sets out guidelines that providers in York should take into account when developing their individual tenancy policies. In doing so it seeks to support the strategic aims and objectives of the York Housing Strategy and, by implication, the Older People's Housing Strategy, Homelessness Strategy and sub-regional allocations policy.

Tenancy policies will outline, amongst other things, the kind of tenancies to be granted, the length of tenancy terms and the circumstances in which tenancies will be renewed.

This tenancy strategy covers five specific topic areas:

- Tenancies
- The affordable housing register and the allocation of homes
- Homelessness and use of the private rented sector
- Mobility within the social rented sector
- Affordable rents

1.3 The York housing market and agreed housing priorities

The extent to which we will utilise the new powers provided by the Localism Act depends on the nature of the local housing market and particular housing needs in York. Whilst housing providers in the city have made great progress over many years we know that demand for housing and related support continues to grow.

Population and household growth

York's population currently stands at 202,400, an increase of 13 per cent since 2000 and double the national rate. According to the Centre for Cities, York is one of the fastest growing cities in the country⁵.

Within this overall growth we know there is a significant rise in the number of households as more people live alone and people live longer. The population is also becoming more diverse, with a significant rise in black and minority ethnic households from 4.6 per cent of the population in 2001 to an estimated 11.4 per cent today. There are now thought to be around 78 different first languages spoken within the city.

This increasing population translates into significant extra demand for housing and related services.

⁵ Centre for Cities – Cities outlook 2011

Housing need and supply

York has a buoyant economy, good schools and relatively low levels of crime. As a consequence, it is a place people like to live. This popularity places significant pressure on the housing market, but not everyone is able to compete as house prices and rents move beyond their reach. Those unable to afford market housing often look to the council and other social housing providers to meet their housing needs.

There are around 12,500 social rented homes within the city. Just less than 8,000 of these are owned by the council with the remainder owned by 22 individual private registered providers.

The York Housing Register (or 'waiting list') through which people apply for much of this housing shows over 4,700 households awaiting an affordable home in York.⁶ This high level of demand has persisted for many years.

Within the council's housing stock around 700 vacancies arise each year, nowhere near enough to meet the demand expressed through the housing register. Around 2,500 new

households apply each year and we expect this to increase in coming years.

Applicants are assessed in order of priority bands of gold, silver and bronze⁷ with those in gold having the highest need for a home. Around 92 per cent of households on the register are in either silver or bronze band and average waiting times for a home are around two years. Realistically many households on the list will never be offered a home due to the shortage of properties.

An independent assessment of housing need was undertaken in 2011. This established that York needs 792 new affordable homes each year on top of current supply to meet current and projected need. However, since 2008 our annual increase in affordable housing provision has been considerably less than this.

Year	2008-9	2009-10	2010-11	2011-12
Dwellings	167	130	282	151

Figure 1: Affordable housing new-builds, 2008-2012

When we consider these outputs were achieved under a far more generous funding regime than is in place now we can see the scale of the challenge that lies ahead. In the three

⁶ At Nov 2012

⁷ There is also a small 'emergency' band that has the very highest priority.

year period 2008-11, the Homes and Communities Agency support for affordable housing was £8.4 billion nationally but in the current four year period 2011-15 this support has dropped to £4.5 billion.

Problems of affordable housing supply are exacerbated by the well documented downturn in new house building which has affected the private housing sector. The general lack of credit and mortgage availability has been a key factor. Consequently, owner occupation has become an unaffordable option for a large portion of households seeking to enter that tenure.

The private rented sector represents over 15 per cent of all homes in York. The sector offers choice and flexibility for many households and has grown significantly over the past decade. It is expected to play a key role in meeting future housing needs. However, not everyone finds the sector easy to access with vulnerable households and those on low incomes experiencing particular difficulties. Welfare reform changes that are aimed at reducing the financial support people receive for housing are set to make access even harder (see below).

Sustainable communities

York is widely regarded as a thriving, attractive city providing a good quality of life for local residents. The results of the last Place Survey⁸ were very positive. A majority of those responding had a strong sense of belonging both to the city and their local neighbourhood.

Whilst the overall picture is positive, we know this is not everyone's experience. When we look at deprivation we can see that eight areas of the city are in the most deprived 20 per cent in England. These areas are home to around 13,000 people and there is a high correlation between these areas and areas of social rented housing.

National estimates tell us that over 60 per cent of council tenants are on some form of benefit, including in-work benefits, and local data tells us that average income for tenant households in York is around £11,700 per year a.⁹

Secure tenancies (sometimes referred to as 'lifetime tenancies') have enabled people to put down firm roots in their community and develop and sustain important social networks.

Since 1980, many social housing tenants have had the right to buy their home so long as they meet certain qualifying

⁸ The Place Survey 2008

⁹ York Strategic Housing Market Assessment 2011

criteria. Since then, over 4,950 council homes have been sold across the city. This process has contributed to diluting the old pattern of mono-tenure social housing neighbourhoods and these areas are now much more mixed.

The government has recently increased the Right to Buy discounts to encourage more tenants to buy their home. Increased sales will further reduce the pool of available social rented homes over time and this looks set to be a key challenge for social housing providers in the future.

Empty properties, under occupation and overcrowding

One response to high housing demand and a low supply of new homes is to make sure we make best use of the homes we already have.

York has a very low proportion of long term empty properties and, within the social rented sector, void¹⁰ times are kept to a minimum. Far more problematic is the proportion of homes that are under occupied.

Around 40 per cent of homes in the city are under occupied. By far the greatest numbers are in the owner occupied

¹⁰ A 'void' is what we call a property that is empty and in the process of being re-let to another tenant.

sector, with a lower but still significant proportion in the social rented sector.

Current estimates suggest around 1,000 council owned homes are under occupied at any one time. Currently 190 household are seeking a transfer due to overcrowding and 160 tenants seeking a transfer to smaller accommodation. Tenants have the opportunity to transfer or exchange their home when it no longer meets their needs and also have opportunities to downsize as developments become available.

Under occupation of social rented homes is clearly an issue social housing providers can influence and indeed many housing providers already have policies in place to encourage and enable this. City of York Council supports transfers and mutual exchange between tenants and has developed a package of further incentives for tenants to downsize in an effort to free up family homes.

Homelessness

The demand for housing advice and homelessness services continues to rise. This is evidenced by the increasing numbers of households threatened with homelessness that the council's housing service works to prevent.

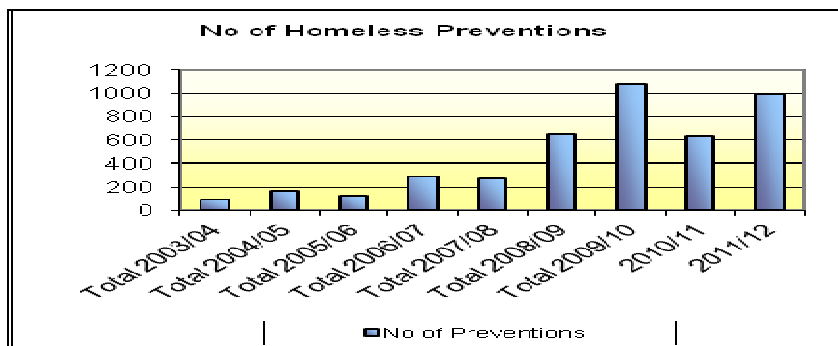


Fig 2: Homelessness preventions 2003-2012

Alongside this is the number of households we place in temporary accommodation each year due to the lack of affordable homes.

Year	2006-7	2007-8	2008-9	2009-10	2011-12
Households	56	51	151	79	94

Fig 3: Households placed into temporary accommodation

Vulnerable households

The Supporting People programme provides housing related support to a broad range of groups such as teenage parents, vulnerable older people, people with learning disabilities, ex-offenders, single homeless people, people with mental health support needs and people who misuse drugs and alcohol.

As with most areas of funding at present there are huge pressures on the limited funds available. Ongoing reductions in funding will inevitably have a knock-on effect on service provision elsewhere, with increasing demands for housing advice and support and greater risk of homelessness.

The provision of sufficient and suitably adapted properties for disabled people is an area of concern. At present over 3,000 households in private sector housing require adaptations and demand for adaptations in social housing continues to rise. Given the ageing population noted above demand is expected to increase further.

Welfare Reform

The government says its welfare reform programme is aimed at reducing the overall benefits bill and making work pay. It is the biggest shake up of the welfare system since its inception.

Although these changes will be implemented nationally, the extent of their impacts will vary according to local circumstances. The key changes include:

- Caps to the maximum Local Housing Allowance (LHA) payable
- Increases in non-dependant deductions

- Calculating LHA rates using the 30th percentile of market rents rather than the 50th percentile and indexed to the Consumer Price Index from April 2013
- Limiting housing benefit for working age social housing tenants so it only covers the size of property they are judged to need
- Raising the shared accommodation rate age limit from 25 years to 35 years
- Changes in council tax benefit, impacting on working age claimants
- Housing Benefit rolled up into a single 'Universal Credit' and payable directly to claimants

We anticipate these measures will have a significant impact on the local housing market and people's ability to afford their home. Residents on lower incomes will face additional financial and housing pressures, which in turn will lead to greater demands for housing advice and information, including debt services. Balancing the needs of existing tenants requiring a move for affordability reasons against the needs of homeless households will be an emerging challenge.

We could see increased over-crowding, increased rent arrears and more private landlords unwilling to let to benefit claimants. We also anticipate rising demand for smaller accommodation between now and the end of this strategy in

2017 as the impact of benefit changes on under-occupying council tenants takes hold¹¹.

Our modelling of impacts locally suggests that claimants (including and increasing number of in-work claimants) in York will be around £2.9 million per year worse off as a result of the changes.

Local housing priorities

In developing the York Housing Strategy 2011-2015, housing providers and other stakeholders came together and agreed a set of strategic priorities. These are based around what we know about housing need in York and future challenges:

- We must build on our work **creating mixed, sustainable communities**
- We must **make best use of the existing housing stock**, by addressing things like empty homes, under-occupation and overcrowding
- We must **meet a diverse range of housing needs, whilst ensuring the needs of the most vulnerable remain a priority**

¹¹ We must ensure development strategies reflect this anticipated shift in demand for smaller accommodation.

- We must **prevent homelessness** happening and, when it does occur, ensure the right mix of support and advice.

2. Tenancy strategy guidelines

2.1 Tenancies

To date, most social housing tenants have been offered a secure tenancy, which grants them a home for life. The Localism Act gives landlords more flexibility to decide what length of tenancy they offer, based on levels of housing stock and the needs of individual tenants.

Housing providers no longer have to issue lifetime tenancies and are able to offer fixed term tenancies¹² for a minimum period of five years, but with longer terms if they wish.

With a fixed term tenancy, the household's circumstances would be reviewed at least six months before the end of the tenancy period to assess if the tenancy should be re-issued. The Act says the reasons for termination are up to the housing provider, but could include, for example, if the tenant was able to move to a different housing tenure; if

their income has increased and they are able to buy or part own their home; if they could rent in the private sector or if they are under-occupying.

This tenancy strategy sets out our position on the use of a wider range of tenancies in York, including the minimum tenancy term we would expect landlords to grant. It explains in what situations we would expect longer tenancies to be used to protect vulnerable tenants.

In formulating our strategy guidelines we considered in what circumstances the use of a wider range of tenancies would help meet our strategic housing objectives. In particular we considered the following key points:

- York has a range of successful and sustainable neighbourhoods. The 2008 Place Survey showed the vast majority of people were satisfied with the area in which they lived. Within this, we know there are some neighbourhoods that display ongoing disadvantage and that these often correlate with areas of social housing.
- There is insufficient new supply and turnover of social housing stock to meet current needs as expressed through the Housing Register. The strategic housing market assessment shows that owner occupation and

¹² The government will allow fixed term tenancies of only two years but has made it clear these should only be used in exceptional circumstances

private renting are beyond the reach of young families on average local incomes and many of these households look to social housing providers for permanent and affordable family homes.

- Shorter tenancies can discourage tenants from investing in the upkeep of their homes which can increase maintenance costs for providers. Higher turnover of stock will increase the number of vacant stock at any one time resulting in loss of income¹³.
- The under occupation of homes is an issue for York and in the context of high housing demand and low supply it must be something we focus on. Many social rented homes remain under occupied. There are a range of measures in place to enable and support downsizing within the sector and these need developing further. Whilst new fixed term tenancies would not address existing under occupation¹⁴ they could have a role in reducing under-occupation in the future.

- There is a need to make better use of adapted properties to meet these needs of more vulnerable customers. We are establishing an adapted property register of social rented homes to enable a greater match between properties that are adapted and those that need them.

Strategy guidelines:

- On balance, and in light of the points noted above, we advocate a cautious approach to the use of flexible and fixed term tenancies in York. Secure tenancies have played a key role in creating many of the strong communities we see around us. Housing providers should continue to offer the most secure form of tenure compatible with the purposes of the accommodation, the needs of the individual households, the sustainability of the community and the efficient use of the housing stock.
- Whilst we would not wish to see the general application of fixed term tenancies, there could be benefits from their selective use, such as to prevent future under occupation. As a council we already offer additional priority to those seeking to downsize and there are a range of other measures available, such as improved transfer and exchange arrangements,

¹³ Research suggests the cost to a local authority of re-letting a property is on average £2,787. Shelter July 2012

¹⁴ Fixed term tenancies do not apply to existing tenants and can only be offered to new ones.

ongoing downsizing initiatives and later in 2012 a package of wider incentives.

- Similarly, we advocate a more efficient use of adapted properties through property registers and better matching through the North Yorkshire HomeChoice system, rather than wholesale adoption of fixed term tenancies.
- The council does not see a role for fixed term tenancies to address rent arrears or anti social behaviour as there are already enough measures available to deal with these issues, such as introductory/probationary tenancies and the new three stage approach to the allocation of accommodation.¹⁵
- In deciding about the use of fixed term tenancies, Registered Providers are advised to consider the potential administrative burdens and additional costs¹⁶ that would be created around reviews, appeals and possible legal challenges.

- Where Registered Providers chose to use fixed term tenancies, we would not wish to see them used for vulnerable households where the intention is to provide a secure long term home or for households who's situation is unlikely to change, such as those containing someone over 60 years of age.
- Where fixed term tenancies are used they should be for a minimum of five years, (or two years in exceptional circumstances only). There should be a review no later than six months before the tenancy is due to end so that the right amount of notice can be given should the decision be not to re-issue.
- Where providers use fixed term tenancies we would expect a presumption in favour of re-issue the same basis as before unless the household falls outside clearly defined and published criteria. This will give tenants greater clarity and protection, especially at the end of their tenancy. Providers should not allow fixed term tenancies to run into insecure periodic tenancies.
- Providers using fixed term tenancies must clearly set out in their respective Tenancy Policy the procedure for appeal and/or complaint against a tenancy review decision.

¹⁵ Stage 1 of the new allocation process is qualification to join the register and rent arrears/anti-social behaviour criteria can be factored in here.

¹⁶ The full cost of an eviction from a local authority property is estimated to be £1,119 Shelter July 2012

- Households refused a re-issue of the tenancy must be provided with reasonable advice and assistance in finding alternative accommodation so they are able to make informed and suitable choices in relation to their housing options. Providers should consider the additional cost of delivering this advice before issuing fixed term tenancies. We would expect providers to avoid placing additional demands on the local authority homelessness service as a result of a decision not to re-issue.

2.2 The affordable housing register and allocation of homes

The housing reforms within the Localism Act allow greater scope for housing providers to set their own rules for allocations and determine who is eligible to join the register based on the needs of their area. It allows providers to determine who gets priority with their allocation scheme, though they must continue to include certain 'reasonable preference categories' as set out in government guidance.¹⁷

¹⁷ Code of guidance on allocations Allocation of accommodation: Guidance for local housing authorities in England June 2012

City of York Council works with neighbouring authorities and private registered providers with stock across North Yorkshire on a joint housing register and allocations scheme known as North Yorkshire HomeChoice. In 2012 the HomeChoice partnership formally reviewed its approach in light of the Localism Act. In doing so it considered how well the existing framework was working and how new powers to decide who could apply to be on the register could help meet local housing needs more effectively. In particular it considered the following points:

- There continues to be a large number of people on the housing register, the majority of who have little realistic chance of being housed due to the high level of demand and shortage of available properties. The administrative cost of maintaining such a system is considerable, though it does provide an ongoing picture of housing need in the city.
- The waiting times for households allocated properties via the HomeChoice system can be considerable. Those allocated a two bed property wait an average of one year and households wanting four bedrooms wait almost two years
- York's various neighbourhoods are well liked and relatively mixed, though we know some areas are

characterised by sustained disadvantage. Allocations policies can play a key role in creating mixed, sustainable communities.

Strategy guidelines:

- Providers should be mindful of welfare reform measures limiting housing benefit to household need, when developing their allocations policies and also the need to make best use of the limited affordable housing stock.
- Households applying through North Yorkshire HomeChoice must demonstrate a local connection with the partnership area before being allowed to join the housing register. Members or ex-members of the armed forces will be exempt from this requirement so in line with the government's guidance on allocations and our commitment to the Military Covenant.
- Eligibility requirements will include sufficient scope for local flexibility on allocations to address particular localised needs
- A Housing Options approach should be taken to ensure best use of existing stock is taken and where appropriate households that could be reasonably

expected to find a market solution to their housing need will be supported to do so.

- Providers should consider giving additional priority within the allocations process to statutory homeless and potentially homeless households under Part 7 of the 1996 Housing Act who are owed the full housing duty, households going through a recognised resettlement process, care leavers, under and over occupiers and those with a serious enduring illness. Consideration should also be given to those who can prove significant hardship.
- Providers may wish to give some preference to tenants who have an exemplary tenancy record to encourage customers to maintain their tenancies in line with their tenancy agreement.
- In recognition of increasing number of children in care providers should consider additional priority for approved foster carers.
- In the longer term, there is scope for a wider strategic review of the choice based lettings (HomeChoice) framework to explore if a more efficient approach to allocating homes could be found.

2.3 Homeless households and the use of private rented accommodation

Local authorities have a duty to provide accommodation for certain people who are homeless or about to become homeless through no fault of their own. Before the Localism Act, we were able to offer homeless people accommodation in the private rented sector (PRS) but they were under no obligation to accept it.

Once the relevant section of the Act is commenced, local authorities will be able to house homeless households in the PRS, without needing the households' consent to do so. The Act recognises not all local authorities will need to make use of this new power.

In formulating our approach on this issue we considered the following key points:

- We anticipate growing demand on homelessness services as funding cuts, pressures on household incomes and welfare reform measures take hold.
- There is already a shortage of affordable accommodation for those in the most urgent need. Whilst the number of households placed in temporary

accommodation has gradually reduced from a high of 296 in 2003 we are seeing a recent reversal of this trend.

- The cost of placing households in temporary accommodation is high. Some households have not voluntarily accepted an offer of private rented accommodation, even when this has meant them staying in expensive and sometimes inappropriate temporary accommodation.
- The PRS can offer households a wider choice of locations. The degree to which we will be able place households in the PRS will be dependent on its availability in the local market. York has a buoyant PRS and access for vulnerable or low income households can be difficult.
- The relatively high level of private sector rents could affect tenants' ability to move from benefits into work, and place households in a 'poverty trap'.
- Some sections of the PRS suffer poor standards.

Strategy guidelines:

- Considering the above points, City of York Council broadly welcomes the freedom to place homeless households in private rented accommodation. We think this is a useful additional tool to prevent and tackle homelessness.
- Whilst the number of households entering the PRS through the homeless route may increase, this will not become the 'default' position. Rather, offers will continue to be based primarily on the suitability of the property, with tenure considerations immaterial. Suitability criteria will include size; condition; accessibility; location; and cost of the accommodation, together with the household's financial resources¹⁸.
- The minimum length of a private rented tenancy considered suitable for a homeless household is 12 months.
- If the household becomes homeless again within two years, through no fault of their own, the main

homelessness duty will automatically re-occur (even if the household's circumstances have changed and they would otherwise not be owed a duty).

- We will continue to work with landlords across the city to improve standards and develop further our social lettings agency (YorHome) and bond guarantee scheme to improve the availability of, and access to, the PRS for claimant households.

2.4 Enabling greater mobility

City of York Council recognises the need for tenants to be able to move to be closer to work opportunities, family networks or for a host of other reasons. This strategy sets out the thinking behind our approach to household mobility and the measures through which tenant's can be helped to move should they want to.

Greater opportunity to move within the sector helps to meet the personal needs of individual households as well as bring some wider community benefits. These include, amongst other things; better access to employment and training opportunities; access to support services for health reasons; reducing over-crowding and making best use of the housing stock by addressing under-occupation.

¹⁸Our criteria will be consistent with that set out in the Homelessness (Suitability of Accommodation) (England) Order 2012 - Consultation

We acknowledge greater mobility can increase turnover and voids within the sector but feel, so long as this is well managed, the wider benefits to our customers far outweigh this consideration.

There are a number of ways for tenants to move home within the social housing sector. These include requesting a formal transfer within the North Yorkshire HomeChoice framework (the combined Housing Register described earlier), exploring opportunities within the mutual exchange framework known as Homeswapper or through downsizing initiatives as they become available. The council is currently developing a package of wider support and incentives for those that want to downsize.

In formulating our approach to mobility we considered the following key points:

- Promoting and facilitating mobility within the sector provides a range of benefits both for the individual household and use of the housing stock as a whole. The ability to move home can sometimes be a key decision when looking for and taking up employment or being closer to health or support services.

- Within the council's own housing stock there are 801 households awaiting a transfer.¹⁹ Around 190 wish to move to a larger property and 162 to a smaller one. There are around 1,000 council homes under occupied and possibly similar proportions in some sections of the private registered providers sector.
- Welfare reform measures such as Housing Benefit linked to household need could mean more households seeking a transfer through economic necessity.²⁰

Strategy guidelines:

- The council supports greater mobility within the sector and measures designed to facilitate this as set out in the Localism Act. We expect the Tenancy Policies of registered providers in York to clearly embrace this aim and actively encourage and support mobility.
- We will continue to support mobility within our own stock through the transfer and mutual exchange frameworks and expect providers in the area to do likewise.

¹⁹ At 02/04/2012

²⁰ From April 2013 tenants deemed to have 'spare' bedrooms will see a reduction in the benefit they receive. Tenants will have a choice of either making up the shortfall from other income or moving to smaller accommodation.

- We expect all providers operating within York to be signed up to a national housing mobility scheme.
- We expect that, wherever possible, tenants moving through such a scheme would be able to enjoy the same security of tenure and rent model in their new property than in their previous one. However, we also recognise this will not be possible in all cases, particularly where voluntary moves are made to housing that has been designated as 'affordable rent' as part of a contract with the Homes and Communities Agency (HCA).
- The council has developed a package of additional downsizing incentives to help free up larger properties within its won stock and we look to other providers to develop similar approaches where these are not in place already.

2.5 Affordable rents

This section sets out our thinking on the use of affordable rents in York.

In October 2010 the coalition government announced a £4 billion²¹ reduction in capital grant for new affordable housing and the replacement of social rents with 'Affordable Rents' for new tenants that can be up to 80 per cent of market rents.

This new rent applies to all new homes built with the assistance of grant funding from the HCA and on an agreed number of re-lets within housing providers' existing stock. The additional capital raised through higher rents is to be reinvested to make up funding shortfalls.

In January 2012, the council adopted a policy on the use of Affordable Rents on developments where it is able to exercise some control – namely on affordable homes negotiated as part of a planning consent on private developments.

It also covers the re-letting of existing affordable homes on these sites. The policy covers developments where the council sells land to private registered providers under long leasehold agreements for the purpose of providing affordable housing. The policy position is that:

²¹ Amounting to at budget cut of around 60 per cent

- On existing planning and lease agreements there would be no change to current policy for social rented homes to remain on re-let as social rented.
- On new planning and lease agreements, Affordable Rent levels are to be capped at no more than 60 per cent of market rents for one bedroom homes and 55 per cent of market rents for two, three and four bedroom homes.

The council adopted a policy on affordable rents in advance of the Tenancy Strategy to give guidance to providers on the offers they make to developers for affordable housing and in their negotiations with the HCA on the definition of 'affordable rent' they would use for their grant-funded new build programme.

The policy took into account the evidence of a new Strategic Housing Market Assessment (SHMA) 2011, the views of registered providers working in the city and the reality of reduced grant funding for new development.

The SHMA shows if Affordable Rents are set at 80 per cent of market rents they are not genuinely affordable to most households in housing need²².

By limiting Affordable Rent levels to 60 and 55 per cent of market rents they remain higher than existing social rents but are affordable to a greater number of households²³.

In arriving at this policy we have tried to balance the reality of the new affordable housing funding regime, with the need to avoid supporting affordable homes that are not meaningfully affordable to low income households without the support of housing benefit.

We therefore considered the following key issues for York:

- A pressing need for additional affordable housing supply in York, amounting to 790 new homes per year.
- The reality of significantly reduced grant funding for new affordable housing meaning ways must be found to make up funding shortfalls to support development of new homes

²² For example, only 12 per cent of households needing a three bedroom home can afford rents at 80 per cent of market value. The number is only marginally higher for those needing a two bedroom home (18 per cent) and increases to 35 per cent for those needing a one bedroom home.

²³ Approximately 27 per cent could afford a three bedroom home, 35 per cent a two bedroom and 46 per cent a one bedroom.

- The fact that Affordable Rents could better help meet the needs of those able to afford a sub market ('intermediate') rent, providing more housing choice/options.
- Acknowledgement that selective use of Affordable Rents could contribute towards mixed tenure and sustainable communities but their widespread use would further reduce the availability of genuinely affordable social rents at a time when demand for such rents is increasing.
- Affordable rents push additional costs onto the Housing Benefit bill and could trap people into benefit dependency. High rents can act as a disincentive or barrier to employment.

Strategy guidelines:

- We would not wish to see wholesale application of affordable rents in the York area as this will further deplete the supply of genuinely affordable social rented homes.

- Given current funding shortfalls, we recognise a role for some affordable rents to support the supply of new affordable homes in York, especially where this forms part of a funding agreement with the Homes and Communities Agency.
- We would not wish to see the application of affordable rents on an area wide basis as this would undermine efforts to create mixed sustainable communities.
- Affordable rent levels must not prohibit or prevent tenants or household members from looking for work by creating a 'benefits' trap'.
- Where affordable rents are used we expect these not to exceed the current agreements that housing associations have with the Homes and Communities Agency for the affordable homes programme 2011-15. These were agreed in consultation with the council and reflect the different stock profile, policies and priorities of each of the associations. We expect any proposed changes to those policies to be agreed with the council.

3. Implementing the strategy

3.1 Monitoring, review and governance

City of York Council coordinates a housing provider steering group to oversee the development of tenancy issues in York. This group will support the council in its role of monitoring and reviewing the effectiveness of the strategy. We will strive to secure representation from private sector landlords and those who represent vulnerable or marginalised groups. We will publish the outcome of our reviews and open them up to customer challenge.

Monitoring and review will need to consider two main areas:

- 1) The effectiveness and extent to which the new measures are implemented:

This will include measuring the number of fixed term tenancies issued, the number of affordable rent properties, changes to allocations processes and homelessness placements in the private sector.

- 2) The changing market conditions and their likely impact on the demand for service provision. It will therefore also monitor housing need, affordability, homelessness, new

homes built, rent levels and the changing trends in welfare benefits, particularly housing benefit.

Monitoring these activities will inform future changes to the strategy and enable our services to remain appropriate and relevant to changing circumstances. The first review will take place in June 2014 and annually thereafter.

We will publish the findings of each review on City of York Council's website. Go to www.york.gov.uk/housing

3.2 Equalities and diversity

We are committed to ensuring this strategy does not impact disproportionately on different equality groups. This strategy has been subject to an Equalities Impact Assessment (EIA) and this can be found on the council's website at www.york.gov.uk/housing

We would expect all RPs to undertake and publish an EIA of their own tenancy policies.

Appendix 1: Glossary of terms

AR	Affordable rent – rents charged to local authority or PRP tenants that can be up to 80% of market rents in that area
ASB	Anti-social behaviour
AST	Assured short hold tenancy
CBL	Choice based lettings – This is the framework through which most social rented homes are allocated in York and North Yorkshire
DCLG	Department for Communities and Local Government
FTT	Fixed term tenancy – a form of tenancy that can be offered by Private Registered Providers
FT	Flexible tenancy – a form of tenancy that can be offered by local authority housing providers
HCA	Homes and Communities Agency
HB	Housing Benefit
HOS	Housing Options Service – The council’s Housing advice and support service
LA	Local authority – The city council
LHA	Local housing allowance – Housing Benefit for private sector tenants
NAHP	National affordable homes programme – The programme through which government fund the provision of new affordable homes
PRS	Private rented sector

RP	Registered Provider – of housing. Usually refers to a housing association (or <i>Private Registered Provider</i>) though local authorities that own stock are also included
SHMA	Strategic Housing Market Assessment
ST	Secure tenancy – a form of tenancy that gives long term security of tenure
SR	Social Rent – rents charged to local authority or PRP tenants at levels well below market rents
SP	Supporting People – A local team that administers funding for housing related support services
SRR	Single room rate (of Housing Benefit). People aged under 35 are only entitled to housing benefit based on the cost of a single room with shared use living room, kitchen and bathroom and WC
TA	Temporary accommodation – what some homeless households are placed into when there is no alternative secure accommodation available

Appendix 2: Schedule of Registered Providers’ tenancy policies and where they can be found

A schedule detailing where the policies of all RPs active in the York area can be accessed will be published in the final strategy, in line with the requirements of the Localism Act.

Appendix 3: Main tenancy types currently offered in York

The main types of tenancy currently used by providers are as follows:

- **Assured Short hold Tenancies (ASTs)** – These are in common use in the private sector and by some Housing Associations with their market rented stock. The key feature is that the tenancy lasts for a fixed term following which the landlord is entitled to possession of the property.
- **Assured Tenancies** - These provide similar legal rights to ASTs, but the tenant can stay in the property for an unspecified period of time. There is no automatic right for the landlord to repossess the property at the end of the tenancy.
- **Regulated Tenancies** – These provide the same security of tenure as assured tenancies but also provide a legal right to apply for a fair rent to be registered. Automatic succession rights apply to a spouse or another qualifying family member in the event of the death of the tenancy holder.

- **Introductory Tenancy** - An introductory tenancy is a one-year ‘trial’ council tenancy. As long as the terms of the tenancy agreement are met it will automatically be followed up with a secure tenancy or can be extended.
- **Probationary Tenancy (or starter tenancy)** is similar to an introductory tenancy but used by Housing Associations. It will generally last for up to 12 months before converting to an assured tenancy or alternatively can be extended.
- **Shared Ownership** – This scheme is a combination of renting and buying. Between 12.5% and 75% of the value of the property is purchased, usually supported by a mortgage, with a monthly rent being paid on the remaining share.



Cabinet

8 January 2013

Report of the Learning & Culture Overview & Scrutiny Committee

York Museums Trust Scrutiny Review Final Report – Cover Report

Summary

1. This cover report presents the final report arising from the York Museums Trust (YMT) scrutiny review – see Annex 1. There are a number of detailed annexes supporting the final report which due to their size, have only been made available online at:
<http://democracy.york.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13307&path=13028,13029>
2. This report asks Cabinet to approve the recommendations arising from the review.

Background & Review Remit

3. In November 2011, the Learning & Culture Overview & Scrutiny Committee received a topic assessment report for a scrutiny topic proposed by Councillor Watson, together with the background information on the formation of the Trust and its performance.
4. In January 2012, the Committee received a further briefing paper providing information on the Trust's relationship with the council and its structure, and the original Executive report from July 2002 setting out the purpose of the Trust.
5. Taking into account all of the information provided, the Learning & Culture Overview & Scrutiny Committee agreed it would not be appropriate to scrutinise the work of the Trust and their internal processes as originally proposed. However they agreed to form a Task Group to carry out a scrutiny review based on the following remit:

'To determine whether YMT have achieved appropriate collections management standards in line with the Collections Loan Agreement and Collections Management Protocol agreed in 2002'.

Review Conclusions

6. On completion of their review, the Task Group concluded that:
 - An audit carried out by Veritau in November 2011 was insufficiently rigorous in its remit to evidence YMT's appropriate documentation of the collections as a whole (see paragraphs 56-61 of the final report)
 - The disposal of unsuitable/damaged items was just as important as the retaining of items and the development of the collections.
 - The knock on effect of not disposing of unwanted/ duplicate and damaged items and the lack of available storage space had contributed to delaying the progression of work on the collections and to the implementation of YMT's plans for the future.
 - The Council's role in the de-accessioning process needs to be clarified, and should continue to include the Council's right to veto the disposal of an item. The Council should also keep a separate record of items signed off, for audit purposes.
 - YMT's Acquisition and Disposal policy needs updating as a matter of urgency (see paragraph 88 of the final report), given that it was supposed to have been rewritten in 2006.
 - YMT should provide a list of all disposals as part of their bi-annual performance reporting to Overview & Scrutiny. The format and content of those reports should also be amended to provide an update specifically focussed on YMT's progress against the Collections Loan Agreement and Collections Management Protocol agreed in 2002.
 - Councillors could help to facilitate the recruitment of volunteers for YMT.
 - It is important that knowledge of the collections is passed on from staff leaving the employ of the Trust to ensure the customer experience remains at a high standard.
 - Achieving Accreditation in collections management and being assessed as a major partner was a considerable achievement by YMT, bearing in mind the Trust took over three very different institutions whose practises in collections management varied

considerably. The Task Group agreed this was a good indication that YMT is achieving an appropriate collections management standard.

Recommendations

7. Therefore, in order to achieve the appropriate collections management standards (in line with the Collections Loan Agreement and Collections Management Protocol agreed in 2002), the Learning & Culture Overview & Scrutiny Committee is now recommending that:
 - i) YMT be requested to provide as a matter of urgency, a presentation to the Learning & Culture Overview & Scrutiny Committee on the key principles that their Acquisition and Disposal policy review will be based on - in order to help frame and support YMT's work on those revisions
 - ii) YMT provide a revised version of the Acquisition and Disposal policy for the Learning & Culture Overview & Scrutiny Committee's consideration at their meeting in May 2013, ahead of it being presented to the appropriate Cabinet Member for approval.
 - iii) the Cabinet Member for Leisure, Culture and Tourism encourages all Councillors to invite YMT's Volunteers Manager to attend a future ward meeting/ community event and/or identify ward residents who may have useful skills, to help facilitate the recruitment of additional volunteers
 - iv) a mechanism be put in place by YMT to disseminate information from experienced employees leaving the Trust, as a means of enhancing the training of new guides and volunteers
 - v) They support appropriate revisions to the YMT Service Level Agreement to ensure YMT prioritise their work on de-accessioning unwanted/ damaged/duplicate collection items, in order to allow the progression of work on the collections and the implementation of YMT's plans for the future.
 - vi) YMT revise their future bi-annual update reports to Overview & Scrutiny, to ensure they:
 - a) identify their progress against the Collections Loan Agreement and Collections Management Protocol agreed in 2002;

- b) include information on any items disposed of since the last update report.
- vii) The appropriate Cabinet Member seek continued improvement in collection management standards and that this be monitored annually

Council Plan 2011-15

- 8. The success of the Trust and its business plan contributes to the Council's priority to create jobs and grow the economy, through its investment in the tourism infrastructure. It also provides opportunities for residents cultural life long learning, across the city.

Risk Management

- 9. The recommendations arising from the review will help to reduce the risk of the cataloguing of the collections not being completed in line with the Partnership Delivery Plan, and will assist YMT in achieving the appropriate collections management standards (in line with the Collections Loan Agreement and Collections Management Protocol agreed in 2002).

Implications Associated with Above Recommendations

- 10. Financial - The recommendations within the report will improve the communication process, thereby assisting the council to identify and accurately report disposal of heritage assets within the Statement of Accounts.
- 11. There are no known Legal, HR, property or other implications associated with the recommendations made in this report which may affect the Council.

Review Consultation

- 12. The review ran from March to November 2012. The Task Group met with YMT representatives, and Veritau, and their work was supported by the Council's Assistant Director of Communities, Culture & Public Realm & YMT officers. As part of their review, the Task Group visited the Castle Museum, Yorkshire Museum and Art Gallery, and all of the Trust's external storage sites.

Options

13. Having considered the scrutiny final report attached, the Cabinet may choose:
- i. To approve the recommendations as presented in the final report
 - ii. Not to approve some or all of the recommendations arising from the review

Recommendations

14. The Cabinet are recommended to:
- i. Note the contents of the final report
 - ii. Consider the recommendations arising from the review, as shown in paragraph 6 above.

Reason: To conclude the Scrutiny Review in line with CYC Scrutiny procedures and protocols

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Report Approved



Date

21 December
2012

Wards Affected:

For further information please contact the author of the report

All

Background Papers: See information contained within the draft final report attached

Annexes

Annex 1 –Final Report

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Learning & Culture Overview & Scrutiny Committee November 2012**York Museums Trust Scrutiny Review –Final Report****Summary**

1. This report provides an update on the ongoing scrutiny review of York Museums Trust, and asks the Committee to agree a method for progressing the review and a timeframe for its completion.

Background to the Formation of York Museums Trust

2. In 2002 City of York Council entered into a partnership agreement with the newly constituted York Museums Trust (YMT) in order to ensure the long-term stability and prosperity of the City's museums and collections. The background to the decision to create YMT (a company limited by guarantee with charitable status) was the need to turnaround the business performance of the museums which had been losing an average of 37,000 visits every year over the previous ten years and were costing an extra £120k each year.
3. In July 2002, the Executive agreed to transfer operation of the museum service to the York Museums and Gallery Trust (YMT). By that date, YMT had already been formed, by a group of York citizens, as a company limited by guarantee with charitable status, governed by a board of trustees comprising a chair and ten to twelve members including two Councillors, a nominee of the Yorkshire Philosophical Society (YPS), and an individual nominated by the unions in consultation with the staff. YMT also has a trading company which covenants all profits back to the parent charity.
4. The key principles of the transfer were:
 - YMT would manage the Art Gallery, Castle Museum, St Mary's Church, and the Yorkshire Museum and Gardens.
 - The Council would retain ownership of the buildings and collections. It would loan these to YMT through formal agreements. In the case of those assets that are subject to existing trust deeds the Council would be the custodian trustee and YMT the managing trustee.
 - TUPE would apply to the transfer of staff.
 - YMT would continue to provide the residents of York with free entry to the main collections.

- Agreements between the Council and YMT would ensure that the Council's expectations and outcomes would be met.
5. The key agreements that govern the legal relationship between YMT and the Council are as follows:
 6. **The Memorandum of Association** describes the Trust, its reasons for existing and its charitable objects. It is based on a standard model and is intentionally broad in order to give the Trust all necessary powers to be able to function as an independent organisation.
 7. **The Articles of Association** prescribes how YMT operates as an organisation. With regard to the appointment of trustees, they state that in every notice for an annual general meeting, the Board shall set out its requirements for the skills, qualities and experience which it needs from its members. The notice shall state the extent to which those requirements are met by those Trustees continuing in office and those retiring and intending to re-offer themselves for election.
 8. In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, both the members and trustees shall seek to ensure that the Board of Trustees is representative of the local community and users of the services and facilities offered by the Company, and also comprises persons with a broad range of skills who are likely to contribute to the Company's success. The specific way that YMT would carry out its business was also covered in a Partnership Delivery Plan (PDP). In 2005 the PDP was updated. The current PDP (shown at Annex A) sets out what YMT and the Council have agreed will be delivered, the targets YMT will reach and the reporting arrangements.
 9. **The Funding Agreement** sets out how the Council funds the Trust.
 10. **The Transfer Agreement** formally transferred to YMT the activity of providing museum and gallery services together with the staff and the assets.
 11. **The Leases**- Separate leases were agreed in respect of the Art Gallery, the Castle Museum, St Mary's Castlegate Church, external store D and external store C (NB: the names of all of the external stores has been redacted from this report to ensure the security of those sites – see key to sites at confidential Annex I). The term was originally for 25 years from 1 August, 2002 and the rent was a peppercorn. However, when the YMT applied for Heritage Lottery Funding the HLF insisted on a longer term of lease so members agreed 35 year leases. A licence was granted for the Darnborough Street store which was subsequently surrendered by YMT. YMT subsequently entered into a lease in its own right for external store A.

12. **The Collections Loan Agreement** provides for a loan period of 25 years and sets out the Trust's obligations. Although the leases were changed to 35 years, the collections loan agreement remained at 25 years. In reality this only really affects the Art Gallery collection because the Yorkshire Museum collection is part of the Yorkshire Museum and Gardens Charity and the Castle Museum collection is part of the Kirk Deed. A collections management protocol forms a schedule of the Funding Agreement and sets out how the collections are to be managed. YMT collects only on behalf of the Council. In 2005, YMT drafted an Acquisition and Disposal policy for 2005-6 which was meant to be replaced in 2006 with a more considered policy. As yet, this work has not been undertaken and the temporary policy remains in place.
13. **The Scheme for the Yorkshire Museum and Gardens Charity:** The Yorkshire Museum and Gardens were originally owned and operated by the Yorkshire Philosophical Society (YPS). In 1960 the YPS formed a charity, the Yorkshire Museum and Gardens Charity, vesting the assets to York City Council as sole trustee. The scheme governing the charity provided for the Council to administer the assets but gave the YPS a significant oversight role within the management arrangements. Trusteeship subsequently passed to North Yorkshire County Council. When it returned to City of York Council (CYC) in 1996, the Council attempted to fulfil the terms of the scheme through its newly formed, unified museums service. This caused significant tension with the YPS. It was clear that a new scheme was needed.
14. Once YMT was up and running a new scheme for the Yorkshire Museum and Gardens Charity became imperative. Unfortunately it took 7 years to negotiate this new scheme with the YPS and the Charity Commission during which time YMT had to operate the assets under a licence from CYC.
15. Under the new scheme the Yorkshire Museum and Gardens Charity forms part of York Museums Trust for the purposes of registration and accounting. This means that YMT only have to file a single set of accounts rather than a separate set for YMT and the Yorkshire Museum and Gardens Charity respectively.
16. **The Kirk Deed:** The Charity Commission required this be updated and therefore a revised version has been in place since 9 October 2009.

Background to Review

17. In November 2011, this Committee received a topic assessment report for a scrutiny topic proposed by Councillor Watson, together with the background information above on the formation of the Trust and its performance.

18. In January 2012, the Committee received a further briefing paper providing information on the Trust's relationship with the council and the structures in place, and the original Executive report from July 2002 setting out the purpose of the Trust.
19. Based on the information provided at both those meetings, Members agreed it would not be appropriate to scrutinise the work of the Trust and their internal processes as suggested in Cllr Watson's topic registration form. However, having taken into account all the information, Members agreed to proceed with a scrutiny review based on the following remit:
- 'To determine whether YMT have achieved appropriate collections management standards in line with the Collections Loan Agreement and Collections Management Protocol agreed in 2002'.*
20. In March 2012, the Committee received information and a presentation from the Commercial Director at York Museums Trust which identified that:
- CYC is a custodian trustee and YMT is a managing trustee for most but not all of the collections. In the case of the Art Gallery collections they simply belong to CYC and are loaned to YMT.
 - There are over 1.5 million objects in the hugely varied collections
 - The different collections require different types of care. Some collections will naturally decay over time e.g. the biological collection. These require specialist care to delay their decay. Other collection types will retain their current condition if stored and displayed in an appropriate manner.
 - YMT have set themselves a number of priorities:
 - a. To store the collections in an appropriate environment and manner
 - b. To document each collection
 - c. To develop each collection

Information Gathered

21. As part of this scrutiny review, the Committee agreed to look at YMT's progress in achieving the above priorities and the information gathered on each is shown in the following sections of this report:
- a) Storage – see paragraphs 22 - 51
 - b) Documentation – see paragraphs 52 - 67
 - c) Development – see paragraphs 68 - 90

a) Storage

22. The Committee agreed a Task Group of Cllr Watson, Cllr Fitzpatrick and Cllr Taylor to carry out a visit to view the storage facilities at the Castle Museum, Yorkshire Museum and Art Gallery, and at YMT's four external sites, in order to assess the conditions in which the collections were being kept.
23. In 2002, the storage facilities required urgent attention due to the poor conditions many of the collections were being stored in on-site. Many have subsequently been re-homed in modern storage facilities at external sites around the city.
24. On 18 April 2012, the Task Group were given a tour of the storage facilities at the Castle Museum, Art Gallery and Yorkshire Museum by the Head of Collections Management who has been in post for the past seven years and has seen the improvements put in place by YMT during that time.
25. Castle Museum
The Task Group was shown the numerous collections stored on-site:
 - Decorative Arts – stored in built-in locked wooden cupboards along a staff corridor (some tissue wrapped for additional protection), with larger pieces stored on high shelves above the cupboards covered in cloth.
 - Special Ceramics - stored in a locked room off a public corridor. Within the room, items are stored in locked modern storage cupboards with Perspex in the doors. These cupboards were fairly expensive but ideal for purpose as the contents can be easily identified without the need to unlock/open the cupboards. Other large and unusually shaped items e.g. decorative glass walking canes were laid on cloth covered table tops, and other smaller items were stored in coded boxes.
 - Military (Uniforms, Accessories & Weapons) – stored in number of adjoining rooms, accessed via a locked door off a public corridor. Room 1 containing swords and sabres stored on purpose built racks. Room 2 contained military uniforms hung from rails (Crimean war through to World War II). Room 3 was a box store for accessories (boxes coded to assist in identification of contents). Room 4, accessed via a locked metal door marked 'Explosives' behind which was a locked metal gate, contained handguns, muskets, machine guns, cannon balls etc. The handguns were laid in wooden drawer units and the larger firearms stored on racks.

- Scientific instruments - the Task Group was shown where a mezzanine level above a staff corridor behind Kirkgate had previously existed, on which the collection had been stored. The only access to the storage space had been via a pull-down ladder which was far from ideal. However the collection had recently been moved to allow the mezzanine level to be removed and the staff corridor to be re-designed to become a new back alley display as part of the Kirkgate exhibition.

26. Members acknowledged the serious logistical exercise to move the collections in and out of storage based on the programme of planned exhibitions. They recognised the difficulties of carrying out that process, particularly before the introduction of purpose built external storage facilities when more had been stored at the museum in cramped conditions.

27. Art Gallery

As part of their tour of the Art Gallery's storage facilities, the Task Group received information on YMT's forthcoming reconfiguration of the Art Gallery which had been planned in order to address some of the building's limitations. For example:

- The picture store - the room contained over 1000 easel paintings stored in racks based on theme and size, with protective rubber sheeting between frames. The room also contained packing crates used to transport pieces borrowed by the Art Gallery or lent out. The Task Group learnt that pictures have continued to be stored in that room even though it is not ideal, due to the huge air handling units in situ. YMT acknowledged that although that provided a suitable environment in regard to temperature and humidity, it was not ideal due to the possibility of water damage to the art work should the machinery break. The Task Group was informed that the opportunity to improve the current situation would come as part of the planned re-configuration of the art gallery when the machinery is due to be repositioned on the roof of the building. The plan also includes the installation of a new racking system to allow better access to the easel paintings.
- Upstairs store room - containing 15,000+ works on paper stored in 252 boxes, together with a wall full of book shelves for reference books etc. A lot of the works on paper being stored are topographical by both local and nationally known artists. The contents of each box are stored based on subject e.g. Bootham Bar and the individual pieces are separated by tissue paper. Individual pieces are put on display to complement the exhibited themes on display in the Art Gallery.
- Studio Ceramics - the Task Group learnt that YMT holds the best collection of studio ceramics outside of the V&A, but they do not

currently have enough space in the museums to display it all. As part of the Art Gallery re-configuration, the plan is to have a large room on the first floor where the whole Decorative Arts collection can be displayed together.

- Social History store - also due to be improved as part of the Art Gallery re-configuration.

28. Yorkshire Museum

The Task Group visited two store rooms in the basement accessed via a staff only area:

- Geology Room - containing racking for large pieces and wooden cabinets / drawer units containing small more fragile pieces, protected by foam surrounds.
- Archaeology Room – containing metal shelving units used to store mostly geology pieces now. Items stored in boxes and wooden drawer units.

29. Both rooms were monitored for temperature and humidity with a Curators work area between the two rooms which had previously also been used for storage before the transfer of some of the archaeological collection to external storage facility D.

30. The Task Group were also informed of a High Security Room where Bronze and Iron Age jewels and coins were stored.

31. The Task Group noted there was no sprinkler system fitted at the Art Gallery due to the damage water would cause to the art work on display and in storage. Instead there were fire extinguishers positioned around the building which if needed, would be used with extreme care in order to prevent/limit damage to the art work where ever possible.

32. Many of the items held by YMT are referenced in national research which helps build up their worth and the Museums' standing within the Museum world. The Task Group were informed that it is common practice within the museum world not to take out insurance for collections held by the owning museum, basically because most items would be considered priceless as they could not be replaced if damaged/ruined. However, it is common practice for Museums to insure pieces they are borrowing from others in case they are damaged whilst in their possession or in transit. There is also Government indemnity for borrowed items although national security standards must be met to receive that indemnity.

33. External Storage Facilities

On 24 April 2012, the Task Group toured the four external storage sites used by YMT. They were informed that all the items moved from the Museums out into external storage, had been documented first. They also noted that:

- a) The buildings at each of the external sites were alarmed and there was no signage to indicate their ownership and/or what they are being used to store.
- b) YMT employed a collections cleaner who regularly visited all of the external sites to carry out housekeeping to prevent/delay deterioration of the stored items (hoovering and dusting at both sites A and C, and sweeping pathways clear at the other two sites).
- c) YMT staff regularly checked for signs of infestation - special care was taken to identify wood worm etc so that it could be treated. Pest traps were set and the presence of beetles and moths was monitored. Also, YMT fumigated and/or froze items where appropriate, before putting them in storage.

34. External Storage Site A

Built in the late 1980s, the site is the main repository of the Castle Museum, and considered by YMT to be a well performing store. It provided a nice environment (no damp and some heating) to store pieces from the social history collections previously stored at the Castle Museum. The main storage space contained a mezzanine level to make the most of the space within the unit. Items were organised and stored in social history categories e.g. personal life, work life etc. There was a hanging store for costumes and textiles and some were stored in large boxes stacked on shelves. There were also some bicycles and many pieces of furniture, some of which appeared to be in a state unsuitable for display e.g. a chaise longue with ripped upholstery.

35. External Storage Site B

There were 4 purpose built storage units occupied by YMT at the site. The facilities were used by YMT as a deep storage facility for items unlikely to be put on display, for large items which had previously been stored elsewhere, and for bulky archaeological items etc.

36. The units were big and the conditions good. The first two units had background heating to prevent frost, and were partly racked out with steel shelving. They were being used to store finer large pieces from the Castle Museum e.g.:

- A Butchers Wagon (Cross Purveyors) donated by Cross family who have the butchers shop in the Market.

- A steam fire engine and a number of fire tenders
- A number of marble fire surrounds
- A selection of hand tools
- An old motor vehicle
- A 1897 steam car
- The world famous traditional gypsy caravan which used to be on display in the 1960s gallery at the Castle Museum and has now been in storage for 3yrs



- A large printing press and pieces of old shop fittings and internal fittings from a bank, left over from fitting out Kirkgate, in the Castle Museum

37. Most of the items were covered to keep them as dust free as possible. They have an issue with cluster flies at the site due to its countryside location, but thankfully they don't eat into things, but it does result in a lot of dead flies.



38. The other two units had no heating and had been fitted out with 6m high racking. The units contained items from the Yorkshire Museum and the hutments (behind the Art Gallery) e.g.:

- A number of sarcophagi
- A roman oven
- Large pieces of stone from St Marys Abbey
- A gravestone for a local Major's horse



39. Some of the items weighed 1-2 tonnes and needed placing in situ by forklift.

40. The Task group noted there was room to store much more out at the site, and were pleased to hear that YMT planned to move more items out there from site C to enable better use of that more centrally located storage site.

41. External Storage Site C

Built in the late 1980s, site C was being used to store items from the Yorkshire Museum's archaeological and natural science collections. The natural science pieces were stored in large walk-in wooden boxes. The individual items were either boxed or in small display cases, stored on roller racking e.g.:

- Dinosaur bones
- Bird skeletons
- Butterflies & shells
- Stuffed animals
- Remains of extinct species

42. Above the wooden boxes on a mezzanine level, the Task Group were shown a large storage area with racking containing large pieces of stone. The weight of the stone was an issue and so YMT had already shipped some of the larger pieces out to site B. All of the stone except for around 200 North Yorkshire pieces had come from buildings / sites across the city e.g.:

- St Mary's Abbey
- A roman archway
- The Minster



43. The Task Group learnt that work was continuing to sort the items and to move some of the less impressive pieces out to site B. YMT felt this would provide them with sufficient space to reconstruct some of the building parts e.g. the roman archway, so that they were available to view and more accessible to researchers etc.

44. There was also shelving for Roman, Medieval and Saxon pottery e.g. bowls, jars, urns etc.



44. And drawer units containing Neolithic pieces e.g. hand axes, inlaid in to foam surrounds for their protection.



45. Elsewhere in the unit on the first floor, there was a large room containing the remaining pieces of the Gordon Baldwin collection (currently being exhibited at the Art Gallery), together with other large ceramic pieces.



46. At the time of the visit, there were also a significant number of boxes containing pieces waiting to be recorded.



47. On the ground floor, there were a number of smaller rooms containing pieces from the Decorative Arts Collection stored in metal cupboards with Perspex doors to enable easy viewing of the contents. The pieces had all been documented and the shelves were labelled.

48. External Storage Site D

The Council bought the site in the 1970s with the intention of extending the Castle Museum experience by shipping visitors down the river to the site to visit an outdoor venue where large pieces could be put on display. This idea never came to fruition, but the Council retained the site for use as an external store. The Task Group found the building to be run down. Made of asbestos-like material with a corrugated roof, the Task Group were informed that the roof and building were not waterproof, and that rain runs down the slope of the land leading to the building and under the door. For that reason stored items have tended to be sat on pallets to provide some protection from the water. To date, the building has never been affected by the river flooding.

49. Before their visit, the Task Group was informed that the store was only used to keep robust pieces such as agricultural equipment and other large/ industrial pieces.



50. However on inspection, the Task Group was surprised at some of the contents stored there. For example:

- Shop fittings
- A triumph car



- Wooden furniture
- 3-piece suite
- A wheelchair & Perambulator

- A Hearse
- Ornate railings & lampposts



- A collection of bicycles
- A number of handcarts & horse-drawn carts

51. Although there were two walk-in wooden boxes providing some protection from the elements for a minimal number of small items, the Task Group noted that most of the items in store at site D were unprotected and nothing had been done to delay their further decay.



b) Documentation

52. At the meeting in March 2012, YMT's Commercial Director provided information on the Documentation Plan. The Committee noted that the plan contained an official estimate of 170yrs to carry out full documentation of the collections. Also that YMT set annual targets to progress this work.
53. During their tours, the Task Group learnt that the fine art collection and most of the archaeology and science collections were now documented. However, the Social History collection which is so large and varied remained a challenge. The Task Group queried the progress made across all collections and as a result received information on the level of documentation carried out across all the Castle Museum's Collections – see Annex C. In regard to the Art Gallery, YMT's first five year plan for 2005-2010 saw retrospective documentation there almost completed, and the documentation software (Adlib) improved and updated. YMT now have a couple of years of focussed project work with the developments at the Art Gallery and Castle Museum. The Task Group did not receive any information on the level of documentation for the collections held by the Yorkshire Museum.
54. YMT intends to submit another 5 year plan when they re-apply for Accreditation in spring 2014 (see paragraphs 91 - 98 below for further information on Accreditation). This will include plans for completing the documenting of the Social History collection.

55. On their visit to the Castle Museum, the Task Group learnt that cataloguing is not necessarily done by collection - sometimes it is project based. For example, in the case of the Decorative Arts collection, the content of each store cupboard is recorded. As and when individual items are taken from the cupboards for use in specific displays e.g. wine glasses on a dining table setting in a Victorian room, YMT catalogue everything used in the display. Over time through this approach, the cataloguing of a collection grows. If items are missing from the cupboard the next time the contents are checked, they are marked down as not present on that specific date. Cataloguing is checked against previous records and auditors make random checks. This method of cataloguing and recording is commonplace within the Museum world.
56. The Task Group were reassured to learn that in November 2011, Veritau (internal audit service) looked at the issues around documenting the collections and gave substantial assurance that the right controls and working methods etc were in place, and were good. However, when the Task Group considered the Veritau report in detail (see Annex D), they noted that Veritau's testing was limited due to lack of access (page 3 para 2.1). As the Task Group had also had issues around gaining access they expressed concern about the thoroughness of the audit, and queried Veritau's overall opinion that the controls within the system provided substantial assurance (page 2 para 1.3)
57. In September 2012, the Task Group met with the report author from Veritau. They asked for clarification on Veritau's role as auditor for YMT recognising it would be different from that of auditor for the Council. Veritau confirmed that YMT was an external client whose work they had to tender for. However, they are no longer YMT's auditors as their contract came to an end in April 2012. During the time they held the contract, Veritau met annually with YMT to identify high risk areas and then went on to look at the appropriate systems and controls in place to help manage the identified risks.
58. In regard to the Audit, Veritau confirmed that its focus audit was to check the integrity of the records on Adlib. Initially they spoke with the Curators to get their perception on the issues and then decided what they would look at in detail. Veritau explained it was standard practice to sample rather than audit a whole collection. They chose a sample of items from stores and collections and looked at them on Adlib and vice versa. They confirmed that only a few anomalies were found and only a very low percentage of items remained unfound. When asked, Veritau could not say what percentage of collection items were on Adlib or on other systems.

59. The Task Group raised concerns around the decision not to visit all sites (see paragraph 2.1 of Audit report) as they recognised during their own visits that each of the stores worked in a different way, and therefore unless each was sampled it would not be possible to form an overall picture. Veritau clarified they were not refused access; rather that a decision was taken to focus on higher value and higher risk items which happened to be stored elsewhere. As a result, a majority of their sampling was carried out at the external storage site A. They did not visit any of the other external stores, and their audit did not include sampling of the Archaeology collection at external storage site B. They acknowledged their final report was not explicit about the areas not covered by the audit, even though they felt their report made clear which areas were looked at.
60. Veritau confirmed that YMT initially raised concerns about the accuracy and consistency of their record keeping. However those concerns were allayed as Veritau carried out sampling across the archaeology, history and art collections. And, although they identified some minor errors, they found no significant weaknesses and felt the systems did not need a major overhaul. They therefore confirmed that in their view, their original judgement of 'Substantial assurance' was justified.
61. The Task Group agreed that at face value the audit results appeared to be very good. However, having met with Veritau and considered the audit report in detail, the Task Group concluded that the audit was insufficiently rigorous to evidence YMT's appropriate documentation of the collections, bearing in mind it's narrow remit, the fact that not all collections are on Adlib, not all collections were sampled, not all sites were visited, and that its aim was to 'support rather than challenge'.
62. Use of Volunteers for Documenting the Collections
The Task Group learnt that all the curators are involved in documenting the collections, and previously some of the collections assistants have been. YMT's aim is to make all the existing data available to the public and allow digital access, and funding has been sourced to make this happen.
63. In September 2012, the Task Group met with the Trust's Volunteer Manager. She provided information on YMT's volunteers' programme initiated at the end of 2006 (800 volunteers since that time). Initially the Volunteer Manager started with 14 volunteers and worked part-time moving to full-time 3 years ago. She was solely responsible for the marketing and development of the volunteer programme, recruitment, induction and volunteer support and therefore the number of volunteers was limited to 200 at any one time based on her capacity. However, in June 2012 following receipt of some Arts Council funding, YMT recruited

a full-time co-ordinator which in turn has allowed YMT to take a more pro-active approach to recruiting volunteers.

64. The Task Group was informed that as York is quite an active and affluent city, it does not have the normal museum volunteer demographic. 60% are under 40; often volunteering to gain skills and experience or to improve their CV, or perhaps to find a way into museum work. A majority are sourced via YMT's website. Universities send placements, who tend to stay for a year and in addition YMT market to groups e.g. Probus Club. YMT are also keen to increase their number of older volunteers (50+). The Task Group recognised that Councillors may be able to help facilitate the recruitment of more volunteers, perhaps through the Volunteer Manager attending future ward meetings/ community events.
65. Recruitment tends to be aimed at supporting specific projects - there are around 30 different volunteer projects in a year. Lots of roles don't require specific experience they just need to be keen and willing, and to have people skills. Others work with specific teams carrying out condition cataloguing and low level conservation work e.g. archaeology, natural science, social history. YMT also seek out specific groups with particular skills e.g. the National Association of Decorative Arts Association. There are currently 250 active volunteers across all sites - 30 are long serving volunteers who have done 7 years or more, 140 are visitor facing. Placements for 15/16 yr olds are also offered through schools, and at external storage site C, students and volunteers are helping to record, photograph and repack collection pieces. The observatory is fully operated by volunteers and the Studio programme at Castle Museum is mainly run by volunteers. The aim is to have 400 volunteers by 2015 but this will be dependant on the staffing structure capacity to provide the necessary support.
66. During the tour of the stores, the Task Group were told that YMT planned to use volunteers to progress the work of documenting the collections. However, it became clear that the programme of training had yet to be defined, and recruitment had not yet begun. The Task Group queried when this specific recruitment would start, what skills would be required, and from where YMT expected to source suitable volunteers.
67. The Volunteer Manager confirmed it has always been YMT's ambition to have a team of volunteers focussing on retrospective documentation, but this has been delayed due to a lack of resources. However, the Volunteer Manager confirmed it is happening on a small scale as part of specific project work e.g. those involved with the social history team are condition checking and recording. As and when it formally starts, the volunteers will receive basic object handling training (as delivered to all new volunteers) and training on the Adlib Database from the Registrar.

They will also receive individual training specific to the collection they are to document, from the curators responsible for overseeing their work i.e. what would be expected of them, what terms to use, what to record, how to access the collections and handle them safely, and what to do if they noticed a deterioration in the condition of the objects or if they needed packing differently.

c) Development of the Collections

68. Throughout their tours, the Task Group learnt how the various collections have continued to grow through donations and YMT purchases. Also, that each collection has a specific collecting policy. For example:

- The firearms collection has been added to through gun amnesties. Police advise Museums of the weapons handed in, and Museums can then request specific pieces to add to their collection.
- Bequests from local families - In some cases a particularly fine piece of furniture will be bequeathed by a family to the Museum together with a number of other pieces. In the past, it has been common practice for YMT to accept a bequest in total, in order to attain the fine piece but this has left them with the problem of storing the rest. Over time, this has contributed to the storage problems outlined in paragraphs 34 & 49 above, and paragraphs 73-76 below.
- When an old (traditionally fitted out) shop has closed down, the museum has taken the opportunity where appropriate to acquire stock and the shop fittings for future use within the Kirkgate display at the Castle Museum. The shoe shop display in Kirkgate was created in this way. However, the storage of such items prior to them being brought back into use remains an issue, as detailed in the analysis section below.
- Excavations in and around the city also add to the collections. For example, the Hungate excavation is expected to provide a number of items which if suitable, may be added to the archaeological collections.

69. Education

During their tours, the Task Group received information on the educational provision provided by YMT at external storage site C and of their plans to provide more opportunities for visitors to access that site. Currently researchers can visit the store and YMT are involved in a joint piece of work with English Heritage. However, YMT would like to increase their offer to schools and local history groups so that they can visit the store to view and learn about the collections. This would become easier to facilitate once more items have been documented and

moved. YMT make no charge for the viewing of items in storage for educational purposes

70. Staffing Restructure

As one of the Arts Council major partners, YMT received 1.5m from the Arts Council to replace the Renaissance funding they previously received. The Arts Council associated different priorities with that funding which resulted in the need for a staffing restructure.

71. The new structure will still include a Head Curator, Curators and Assistant Curators as before, who all have specific qualifications relevant to the collections they manage i.e. professional and academic skills are matched against the collections (e.g. the Head Curator is a qualified archaeologist). In addition, the restructure will see the introduction of a Data Control Officer and a number of Collection Facilitators.

72. The Facilitators will have a lower level of professional skills e.g. customer skills/interest in social history, and will be at graduate level or have experience of museums. This approach is indicative of a national move to making museum collections more accessible and exciting, and their role will be a huge benefit to YMT as they will increase the amount of contact the organisation has with the public. Having visited the museums and seen the work of the curators, guides and volunteers, the Task Group recognised the importance of the information and knowledge being passed on from employees.

73. Limited Free Storage Space

The Task Group recognised there was little available storage space at the Museums, Art Gallery, and external storage sites A, C and D. They therefore queried whether there had previously been other storage sites used by YMT which had since been disposed of either by themselves or the Council, and the reasons for their disposal.

74. They learnt of several other stores that had come to YMT when it was formed, which had subsequently been deemed unsuitable for use. These were:

- An old maltings building on Darnbrough Street - used to store material very much like that at external storage site D. It had only ever been a temporary store (taken on originally by the Castle Museum) and was let to YMT on a short-term licence. The building was in a very poor and unsecure state with birds getting in, and so YMT decided to clear it. Some of the objects at site D came from Darnbrough Street at that time. The Council covered YMT's removal costs when it was vacated during 2006/7 because the then Housing Department required its return.

- A couple of storage containers – They were cleared at the same time as Darnbrough Street with the collections moving to external storage site A. Those units were expensive to rent and impractical as YMT had to pay a fee each time they wanted to access to the contents.
- Marygate Annexe - This was cleared of archaeology objects at the end of 2011. The building was in a very poor state (repeated acts of vandalism and unauthorised access) and the collections and staff that looked after them was both deemed at risk.
- St Marys lodge – Used to store the biology boxes now stored at external storage site C. The basement rooms where the boxes had been stored were very damp and the conditions were unsuitable for the type of material, especially over winter. Access for staff and researchers was also very limited.

75. Poor Storage Conditions at External Storage Site D

The Task Group noted that site D is the last of the inherited stores for YMT to tackle. Based on what they saw at the site, the Task Group agreed that in their view the items stored there would definitely have decayed less quickly had they been stored elsewhere. Or, if the same level of care had been applied as they had witnessed at the other storage sites e.g. bubble wrapping, protection from the weather, temperature controlled etc. For example, they learnt that some internal wooden shop fittings recently placed in storage at the site had been brought back out and reconfigured for use in the newly extended Kirkgate exhibition. The Task Group believe this would not have been possible had those fittings been in storage at the site for any length of time, due to the adverse effects of the poor conditions.

76. In September 2012 when the Task Group met with YMT representatives, the Task Group questioned the decision making process for deciding which items should be stored at the site and therefore left in its minimally protective environment. They also expressed their concern that in their view, a majority of the items at the site were now unfit for future displays e.g. the vehicles, carts, bicycles, pieces of wooden furniture, a 3-piece suite etc.

77. The Head Curator agreed that external storage site D is in poor condition, congested and unkempt, and confirmed that when he first took up his post in 2004, it was physically impossible to get into a number of the external stores to access the collections. For the first two years his time was spent tidying up and documenting. He agreed that some of the items stored at site D should be on display or moved to another store,

but confirmed that the issues at the site would be addressed as part of a planned wholesale transfer of stored items to the appropriate external stores. This work is scheduled to start in 2013 and the necessary funding has been sourced. It will involve carrying out significant assessments which are expensive in terms of staffing etc. It will also require forklift drivers etc and the use of Lorries - it is possible to move 26 pallets in one lorry but it is time consuming loading and unloading so it is only possible to move two loads a day. It is expected the work to complete this wholesale movement of collection items will be completed by April 2014.

78. YMT also informed the Task Group that:

- two applications to the Heritage Lottery Fund had been made between 2005-2007 for large scale storage projects which would have enabled the building of another unit on the land around external storage site C, thereby doubling their storage allowing the collections stores at the museum sites to be cleared and their other off site stores to be rationalised. Unfortunately, both bids were unsuccessful, delaying completion of this work. YMT acknowledge it is usually difficult or near impossible to get grant aid for storage projects so they have had to take the approach of funding solutions themselves, which has meant they have had to phase developments and make them on a scale they can afford to finance, rather than going for one big fix.
- As part of the forthcoming 1914-1918 project at the Castle Museum, YMT will be seeking alternative off site storage for the other collections to open up the top floor and this is likely to be another rented unit.
- Improvements to the storage of the Fine and Decorative Arts collection at the Art Gallery will be achieved as part of the planned redevelopment of the site in 2013-2015. YMT have included a rationalisation plan for assessing and reducing the amount of bulk archaeology in store in their forward plan for 2013-2018 which will relieve pressure on external storage site C and create space to allow them to take in material currently with YAT.

79. Overall The Task group agreed that in their view, there were many items stored at the various external storage sites that were unlikely to ever go out on display due to their poor condition e.g. at external storage site A the Task Group saw a chaise longue with ripped upholstery. YMT confirmed they would not choose to repair such an item as the use of the materials available today, would de-value it and make it unsuitable for display. The Task Group recognised that at some point YMT would need

to decide whether such items should remain in storage or be disposed of.

80. The Task Group therefore suggested that consideration should be given to disposing of many of the items at external storage site D and some of those at site A, because they were now unfit for display (technically referred to as 'de-accessioning'). This would free up space to allow the remaining items to be better protected and stored at site D, and make the process of cataloguing the collections easier. In response, the Head Curator highlighted that people have expectations that what they donate will be retained so there is an agreed process to go through when considering disposal.
81. De-accessioning Collection Items
The Task Group learnt of the national guidelines for de-accessioning which YMT follow i.e. a Curator suggests a suitable item for de-accessioning which is considered by the full team of curators. If they agree, they make a proposal to the YMT Directors, who in turn if they agree, propose items for de-accessioning to the Trustees. YMT confirmed that the final stage is to seek the council's approval. To facilitate the whole process YMT use a disposal request form which the curator with the specific knowledge of the collection completes for each suggested disposal, and which form the basis of discussion at the team meetings. These are used as the formal record of the reasons for disposal and are signed off at the meeting and form the record of the decision to pass the disposal forward. There are some rare exceptions where consent may be obtained retrospectively i.e. if an item is dangerous e.g. gunpowder, or if an item is moth ridden or a risk to other parts of the collection. When a decision is taken to dispose of an item, YMT always photograph and record the item first.
82. The Task Group checked with the Assistant Director for Communities, Culture and Public Realm as to the Council's role in the de-accessioning process and found a discrepancy. They learnt that in the Council's view, they were being notified of a disposal rather than receiving a request to agree to the disposal of an item. Furthermore, it was confirmed that there have been very few notifications received. The Task Group also learnt that the council does not keep a separate record of disposed items.
83. In recognising that the disposal of unwanted/duplicate/ damaged items was crucial to free up space within YMT's storage facilities - thereby allowing documentation work to be progressed more quickly and the collections to be further developed, the Task Group wanted to gauge whether YMT are pro-actively disposing of items. They therefore requested information on any items that had been through the de-

accessioning process outlined in paragraph 81 above and learnt that 279 items had been disposed of since 2003 (see Annex E attached). Some of the items disposed of from Darnbrough Street had been sold to White House Antiques, others to L Clancey and Sons. The remaining objects went either to other museums or for Local Authority disposal -effectively skipped.

84. In addition, the Task Group learnt of a number of items currently in the process of being de-accessioned i.e. approved for disposal but which at end of July 2012 were still partway through the process and had not yet left their possession– see Annex F. The Task Group noted the time taken for each item to go through the de-accession process and queried why it took so long.
85. YMT acknowledged it is a lengthy process. Once approval has been obtained from the Trustees and the Council YMT have to advertise for a couple of months (in the Museums Journal). There may need to be a process of negotiation e.g. visits from other museums and it takes time to arrange suitable transportation of items. There is always a need to evaluate from an academic point of view, and to have the right checks and balances in place. There is also a level of risk associated with disposing of items too quickly. For example, a decision was taken to dispose of some bird bones – the significance of which was not originally recognised. It transpired that the bones were the only known set of bones for a now extinct bird. Fortunately this was discovered before the bones were disposed of. Museum developments or new exhibitions can also be a factor e.g. the recent development of Kirkgate meant that some items that were to be disposed of, were put back into use (see paragraph 75).
86. The Task Group identified another discrepancy when they compared the dates of the disposals shown in Annex C (which included two items disposed of during 2010), against the Draft Statement of Accounts presented to the Audit & Governance Committee in July 2012, (which stated there had been no disposals of heritage assets in 2010/11 or 2011/12). The Task Group expressed concern as to the accuracy of the information being provided in the Statement of Accounts, and attributed the error in reporting to the Council not keeping a separate record of disposals.
87. Bearing in mind that the Museum Collections are considered as part of the Council's heritage assets, the Task Group concluded that the Council's role in the de-accessioning process should be clarified, and should include giving final sign off to the disposal of an item and keeping a separate record of items signed off, for audit purposes. In

addition, YMT should provide a list of all disposals as part of their bi-annual performance reporting to Overview & Scrutiny.

88. The Task Group also noted that the current Acquisition and Disposal policy drafted by YMT in 2005 was only created for use on a temporary basis until such time as a more considered policy could be produced (as referred to in paragraph 12 above). In acknowledging that this piece of work is long overdue, YMT indicated they would not be able to resource undertaking this policy review work until autumn 2012.
89. Taking all the above issues into account, the Task Group agreed that the ability to develop the collections was not only about sourcing suitable items, but was subject to a number of other key factors i.e. having sufficient (and suitable) storage facilities and exhibition space, having the right staffing structure in place and sufficient volunteers to allow the public full access to the collections.
90. The Task Group were please to acknowledge that YMT had made improvements in all these areas to enable this to happen, even taking into account the issues identified by this review.

Accreditation

91. Accreditation is a national scheme now administered by the Arts Council which looks at the way museums and galleries are run and the standard of the activities they do (how they look after their collections, the learning provision and the services they offer visitors).
92. The Task Group considered the Accreditation standard which sets out what is expected of an accredited museum in all categories considered, together with Guidance on Accreditation in regard to collections, which YMT will follow for their next round of applications in spring 2014 – see Annexes G & H.
93. The Task Group looked at the submission findings from the two times YMT had sought Accreditation since the Trust was formed, and noted that the only feedback received in response to YMT's first application made in summer 2005, was a letter dated 20 Sept 2005 commending them on the quality of their application, and a note to keep MLA (who were administering the scheme at the time) informed of progress towards:
 - a new 35 year lease from the City of York Council;
 - developing a programme to recruit volunteers and;
 - progress on retrospective documentation

94. In noting that the new lease had subsequently been received, The Task Group agreed the other issues had only been partly achieved.
95. In regard to YMT's second return made in summer 2009 which provided an update on the information in the original 2005 application, YMT confirmed that at the time it was submitted, a new accreditation standard was in preparation which was subsequently delayed as a result of the demise of MLA and the switch of roles to ACE. YMT also confirmed they received no feedback on their 2009 update and believe their submission was simply logged by MLA due to the fact that MLA were effectively preparing to be wound up.
96. In September 2012 when the Task Group met with YMT representatives, they queried YMT's applications for accreditation. They learnt that there are 5000 museums in the country - 1800 of those are accredited (some museums chose not to go for accreditation as it's a very high standard to attain). The accreditation application is a very rigorous process. The form is very long and each application has to have a lot of supporting documents. They also learnt that accreditation is needed for many funding streams. Arts Council funding is match funded, and funding will not be granted if it is not a viable business.
97. At the time YMT took over, neither of the Museums or the Art Gallery were operating at the standard required for Accreditation so there was considerable work to be done during 2002-2005 to put the standards and procedures in place before the first application for Accreditation was made in summer 2005. YMT worked with a regional officer (someone who had worked in museums for 20 years). He acted as a mentor and he interrogated YMT against the required standards. He also represented YMT at the accreditation panel and was questioned on their behalf. The Arts Council look at the quality of the visitor experience and the facilities, whether the staff were well-trained, if they were used to dealing with people with particular needs and if the operation was running safely. Specifically in terms of collections management, Accreditation means YMT had to have certain policies and procedures in place and their curators needed to be working to the same standards as all accredited museums across the country.
98. YMT was assessed as a major partner. They were assessed as outstanding in 3 of the 5 categories and designated as good in the other two. YMT have remained fully accredited since that time and have continued to meet those standards in the two reviews held since the Trust was formed. They have to submit bi-annual returns, and if they apply for a loan or make changes to the buildings they are inspected by a major partner regional officer. In addition, every other year they have

to provide an update on any significant developments e.g. exhibitions, disasters or funding issues.

99. Responding to the Remit for the Review

Finally, in order to consider whether YMT have achieved appropriate collections management standards in line with the Collections Loan Agreement and Collections Management Protocol agreed in 2002 (in line with the remit for the review), and bearing in mind that it has been 10 years since the Agreement and Protocol was agreed, the Task Group felt it would be useful to know what (if any) factors YMT believed had during that time limited their progress in achieving the collections management standards detailed in the Agreement and Protocol, and/or achieving their priorities listed at paragraph 20 above. YMT named two issues in response - a) Storage and b) Retrospective Documentation.

Review Conclusions

100. As a result of their review, the Learning & Culture Overview & Scrutiny Committee agreed with their Task Group's conclusions that:

- The Veritau audit was insufficiently rigorous in its remit to evidence YMT's appropriate documentation of the collections as a whole (see paragraphs 56-61)
- The disposal of unsuitable/damaged items was just as important as the retaining of items and the development of the collections.
- The knock on effect of not disposing of unwanted/ duplicate and damaged items and the lack of available storage space had contributed to delaying the progression of work on the collections and to the implementation of YMT's plans for the future.
- The Council's role in the de-accessioning process needs to be clarified, and should continue to include the council's right to veto the disposal of an item. The Council should also keep a separate record of items signed off, for audit purposes.
- The Acquisition and Disposal policy needs updating as a matter of urgency (see paragraph 88 above), given that it was supposed to have been rewritten in 2006 and it should be presented to the appropriate Cabinet Member for approval.
- YMT should provide a list of all disposals as part of their bi-annual performance reporting to Overview & Scrutiny. The format and content of those reports should also be amended to provide an

update specifically focussed on YMT's progress against the Collections Loan Agreement and Collections Management Protocol agreed in 2002.

- Councillors could help to facilitate the recruitment of volunteers for YMT.
- It is important that knowledge of the collections is passed on from staff leaving the employ of the Trust to ensure the customer experience remains at a high standard.
- Achieving Accreditation in collections management and being assessed as a major partner was a considerable achievement by YMT, bearing in mind the Trust took over three very different institutions whose practises in collections management varied considerably. The Task Group agreed this was a good indication that YMT is achieving an appropriate collections management standard.

Recommendations

101. In order to achieve the appropriate collections management standards (in line with the Collections Loan Agreement and Collections Management Protocol agreed in 2002), the Learning & Culture Overview & Scrutiny Committee recommends to Cabinet that:

- i) YMT be requested to provide as a matter of urgency, a presentation to the Learning & Culture Overview & Scrutiny Committee on the key principles that their Acquisition and Disposal policy review will be based on - In order to help frame and support YMT's work on those revisions
- ii) YMT provide a revised version of the Acquisition and Disposal policy for the Learning & Culture Overview & Scrutiny Committee's consideration at their meeting in May 2013, ahead of it being presented to the appropriate Cabinet Member for approval.
- iii) the Cabinet Member for Leisure & Culture encourages all Councillors to invite YMT's Volunteers Manager to attend a future ward meeting/ community event and/or identify ward residents who may have useful skills, to help facilitate the recruitment of additional volunteers

- iv) a mechanism be put in place by YMT to disseminate information from experienced employees leaving the Trust, as a means of enhancing the training of new guides and volunteers
- v) They support appropriate revisions to the YMT Service Level Agreement to ensure YMT prioritise their work on de-accessioning unwanted/ damaged/duplicate collection items, in order to allow the progression of work on the collections and the implementation of YMT's plans for the future.
- vi) YMT revise their future bi-annual update reports to Overview & Scrutiny, to ensure they:
 - a) identify their progress against the Collections Loan Agreement and Collections Management Protocol agreed in 2002;
 - b) include information on any items disposed of since the last update report.
- vii) The appropriate Cabinet Member seek continued improvement in collection management standards and that this be monitored annually

Council Plan 2011-15

102. The success of the Trust and its business plan contributes to the council's priority to create jobs and grow the economy, through its investment in the tourism infrastructure. It also provides opportunities for residents cultural life long learning, across the city.

Risk Management

103. The recommendations arising from the review will help to reduce the risk of the cataloguing of the collections not being completed in line with the Partnership Delivery Plan, and will assist YMT in achieving the appropriate collections management standards (in line with the Collections Loan Agreement and Collections Management Protocol agreed in 2002).

Implications Associated with Above Recommendations

104. Financial - The recommendations within the report will improve the communication process, thereby assisting the council to identify and accurately report disposal of heritage assets within the Statement of Accounts.

105. There are no known Legal, HR, Property or other implications which may affect the Council, associated with the recommendations made in this report.

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Report Approved



Date November 2012

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

Topic Assessment Report dated 7 December 2011
Executive Report July 2002

Annexes:

Annex A – Current Partnership Delivery Plan 2008-13

Annex B – Acquisition and Disposal Policy 2005

Annex C – Information on the level of documentation carried out across all the Castle Museum's Collections

Annex D – Veritau Report Dated March 2012

Annex E – Record of Disposals Made by YMT Since 2003

Annex F – List of Items Currently in the process of being De-accessioned

Annex G – Accreditation Standard

Annex H – Arts Council Guidance on Accreditation

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