

**Notice of public meeting of
Cabinet**

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

Date: Tuesday, 1 October 2013

Time: 5.30 pm

Venue: The George Hudson Board Room - 1st Floor West Offices (F045)

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 3 October 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. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration of the following:

Annex B to agenda item 7 (Disposal of Council Properties) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Part 1 of Schedule 12A to Section 100A of the Local Government Act 1972 (as amended).

3. Minutes (Pages 3 - 8)

To approve and sign the minutes of the last Cabinet meeting held on 3 September 2013.

4. 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 30 September 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.

5. Forward Plan (Pages 9 - 16)

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

6. Delivering for the People of York: Response to the Peer Review, Residents' Big York Survey and Staff Survey (Pages 17 - 78)

This report sets out how the Council will respond to the feedback it has received from the LGA Peer Review, Big York Survey and its Staff Survey. The report proposes specific actions the Council is going to take to enable the council, residents and communities to work together as equal partners to meet their future needs and priorities.

7. Disposal of Council Properties (Pages 79 - 96)

This report sets out progress over the last 4 years in the disposal of surplus Council property assets and seeks specific approval from Members for the dispose of properties at St Anthony's House and 13/15 Redeness Street.

8. Technical Reforms to Council Tax (Pages 97 - 104)

This report provides Cabinet with an update on the current position of the changes to Council Tax Exemptions approved in November 2012 and to consider what, if any, changes should be made for 2014/15 including council tax support.

9. Economic Infrastructure Fund: Progress and New Project (Pages 105 - 136)

This report provides Cabinet with an update on the impact of the Economic Infrastructure Fund (EIF) to date and includes details of a new bid for EIF funding for the Acomb Community Economic Development project.

10. Long Term Waste Service: First Long Stop Date
(Pages 137 - 142)

This report seeks Member approval to determine the next steps to be followed regarding the long term waste contract, following the passing of the First Long Stop date regarding a Satisfactory Planning Permission. Under the current contractual arrangements, a decision is required on the options available to both this Council and North Yorkshire County Council.

11. The Tour de France - Update (Pages 143 - 154)

This report provides a further update on the York element of the Tour de France (TDF) following the report to Cabinet on 12 February 2013. The report details the strategic objectives for delivering the event in York, provides project updates and seeks approval for funding the delivery of the programme.

12. 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

Contact details are set out above.

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- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

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

Access Arrangements

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

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Holding the Cabinet to Account

The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

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

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

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<http://democracy.york.gov.uk/ieDocHome.aspx?bcr=1>

City of York Council

Committee Minutes

Meeting	Cabinet
Date	3 September 2013
Present	Councillors Alexander (Chair), Crisp, Cunningham-Cross, Levene, Looker, Merrett, Simpson-Laing (Vice-Chair) and Williams
In attendance	Councillors Barton, Cuthbertson, Runciman and Warters

Part A - Matters Dealt With Under Delegated Powers

33. 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. No additional interests were declared.

34. Minutes

RESOLVED: That the minutes of the last Cabinet meeting held on 16 July 2013 be approved and signed by the Chair as a correct record.

35. Public Participation/Other Speakers

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme, however two Members of Council had requested to speak on items, details of which are set out below:

4. Forward Plan (Minute 36 refers)

In relation to the forward planning of items for the Cabinet agenda, Cllr Warters questioned the date on which Cabinet would review the policy on Houses in Multiple Occupation (HMO). As the HMO database did not appear to have been updated since 2011 he asked that Officers should not determine any further HMO applications, pending this update.

In reply to Cllr Warters comments, Cabinet Members confirmed that Department for Communities and Local Government guidance advocated the delegation of 90% of planning applications. There was therefore a need to meet these targets to ensure that applications were dealt with in a timely manner.

7. Closer Working with Leeds Bradford International Airport (Minute 39 refers)

Cllr Cuthbertson pointed out that the business case for the funding of a proposed promotional campaign at Leeds Bradford Airport provided limited evidence for subsequent objective analysis. Disappointment was also expressed that the report did not include an update on the transport link between the airport and the city.

36. 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.

37. 2013/14 Finance Monitor 1

Consideration was given to a report which provided details of the headline financial performance issues for 2013/14, covering the period 1 April 2013 to 30 June 2013. The report also assessed performance against budgets, progress of the Council's savings programme and revenue reserves and gave an update on the localisation of business rates.

Early financial pressures totalling £3,722k had been identified across all budgets although extensive work was being carried out to ensure that these were mitigated by the end of the financial year.

An overview of the forecast by Directorate had been set out at Table 1 of the report with key pressures in the areas of Highways, Waste and Fleet, Communities and Neighbourhoods, children under the care of the council and adult social care were set out in detail in paragraphs 5 to 8.

It was confirmed that, if the mitigation strategies did not deliver the required improvements, the Director of Customer and

Business Support Services would report to Cabinet outside of the normal reporting schedule.

The Cabinet Member detailed the key pressures and proposed mitigating actions, highlighting the city's competitive economy.

Following further discussion it was

Resolved: That Cabinet agree to:

- (i) Note the current projected pressures of £3,722k and note that strategies are being prepared to mitigate this position;
- (ii) Approve the virement of £100k between directorates as set out in paragraph 25 of the report. ¹.

Reason: In order to ensure expenditure is kept within budget.

Action Required

1. Vire the expenditure budget between Directorates.

DM

38. Capital Programme - Monitor One 2013/14

[See also Part B minute]

Members considered a report which set out the projected capital programme outturn position for 2013/14, including any under or overspends and adjustments, together with requests to re-profile budget between years, set out in full at Annex A of the report.

The approved 2013/14 capital programme, updated in July, of £75.7m had been increased in this monitor by £1.4m resulting in a revised capital programme of £77.1m. The variances by Directorate were set out at Table 1 of the report, with a summary of the key exceptions and implications for the capital programme set out at paragraphs 8 to 24.

As a result of the changes, the revised 5 year capital programme was set out at Table 2 with details of the financing of the programme at Table 3.

Resolved: That Cabinet agree to:

- Note the 2013/14 revised budget of £77.184m as set out in paragraph 6 and at Table 1 of the report;
- Note the restated capital programme for 2013/14 – 2017/18 as set out in paragraph 28, Table 2 and detailed in Annex A of the report.

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

39. Closer Working With Leeds Bradford International Airport

Consideration was given to a report which set out details of promotional activity to be undertaken at Leeds Bradford International Airport (LBIA) as part of the city's efforts to maximize access to international markets. A business case at Annex A to the report set out further details of the proposals together with proposed outcomes and outputs.

The promotion would initially involve the provision of £10k funding from the Economic Infrastructure Fund (EIF) for the development of a campaign to promote the City of York as a destination to visit, do business and study. This would be followed by a further £75k per annum over 4 years to roll out the campaign, depending on the results of monitoring and evaluation. Contributions would also be sought from partner organisations across the city.

The Cabinet Leader made reference to the earlier speaker's comments, in relation to the transport links between the city and the airport, referring to previous operational issues. He confirmed that work was ongoing with other authorities to reinstate this link; this would however be in the medium to longer term.

Resolved: That Cabinet agree the Economic Infrastructure bid of £85K for the promotional activity with Leeds Bradford International Airport, as detailed in the report.¹

Reason: To maximize access to international markets and meet the city's ambitions of being a top 5 UK city and top 10 European city by 2015.

Action Required

1. Provide EIF funding for campaign. KS

Part B - Matters Referred to Council

40. Capital Programme - Monitor One 2013/14

[See also Part A minute]

Members considered a report which set out the projected capital programme outturn position for 2013/14, including any under or overspends and adjustments, together with requests to re-profile budget between years, set out in full at Annex A of the report.

The approved 2013/14 capital programme, updated in July, of £75.7m had been increased in this monitor by £1.4m resulting in a revised capital programme of £77.1m. The variances by Directorate were set out at Table 1 of the report, with a summary of the key exceptions and implications for the capital programme set out at paragraphs 8 to 24.

As a result of the changes, the revised 5 year capital programme was set out at Table 2 with details of the financing of the programme at Table 3.

Recommended: That Cabinet agree to recommend to Council:

- The adjustments in the Capital programme of an increase of £1.473m in 2013/14 as detailed in the report and contained in Annex A.
- Approval the following Housing & Public Protection schemes:
 - (i) The allocation of £385k of external grants for Housing Grants & Associated investments programme;

(ii) The use of £255k of housing balances to fund the HRA Property Buy Back scheme;

(iii) Note the removal of £153k of grant resulting in a reduction of the Disabled Facilities Grant programme of works. ¹.

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

Action Required

1. Refer to Council.

JP

Cllr J Alexander, Chair

[The meeting started at 5.30 pm and finished at 6.00 pm].

Cabinet Meeting: 1 October 2013

FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 5 November 2013

Title & Description	Author	Portfolio Holder
<p>Supported Housing Strategy Purpose of Report: To set out priorities and objectives for supported housing. Members are asked to approve the strategy. This report has been deferred from the October to November meeting of Cabinet in order that some amendments can be made to the report.</p>	Louise Waltham	Cabinet Member for Health, Housing and Adult Social Services
<p>Draft Local Flood Risk Management Strategy Purpose of the Report: The Council is required to produce a Local Flood Risk Management Strategy under Section 9 of the Flood and Water Management Act 2010. In consultation with flood risk management partners a draft strategy has been produced. Following Cabinet approval of this, it will be subject to public consultation and final Cabinet approval. Members are asked to give approval of the draft strategy to enable public consultation to commence. This report has been slipped to the November Cabinet because the draft Flood Risk Management Strategy requires internal and external consultation to be carried out and the results incorporated into the document to be taken to Cabinet. It is intended to discuss the draft in a workshop format to bring together all interested parties. While the writing of the draft is progressing well it will not be possible to set up a workshop in the timescale required by the Cabinet process, which is further aggravated by the summer holidays. In order to ensure that a robust document can be presented to Cabinet it is</p>	Mike Tavener	Cabinet Member for Transport, Planning & Sustainability

<p>requested that the item be slipped to the November meeting, by which time satisfactory consultation will have been achieved. There is no statutory deadline for the production of the strategy and minimal risk to the Council in delaying its production.</p>		
<p>Capital Programme Monitor 2 2013/14 Purpose of Report: To provide members with an update on the capital programme.</p> <p>Members are asked to note the issues and approve any adjustments as required.</p>	<p>Ross Brown</p>	<p>Cabinet Member for Finance, Performance & Customer Services</p>
<p>Treasury Management and Prudential Indicators - Mid Year Review Purpose of Report: To provide members with an update on the 2013/14 finance & performance information.</p> <p>Members are asked to: note the issues.</p>	<p>Debbie Mitchell</p>	<p>Cabinet Member for Finance, Performance & Customer Services</p>
<p>Options for the future use of Burnholme Community College Site Purpose of Report: To outline feasible options for the future use and development of the Burnholme Community College site following the closure of the college in the summer of 2014.</p> <p>Members are asked to indicate which option they prefer so that detailed plans can be made to deliver that option.</p>	<p>Philip Callow</p>	<p>Cabinet Member for Finance, Performance & Customer Services</p>

<p>Approval for Funding to re-develop the Osbaldwick Travellers Site Purpose of Report: That Cabinet approve funding to expand the Osbaldwick Travellers site by 6 additional pitches, grazing land and amenity space.</p> <p>Members are asked to approve the request to invest capital funding into a scheme to redevelop the Osbaldwick Travellers site, towards which we have been awarded £342k of grant funding from the Homes and Communities Agency (HCA).</p>	<p>Kate Grandfield</p>	<p>Cabinet Member for Health, Housing and Adult Social Services</p>
<p>Combined Authority Transport Case Purpose of the report is to consider the transport implications of York's proposed membership of the West Yorkshire Combined Authority.</p> <p>Cabinet will be asked to consider the transport implications and agree any resulting actions.</p>	<p>Richard Wood</p>	<p>Cabinet Member for Transport, Planning & Sustainability</p>
<p>Q2 Finance & Performance monitor 2013/14 Purpose of Report: To provide members with an update on the 2013/14 finance and performance information.</p> <p>Members are asked to note the issues.</p>	<p>Debbie Mitchell</p>	<p>Cabinet Member for Finance, Performance & Customer Services</p>
<p>Get York Building: Phase 3 - De-risking Investment in Development Purpose of Report: To invest in remaining key sites to allow development to start.</p> <p>Members are asked to allocate available obtainable funding, on a prioritised basis, to remove final viability issues preventing growth in housing and new jobs.</p> <p>This report has been deferred until November Cabinet as it is necessary for the Economic Infrastructure Fund Proposals report to be considered by Cabinet on 1 October 2013 in the first instance as this has associated funding implications.</p>	<p>Darren Richardson</p>	<p>Cabinet Leader</p>

<p>Reinvigorate York - Update on Phase 1 (2012-2013) Purpose of Report: To report back on the results achieved by the Reinvigorate York Board members and stakeholders relating to Phase 1.</p> <p>Cabinet is asked to note the progress and consider progressing to Phase 2.</p> <p>This report has been deferred until November Cabinet as it is necessary for the Economic Infrastructure Fund Proposals report to be considered by Cabinet on 1 October 2013 in the first instance as this has associated funding implications.</p>	<p>Andy Binner</p>	<p>Cabinet Member for Transport, Planning & Sustainability</p>
<p>Community Stadium Project Update Report Purpose of the report is to update members on the progress of the stadium project, the financial package and the specification.</p> <p>Members are asked to approve the officer recommendations within the report.</p>	<p>Darren Richardson</p>	<p>Cabinet Member for Leisure, Culture & Tourism</p>

<p><i>Table 2a: Items scheduled on the Forward Plan for the Cabinet Meeting on 3 December 2013</i></p>		
<p>Title & Description</p>	<p>Author</p>	<p>Portfolio Holder</p>
<p><i>No items are scheduled for this meeting at the present time</i></p>		

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Draft Local Flood Risk Management Strategy</p> <p>Purpose of the Report: The Council is required to produce a Local Flood Risk Management Strategy under Section 9 of the Flood and Water Management Act 2010. In consultation with flood risk management partners a draft strategy has been produced. Following Cabinet approval of this, it will be subject to public consultation and final Cabinet approval.</p> <p>Members are asked to give approval of the draft strategy to enable public consultation to commence.</p>	<p>Mike Tavener</p>	<p>Cabinet Member for Transport, Planning & Sustainability</p>	<p>Sept 2013</p>	<p>Nov 2013</p>	<p>This report has been slipped to the November Cabinet because the draft Flood Risk Management Strategy requires internal and external consultation to be carried out and the results incorporated into the document to be taken to Cabinet. It is intended to discuss the draft in a workshop format to bring together all interested parties. While the writing of the draft is progressing well it will not be possible to set up a workshop in the timescale required by the Cabinet process, which is further aggravated by the summer holidays. In order to ensure that a robust document can be presented to Cabinet it is requested that the item be slipped to the November meeting, by which time satisfactory consultation</p>

					will have been achieved. There is no statutory deadline for the production of the strategy and minimal risk to the Council in delaying its production.
<p>Contract with the Community Benefit Society for Libraries and Archive Services</p> <p>Purpose of Report: This report asks the Cabinet to agree the heads of terms with Explore Libraries and Archive Mutual for operation of the Council's libraries and archive services.</p> <p>Members are asked to agree the heads of terms of the contract for operation of the service from 1 April, 2015.</p>	Charlie Croft	Cabinet Member for Leisure, Culture & Tourism	Nov 2013	Feb 2014	To fit in with the Community Benefit Society's Implementation Plan.
<p>Supported Housing Strategy</p> <p>Purpose of Report: To set out priorities and objectives for supported housing.</p> <p>Members are asked to approve the strategy.</p>	Louise Waltham	Cabinet Member for HHASS	Oct 2013	Nov 2013	In order that some amendments can be made to the report.
<p>A Tourism Strategy for York</p> <p>Purpose of Report: To endorse a new Tourism Strategy for York for the following 10 year period.</p> <p>Members are asked to endorse the strategy which has been produced jointly with Visit York and to agree the delivery structures which will secure its implementation.</p>	Charlie Croft	Cabinet Member for Leisure, Culture & Tourism	Nov	Withdrawn	The report is no longer required.

<p>Get York Building: Phase 3 - De-risking Investment in Development Purpose of Report: To invest in remaining key sites to allow development to start.</p> <p>Members are asked to allocate available obtainable funding, on a prioritised basis, to remove final viability issues preventing growth in housing and new jobs.</p>	<p>Darren Richardson</p>	<p>Cabinet Leader</p>	<p>Oct 2013</p>	<p>Nov 2013</p>	<p>This report has been deferred until November Cabinet as it is necessary for the Economic Infrastructure Fund Proposals report to be considered by Cabinet on 1 October 2013 in the first instance as this has associated funding implications.</p>
<p>Reinvigorate York - Update on Phase 1 (2012-2013) Purpose of Report: To report back on the results achieved by the Reinvigorate York Board members and stakeholders relating to Phase 1.</p> <p>Cabinet is asked to note the progress and consider progressing to Phase 2.</p>	<p>Andy Binner</p>	<p>Cabinet Member for Transport, Planning & Sustainability</p>	<p>Oct 2013</p>	<p>Nov 2013</p>	<p>This report has been deferred until November Cabinet as it is necessary for the Economic Infrastructure Fund Proposals report to be considered by Cabinet on 1 October 2013 in the first instance as this has associated funding implications.</p>

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Cabinet**1st October 2013**

Report of the Leader of City of York Council and the Cabinet Member for Finance, Performance and Customer Services

Delivering for the People of York**Response to the Peer Review, Residents' Big York Survey and Staff Survey****Summary**

1. The purpose of this report is to set out how the Council will respond to the feedback it has received from the LGA Peer Review, Big York Survey and its Staff Survey. The report sets out what specific actions the Council is going to take to enable the council, residents and communities to work together as equal partners to meet their future needs and priorities.

Background

2. During the summer, City of York Council undertook three important reviews.
3. The first was the LGA Peer Review that took place in June 2013. The purpose of the Peer Review was to subject City of York Council to external challenge by others within the Local Government Sector. This process included a validation of the systems and processes we have in place, but more importantly served as a mechanism to help us identify further improvements. The conclusions reached by the Peer Review, led by Dave Smith, Chief Executive Officer at Sunderland City Council are attached at Annex 1.
4. The second review was the Big York survey. This was part of an annual process to judge residents' views on the performance of the

Council. Around 3700 residents completed the survey, well over double the numbers in 2012. A summary of the Big York Survey can be found at Annex 2. The results are important in capturing the priorities for those living in the city.

5. The third review was the bi-annual staff survey. Again there was an increase in the proportion of staff completing the survey and it also provides an analysis of the work demands and performance of staff. The staff survey has also provided an opportunity to test the effectiveness of the programmes put in place to develop the skills of staff through the Council Plan objective to improve Core Capabilities.

6. What the Reviews Said

Review	Strengths	Challenges and Areas for Improvement
Peer Challenge	<p>Excellent partnership working</p> <p>Solid performance in Children’s Services with educational attainment good at all levels, including being in the top 20% at Key stage 4, and a strong education partnership</p> <p>One of the first Fairness Commissions in the country</p> <p>Super Connected City Status for broadband and Wi-Fi</p> <p>The relocation of Hiscox Insurance to York</p> <p>The GeniUS web forum</p> <p>The successful build and relocation of the new headquarters at West Offices. Clear, well reviewed two-year financial strategy.</p>	<p>Increased demand alongside reducing grant base necessitates a more transformational approach.</p> <p>Better alignment of budgets with council priority areas.</p> <p>Needs of residents needs to be more explicit in council strategies and plans.</p> <p>Need to develop our neighbourhood engagement and community capacity building.</p> <p>Future of Adult Social Care crucial to the Council.</p> <p>Be prepared to move from traditional solutions to embrace new and untested ways of working.</p>

Review	Strengths	Challenges and Areas for Improvement
	Strong, visible leadership recognised by internal and external partners.	
Big York Survey	<p>Overall satisfaction with quality of life in the city high (90% of residents satisfied or very satisfied).</p> <p>Compares favourably with national average for quality of life (72%).</p> <p>Targeted work on job prospects, housing availability and opportunities for young people is having a positive impact.</p>	<p>Slight reduction year on year with overall satisfaction with the council.</p> <p>Clean and well maintained streets, good traffic flow and health services are becoming more important improvement areas for residents.</p>
Staff Survey	Overall results are positive with four out of seven categories of assessment showing positive improvement (control of work, management and peer support and working together)	Scores have deteriorated on areas related to staff workload reflecting the recent reductions in staff and increase in workload.

Peer Challenge

Scope and focus

7. The Peer Challenge Team was asked to provide an external 'health-check' of the Council by considering the following:
 - City of York Council's understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?

- Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
 - Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
 - Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
 - To what extent is City of York Council a responsive and innovative organisation?
 - Is the approach to community infrastructure and capacity building working?
8. The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent four days onsite in York, during which they spoke to more than 150 people including a range of council staff together with councillors, external partners and stakeholders. The team gathered information and views from 50 meetings, visits to key sites in the area and after a period of research and reading. Collectively the team spent more than 220 hours to determine their findings.

The Findings of the Peer Review

9. The findings of the Peer Review, which are largely positive, highlighted that the Council is in a much better place than it was two to three years ago, with rapid improvement seen in a range of areas. It recognised that there is clear ambition amongst councillors and officers to do the best for both the people of York and the Council. The Leader and Chief Executive provide visible leadership and lead from the front, and their ambition for York is clearly recognised by partners and staff. The review recognised that the Council was aware of the challenges ahead and the organisation is starting to prepare for them, building on a strong desire for improvement and innovation.

Strengths

10. The Peer Review endorsed the strategy driving the Council's main priority of supporting the creation of jobs and growing York's economy. It supported, on an evidential basis, the decision of the

Council to establish its main allegiance with the Leeds City Region LEP. It identified that this approach is widely recognised and applauded by external partners, who describe it as a brave and necessary step in order to gain maximum opportunities for York. It noted that the Council would still seek out partnership opportunities with others where there are shared objectives. It was recognised that a thriving city with economic growth would provide opportunities for those trying to secure employment and would also open up opportunities to address housing shortages.

11. In terms of Financial Strategy, the Peer Review recognised that the 2 year budget is clearly set out, and is balanced, and it appears that opportunities are being maximised, including building up the council tax base in the long term. This is significant for CYC as it has an historic low council tax base and one of the lowest Band D council tax charges in the country. The Peer Review noted that the 2 year strategy had been subjected to a healthy degree of review and challenge. The capital strategy also was determined to be soundly based and included details of plant and machinery investments, as well as public realm improvements.
12. The Peer Review identified that the leadership provided by the Leader of the Council and the Chief Executive is strong, visible and widely commended both internally and externally. Their working relationship is positive and constructive, and both are energised about York and its future. Partners speak highly of being able to engage with the high level ambition of growth for York, and the Peer Challenge Team heard very positive views about the move to West Offices and improved dialogue with and between Council departments as a result. It was also noted that Cabinet members clearly have a good grip of the priorities and agendas affecting their portfolios, and a clear understanding of the priorities in the council plan.
13. The willingness of the Council to continue to change and improve was evident during the Peer Review, with staff and members highly positive about their roles and clearly motivated by working for the council. Favourable comparisons were made by staff about working in York rather than in other councils in the region, and some partners gave favourable comparisons about their working relationship with CYC.

14. The Peer Review found that equality and diversity has a high profile and is becoming mainstreamed in how the Council does its business, as well as being championed by a wide range of individuals, both members and officers, across the organisation. Consideration is also being given to how this will affect York's communities in the future, and how the Council will support this social change. The Council's intention to provide more pitches for the gypsy and traveller community, and the agreed anti-poverty strategy were cited as good examples of the mainstreaming of equality and diversity.

Challenges

15. The Peer Review identified many tangible achievements that have led to greater confidence, both within the Council and externally, raising the profile and standing of the Council in the eyes of others. However, the Peer Review mechanism was introduced by Government with the specific purpose of supporting councils to identify improvements. The following paragraphs set out the main improvement opportunities for City of York Council.
16. The Peer Review identified that the combination of increased demand for services alongside a reducing grant base from Government necessitated a more transformational approach to the design and delivery of services. Despite the success of a number of individual transformational projects evidenced by the Council, the Peer Challenge Team identified a significant risk to future projects. This risk was based on the lack of a council-wide approach to change and transformation. The peer challenge team recommended that a strategic transformation capacity be created, supported by a refreshed community engagement strategy. In this way, the organisation could jointly co-design services for residents in a way that would be able to meet their needs and be financially affordable.
17. The Peer Review also recognised the ambition that underpinned the Council Plan but considered that there needed to be further prioritisation of the plan. The priorities and opportunities in 2013 - 2015 were different to those in 2011 when the plan was approved and the Council should refine its proposals to ensure that they are deliverable and have impact. It was also recognised that the needs of residents needed to be more explicit in council strategies and plans.

18. The Council's Medium Term Financial Strategy (MTFS) had been successful in delivering a balanced budget but the Peer Review demonstrated that there was little alignment between those areas that were considered a council priority and where budget reductions were made. There were examples where budget savings were being made to high priority services. The Peer Challenge Team recommended that in addition to better aligning priorities and budgets, the current year should be reviewed to determine the budget impact on the Council's longer term ambitions for community capacity and co-delivery of services. The longer term council budget strategy is focussed on generating income from growth, the Peer Challenge Team recommended that more investment be considered to create an environment for business to grow.

19. The Peer Review acknowledged that the future of Adult Social Care is absolutely crucial to the Council's and its partners' budgets. In York, it is anticipated that the number of older people in the city will grow by 40% by 2020. Issues such as assurance on transformation plans, quality and safety of care need to be planned for, as these will have an adverse impact on the budget if not handled carefully. They suggested that broader understanding and ownership of the challenges and complexities around Health and Adult Social Care was needed, so that it is not regarded as a departmental, but as a corporate and council-wide issue.

20. In light of the recommendations above, the Peer Challenge Team also considered that the Council reconsider the over-arching approach to neighbourhood engagement and capacity building. This was to ensure that relationships with communities are maintained as the council moves to a new service delivery model and relationship with the city. The Peer Review identified that the need to balance the budget has inevitably led to cuts in traditional, universal neighbourhood service areas as finances become more stretched. For example, as significant cuts have been made in area management, play development, and community development; there is a danger that the consequences of this may run counter to building community capacity to engage in co-production and design. The Peer Challenge Team thought that the council's approach to the transfer of assets to communities needed further development so that stakeholders and staff have a better understanding of what it means, and how it will work. Finally, it was recognised that improvements be made to how the Council consults with residents and communities. There was a perception from some communities

that they were neither properly informed nor able to influence decision making.

The key improvement opportunities for the Council were identified as:

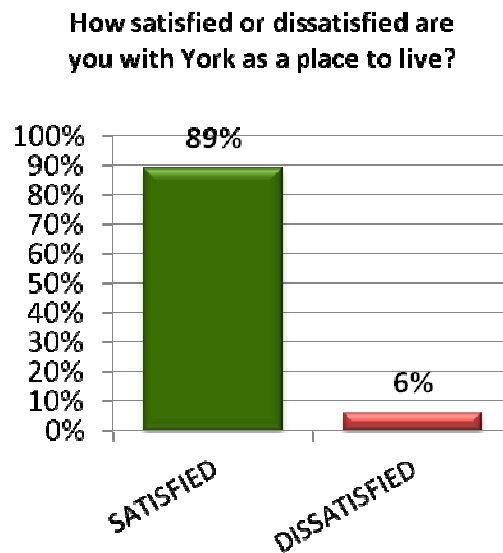
- A re-evaluation of priorities relative to the over-arching priority of economic growth
- Be more pro-active in determining non-priorities
- Create opportunities to share thinking and understanding about what the council's role and function will be in the future, including where and how transformation will take place
- Create corporate resources to programme manage your ambition
- Consider developing a mechanism for the exchange of best practice and learning across services
- Sustaining and encouraging member engagement in developing the new approach to transformation
- Review Overview and Scrutiny's role in supporting policy development Be prepared to do things differently, moving away from traditional solutions to embrace new and untested ways of working.

Big York Survey

21. The Big York Survey was completed by around 2700 residents, more than double the responses to the 2012 survey. A more extensive summary of the survey can be found at Annex 2.
22. Despite the challenging economic climate, the 2013 Big York Survey (BYS) highlights the high quality of life that York still offers to the majority of its residents. This year's BYS shows that overall satisfaction with York as a place continues to be very high with nearly 90% satisfied or very satisfied with the city overall. This value compares well against national average (from comparable surveys) of just 72% for overall resident satisfaction with their city/town as a place to live.
23. York is a city with high expectations. We know that residents pay a premium to live here through higher than average rental and house prices. They demand good schools, transport, green spaces, clean streets and wish to see the city's heritage assets maintained. It will always be a challenge to meet the increasing expectations of our

residents but the council needs to demonstrate that it is trying to achieve them.

24. The survey makes clear that there is confidence in the work we have done in partnership with North Yorkshire Police to make our city safe. There is also strong evidence that residents understand the need to protect the city’s environment and are embracing more sustainable transport methods and are engaging with us to improve energy use and recycling. However the following paragraphs illustrate the areas where attention needs to be urgently focused.
25. The survey does show a slight reduction (3%) in the overall satisfaction level when compared with 2012 BYS results. In a year where we have seen the introduction of the government’s welfare reforms, continually stretched household budgets and increased pressure on local services, it is not altogether surprising to see some reduction in resident satisfaction.



GRAPH 1 – overall satisfaction

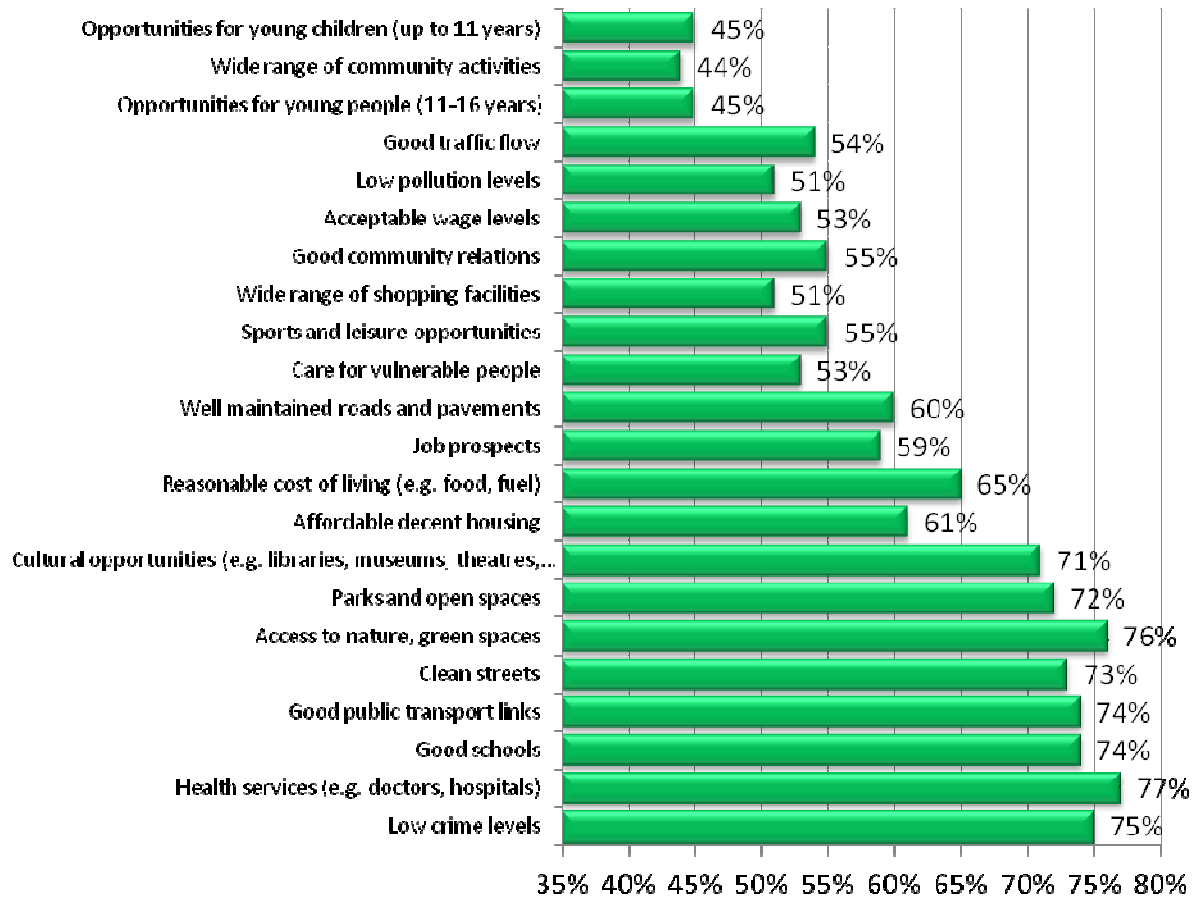
26. Within this data is a more notable reduction in numbers of residents satisfied specifically with their local area as a place to live (now at 83% compared to 91% in 2012) highlighting that whilst people continue to value the city overall, there is a sense that there are areas for improvement at a local level.



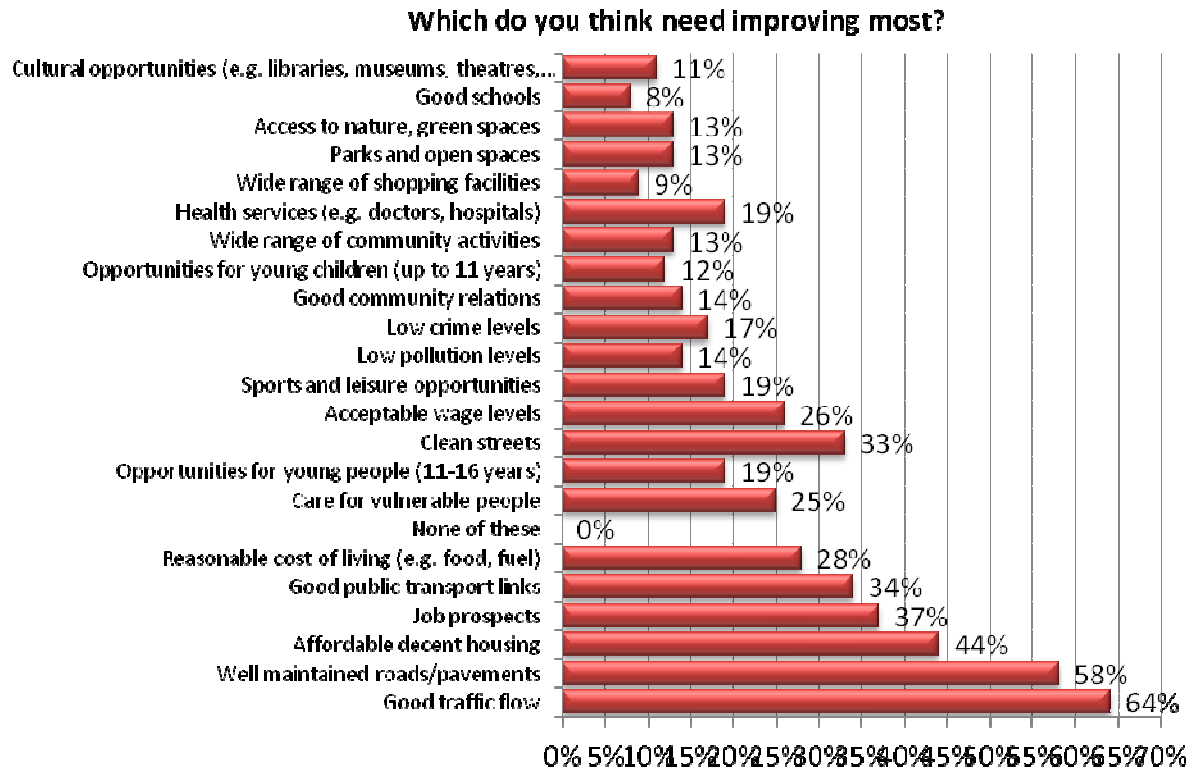
GRAPH 2 – local area satisfaction

27. The detailed results of the BYS also tell us what residents think is important and where they see a clear need for improvement. There are subtle changes in what residents think is most important to them since the last survey was undertaken but marked changes in what they think needs improving. We are now seeing a new set of priority improvement areas being highlighted through the survey, which corresponds with more anecdotal evidence. Later in this report are details of how the council will strengthen its work to improve the issues that residents have identified.

Which of the things below would you say are most important in making somewhere a good place to live

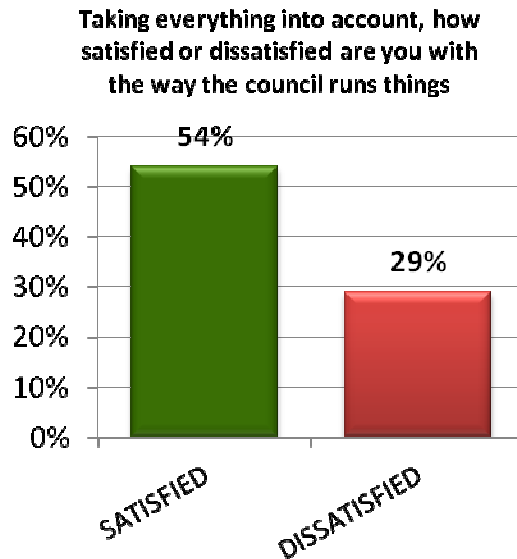


GRAPH 3 – most important features



GRAPH 4 – areas most need improving

28. The 2013 results show us that clean and maintained streets, good traffic flow and health services are becoming areas for improvement for an increasing number of residents. Previous key priority areas of job prospects, housing availability and opportunities for young people are now an improvement priority for fewer residents than in 2012, suggesting that targeted work in these areas is having a positive impact.



GRAPH 5 – satisfaction with council

29. The graph above indicates that overall satisfaction with the Council fell during the last survey. Reductions in satisfaction are consistent across the sector and do reflect the challenge of trying to meet increased demand with reduced resources. There is disaffection across the sector from residents who are concerned that councils are not providing the broad range of services that they have in the past. However, the Council has an ambition to see the vast majority of residents satisfied with the role its plays and will refocus its efforts to improve these ratings. We accept that the city needs to be cleaner and that we need to find better ways of engaging and involving residents in decisions about the city and their local areas. We need to get service delivery right first time for everyone. We also accept that customer consultation is not yet a mature enough dialogue with residents and is not inclusive enough.

City of York Council Staff Survey

30. The council undertook its bi-annual staff survey in June and July 2013. Participation in the survey increased by 5% from the previous survey and the response rate was 42%. The overall results of the staff survey are positive and do not indicate that there are significant areas of concern. Of the seven categories of assessment, four show improvement, one has remained the same and two show slightly reduced scores. The survey shows improvement in the control of work, management and peer support and the way in which staff are

working together. The score for managing change has remained the same. Given the need for effective change management skills within Local Government, work will be undertaken to improve this score. The final two categories relating to the work demands on staff have deteriorated. Given the reductions in staff and increases in many workloads, this is to be expected.

31. Overall, the staff survey shows a positive picture of a workforce who generally feel well supported in their jobs and are keen to contribute to making the organisation as good as it can be. Our transformation and change programmes will review the way that we do things to release capacity so that resources can be placed in areas of priority demand.

What conclusions can be drawn from this feedback?

32. A number of strongly interconnected messages emerge from these three key perspectives on the Council's current achievements, future priorities and capacity to deliver.
33. The overarching message is that we need to embrace transformational change – in how we operate more effectively as an organisation; in our relationship with our communities and in how we deliver services. We have the cooperative council vision. This is about making it a reality.
34. We need to really know, articulate and focus on our priorities – ensuring that they reflect community needs that we invest in achieving them and we are clear about eliminating effort on non-priorities. Listening to residents views in the Big York Survey points to a realignment of priorities to improve street cleanliness and maintenance, reduce traffic congestion and improve health services.
35. Key in both designing and delivering change is our relationship with our Communities – they are a resource that we need to harness through a different approach to community engagement which will build capacity for co-design and co-production of services. This needs to be supported by a different model of neighbourhood working.
36. We need to manage all of our resources more effectively – mobilising the community as a resource, equipping staff with a

transformation and innovation approach and aligning our budgets to our priorities.

How are we responding?

37. The Peer Review and Big York Survey highlight that in the current climate of austerity, the council needs to be realistic about what it can achieve. It is essential that resources are clearly targeted to where they are needed most to make best use of the capacity of the council and its partners. Despite the peer review having found the council's corporate health to be in pretty good shape, it is clear that a number of improvements need to be initiated. It is critical that the council set out what each of these will do and what outcomes they will deliver for our communities.

Medium Term Financial Strategy

38. As set out earlier, the Peer Review recognised the effectiveness of the Councils financial planning, and its approach to a two year budget process. However the challenges in the future, on the back of some £80m savings since 2007, mean that we need to continue to refine our approach to financial planning, and to ensure we continue to maintain of strong financial health.
39. Based upon current assumptions we are looking at savings in the region of £10m pa over coming years, and that whilst there is an expectation this will reduce to an extent post 2016/17, the scale of reduction will clearly be significant. A further more detailed report on this will come to cabinet in November. The savings for 2014/15 were set out in the February 2013 budget report, and will be reviewed and confirmed at the February 2014 budget meeting. The new challenge is to consider 2015/16 and beyond, and the Councils approach to achieving very significant savings.
40. In terms of the Councils long-term financial strategy, there is one critical strategic decision to make. That is to what extent Council views as priority the need for economic growth, and the extent to which it provides funds for the growth agenda, over and above the provision of short term services.
41. It is clear that ensuring self funding, and a successful economy, is critical to the ongoing viability of the council. In that respect, a shift in funding from day to day services, whilst initially perhaps been seen

as a cut in “frontline” services at the expense of more strategic services, may in the long term ensure much greater ongoing financial viability. To date, this has been the approach of the current administration.

42. Evidence shows that this is still the right course of action. A thriving local economy with a 1% increase in business rates, 1% increase in council tax base (i.e. additional properties) 1% increase in car parking income and 1% reduction in council tax benefit payments (through reduced claims) would, over a 10 year period, create an annual increase in resources of £11m per annum. A declining local economy with a 1% increase in unemployment, a static council tax base and 1% fall in business rate/car parking income would cost the council £4m per annum. It is a simplified calculation but it illustrates that pursuing a growth agenda has a clear significant financial return for the Council and that it will remain the priority objective over the next two years.
43. The second overriding Council objective will be to secure excellent outcomes for the more vulnerable across our city. Whether that be those who require Housing, Adult Social Care, Children’s Services or Health Services, the council will continue to invest in initiatives that deliver quality services for these individuals and communities.
44. However the budget process needs to be re-aligned to ensure we are able to both meet the challenging budget reductions that will be needed, and continue to invest in priority areas. Over recent years, budget reductions have been made in a fairly even way across services based on a percentage reduction in budget, albeit in some areas lower reductions have been accepted, recognising a need to protect and to invest in certain priority areas. In future it is proposed that the budget process will involve a three strand approach :-
45. Council Wide Efficiency Target – This will be a general 2% (£4m) efficiency target for all services to reflect the work that should be undertaken each year to improve the cost effectiveness of services. Service Managers will be expected to work with their staff, residents and portfolio holders to identify opportunities to reduce cost, improve income, and remove duplication in service delivery. These should be efficiencies that do not have significant direct impact on services to residents.

46. Priority Based Budgeting – The peer Review recognised that the Council had disinvested in some services but that the financial challenge meant that more needed to be considered in addition to radically reducing service levels in some areas. There has been some debate in York about the services that are not a priority and how they could be delivered without council funding. This is a challenge that many other authorities have faced and it is considered that around £3m pa in 2015/16 and continuing beyond this at a similar level will need to be found in council budgets through priority based budgeting. It is recognised that work with communities and partners will be essential in identifying opportunities for others to get involved in service delivery where it is unaffordable for the council to do.
47. Transformation Programme – a further £3-4m budget saving in 2015/16 will need to be achieved through a new transformation programme. The programme will need to continue to deliver similar savings post 2015/16. The Peer Review recognised that the council needed to establish a strong and coordinated approach to change. It recognised that to ensure that services are fit for the future and to meet the current needs of residents, there has to be a fundamental redesign of processes and systems. The council understands that to achieve the very best outcomes for residents it has to transform the nature and delivery of services.
48. It is anticipated that the approach detailed above will ensure that council budgets are targeted to priority areas of service. It will also ensure that budgets are balanced and that the foundations for further growth are built.

Transformation Programme

49. The Transformation Programme will support the council to achieve its budget savings but that will be just one outcome from its creation. Its main purpose is to reshape council services in a way that meets the current and future needs of residents. Its high level objectives are to -
- Increase quality of services for customers
 - Improve process efficiencies
 - Increase job satisfaction for employees
50. The Programme will embrace the concept of 'Co-design' from the outset. This means that residents will be invited to contribute to the

design of services. It is hoped that this will lead to further involvement from residents in the actual production and delivery of services. Partners will also be invited to collaborate with the council to identify the advantages of alternative service delivery models.

51. A more detailed initiation document will be brought to Cabinet in November. However at this stage it is proposed that the new programme will commence with three projects;
52. Health & Adult Social Care. It is proposed to take a systems approach to the review of all Health and Adult Social Care services to determine what outcomes residents really want and need. Work will then be identified to redesign services and functions.
53. Hazel Court Based Services. This project will review all services based at the council's Hazel Court Depot. The review will establish how street based services and those coordinated around 'place' can be delivered.
54. Business Efficiency. This project will consider three specific aspects of improvement. The first will look at how some of the council's more commercial services such as parking operate. The purpose of the project will be to work with residents to redesign these services in a way that makes them easier to access and to provide value for money. The second area of improvement will be around the control of council expenditure. Although the use of consultancy and interim staff is relatively low, as is the use of overtime, further work will be undertaken to reduce these costs. Finally work will be undertaken to consider where there are further opportunities for the council to consolidate services to remove duplication and improve responsiveness and effectiveness.
55. The Transformation Programme will:
 - Be really clear about the resources the council has going forwards ensuring that the organisation is balancing its ambitions with its capacity to deliver. This capacity will increase over time as communities are able to get more involved with service delivery.
 - Undertake an outcome based service review to ensure that we understand what it is that is currently being delivered and measure the quality and effectiveness of it.

- Undertake a thorough stock take of services to ensure that we really know ourselves.
 - Learn from elsewhere – gathering other council and organisation success stories.
 - Consider the advantages and disadvantages of alternative delivery models.
 - Consider the socio-economic factors that are shaping the city
 - Be underpinned by a culture change and workforce development programme
56. This report seeks approval for delegated authority to be given to the Chief Executive and Portfolio Holder, Cllr Dafydd Williams, to establish a Transformation Team and sufficient capacity to deliver the change detailed above. The Transformation Team will need to recover its costs from better service efficiency and approval is sought to use the DIF and Venture Fund to finance the programme on a full repayment basis.
57. It is proposed that £250,000 be allocated from the venture fund, on a repayment basis through top slicing future savings. A further £250,000 will be allocated from the DIF, recognising the programme will have a strong focus on innovation. It is proposed that specific allocations from the overall Transformation fund will be agreed by the Chief Executive and Director of CBSS.

Management Structures

58. It is two years since the last senior management review. The peer review feedback demonstrates that the council needs to again consider how it organises itself to deliver its priorities. It is apparent that the council is looking towards different alliances and collaborations and needs to have an organisational structure that enables it to work effectively with others. There is also an increasing demand from residents to see better synergies between services to provide more focus on the achievement of outcomes for residents rather than the delivery of isolated services.

59. Therefore, as a response to the Peer Review Feedback and Big York Survey, approval is sought in this paper to delegate responsibility to the Chief Executive to bring forward proposals to restructure the council's management team in a way that will support the delivery of future services.

Resident Engagement and Capacity Building

60. The Peer Review and Big York Survey demonstrate that the council needs to put in place a more effective resident engagement model and processes. There has been much done over the last two or three years to improve the way in which the council is engaging with residents and community groups. However the improvements are not consistent and the model used is considered to be quite traditional. Now, more than ever, residents want to have more say in how their city works and want to be able to engage with the council on their terms. We need to see residents as co-decision makers and problem solvers. We need to draw on their local knowledge and expertise. The council needs to be more creative about the way in which it mobilises the talents in the city.

61. Three principles underpin what we are trying to do. Those are:

- We will place communities at the heart of everything that we do
- We will support residents and communities to find answers to local problems
- We will provide opportunities for all residents to take part in local decision making and to shape local services.

62. We do recognise the importance of community capacity building and the need to provide appropriate opportunities for customers and communities to participate at whatever level they wish in order to influence service delivery, decision making and policy development.

63. We will immediately start a broad 'conversation' with the city to determine how we capture what matters to residents and to shape the way we engage with them in the future. We will keep the best practice we have where residents also think it is best practice. We know that engagement means more than formal meetings and consultation exercises. We have to involve residents on an equal footing so that we can build trust, unlock community capacity and

help all the city's public services find collaborative solutions to the complex challenges they face.

64. As part of the work with residents to develop a better engagement model, the Council Leader, supported by Cabinet Members and the Council Management Team will hold a meeting in every ward in the city during the next year to give residents the opportunity to discuss what matters to them and their communities. This will be in addition to regular ward meetings. Autumn will also be the time when the council begins developing its budget. We know how important these decisions are for residents so this year we will provide an opportunity for residents to meet in every ward to talk to members and staff about their priorities in addition to the usual online information the council provides. We will talk about where our money is spent and what our financial pressures are to allow residents to participate in a meaningful way to the budget process. We will talk to residents about volunteering and collaboration on city events such as the Tour de France. In addition we will welcome residents into West Offices at regular intervals to meet those responsible for delivering council services. Having residents participate in the peer review was hugely valuable. We will therefore increase the opportunity for residents to get to know us and talk about services. We will push the concept of 'conversation' with each and every community in our city. And we will listen to what they have to say.
65. We will look at our customer services functions and seek to ensure that these are in tune with what residents need. As part of an existing Business Improvement Project (to be incorporated into the Transformation Programme), we will fully consolidate and streamline our phone, email and Internet customer contact points and systems to ensure we can provide consistent, timely and effective access to services and information. We will accelerate our plans to develop phone apps and 'do it online' services. Despite providing a huge amount of data on our website, we recognise that it is not as customer friendly as it needs to be. We are taking steps immediately to improve that and will work with a customer focus group to make more changes. We provide more information on how resident's money is spent than almost any other council because we want to be as transparent as we can about how we spend public funds. Every bill paid, every salary over £43k and every expense paid to senior staff and members is published. We recognise that we need to make it easier to work through this data and we will redesign the transparency and Freedom of Information Request pages on our website before

January 1st 2014 to do this. We will do so in partnership with residents.

Consultation

66. Residents are unhappy with the council's consultation processes. We know that we need to be much clearer about what we are going to do with feedback if residents are to have confidence in the process. A paper will be brought to November 2013 Cabinet setting out a new approach to consultation. It will include a model of several different consultation approaches depending on what the council is going to do with the information it receives. If we genuinely don't know what we want to do and are going to act solely on the feedback, we will say that. If we have made our minds up to do something and are consulting because we want residents to help shape the implementation, we will say that. If we are consulting because we are interested in what residents have to say but Cabinet are reserving the right to make the decision they see fit, we will say that. For every consultation, we will make clear why we want residents to engage with us and what we are going to do with the information they give us.

Scrutiny

67. The Peer Review identified that the Scrutiny Process within the council is not as strong as it needs to be. We will work with group leaders to determine what can be done to give confidence to residents that members from all parties are participating in a process to help shape and challenge council performance and the development of policy.

Big Clean

68. We will continue to address residents' clearly stated priority around cleanliness of the city through a concerted "Big City Clean" programme. This will build upon existing work being delivered through Smarter York, notably the Spring and Autumn Clean initiatives that have been piloted this year.
69. The Smarter York programme is currently sharpening up the Council's performance for example deploying new machinery to improve results including pavement scrubbers and rolling out a new generation of bins that look better, reduce litter and increase

recycling. The next steps include will increasing enforcement action against those who drop litter and developing the functionality of the Smarter York app so that residents make more use of it to report problems.

70. At the same time we will be signing businesses up to the Smarter Charter to do their bit to clean up their locality, encourage employee volunteering, and sponsor a park or open space, supporting community groups who are already doing their bit, and encouraging residents to become a Street Buddy and adopt a bit of their street, do some litter picking or weeding, or join a 'Friends of ...' group to look after a local space such as a park.
71. We are continuing to grow the 13,000 hours of Community Payback that are currently deployed in partnership with the Council, focussing on community priorities (in the Spring Clean CP collected over 1,600 bags of litter and rubbish from over 20km of highway verge). We will increasingly draw on resident priorities in each ward to create local Big Clean action plans.

Conclusion

72. We are in unprecedented times for local authorities. As this report identifies, over £80m will have been taken from council budgets by the end of the year. This has had a significant impact on the council and although some services and outcomes are exemplary such as education, employment rates, crime levels and life expectancy, others are in need of transformation.
73. The reviews that took place over the summer show that the council has delivered much and is strongly positioned within the sector. They show an organisation committed to doing the best that it can for the city. The peer review clearly signals that the council and its leadership are self aware and recognise that aspects of the council's approach and performance require improvement. It is recognised that the approach to customer engagement and consultation needs to move beyond formal meetings and papers and a language of permissions and rights to informal, talking, listening, sharing, collaborating model. The priority needs to be about what outcomes the city wants and where the council can collaborate, it will, but where it just needs to support residents and let them get on and mobilise delivery, then it will do that too.

Consultation

74. The Peer Review and Big York Survey involved partners and residents. This report has been shared with partners and stakeholders who work with us and will be discussed face to face with the panel of residents who met the Peer Challenge Team. The report has been shared with the Peer Review Team.

Implications

- **Financial** – *The report seeks approval to use £250k of venture funding and £250k of Delivery & Innovation Funding to fund the Transformation Programme. This will be on an invest to save model.*
- **Human Resources (HR)** – *The report seeks approval to initiate a Senior Management Review. It also recommends that a Transformation ‘capacity’ be resourced.*
- **Equalities** – *The actions in this report further the Council’s commitment to equalities.*
- **Legal** – *None*
- **Crime and Disorder** - *None*
- **Information Technology (IT)** – *The Transformation Programme will depend on ICT services to support a a new phase of on-line services.*
- **Property** – *None*
- **Other** - *None*

Recommendations

75. Recommendations are as follows

- Cabinet agree to establish a new Transformation Programme to prioritise and deliver the Council’s objectives.
- Cabinet agree to establish a repayable budget of £500,000, financed from the Delivery and Innovation Fund (£250,000) and the Venture Fund (£250,000), to finance the Transformation Programme on an Return on Investment of at least £3m pa. Further, to agree to delegate responsibility to the

Chief Executive and Director of CBSS to use that budget on transformation resourcing/activity as appropriate.

- Cabinet agree that the first three projects to form the Transformation Programme will be Health & Adult Social Care, Hazel Court Depot Services and Business Efficiency (to include Parking and the projects within the existing Business Support Review – Policy & Performance, Procurement & Commissioning, Facilities Management, Administration & Customer Services)

Cabinet also agree:

- That the council works with residents on a new engagement approach to deliver the principles in para 61 of this report.
- The proposals to undertake a 'big clean' of the city in Spring 2014 whilst seeking improvement in day to day service delivery.
- The Deputy Chief Executive liaises with Health Services in the city to address resident concerns about the availability of health services in York.

Cabinet note:

- The LGA Peer Review letter at Annex 1 of the report.
- The principle to co-design and co-deliver the new programme with residents
- The intention to bring an assessment of the future budget challenges to November Cabinet.
- The intention to create a new consultation approach (in partnership with residents) and to bring proposals to a future Cabinet meeting.
- The plans for the Leader to meet residents in every ward in the city.
- The intention to broaden the budget consultation in 2013
- The intention to seek support across Group Leaders to revitalise Scrutiny and overview to bring challenge and support to the Council's work.

Reason: In order to respond to the feedback the Council has received from the LGA Peer Review, Big York Survey and its Staff Survey.

Contact Details

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	Report Approved	√	Date 20 September 2013
Wards Affected: All			√
For further information please contact the authors of the report			

Annexes:**Annex 1 - Peer Review Letter****Annex 2 - Big York Survey**

Kersten England
Chief Executive
City of York Council
West Offices
Station Rise
York YO1 6GA

18th July 2013

Dear Kersten

City of York Council
Corporate Peer Challenge 11th – 14th June 2013

On behalf of the peer team, I would like to say what a pleasure and privilege it was to be invited into City of York Council to deliver the recent corporate peer challenge as part of the LGA offer to support sector led improvement.

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at York were:

- Dave Smith – Chief Executive, Sunderland City Council
- Councillor Jon Collins (Labour) – Leader of Nottingham City Council
- Councillor Clare Whelan OBE (Conservative) – London Borough of Lambeth
- Tom Stannard – Director of Communications and Public Affairs, NIACE
- Fiona Johnstone – Director of Public Health, Policy and Performance, Wirral Council
- Giles Perritt – Head of Policy, Performance and Partnerships, Plymouth City Council
- Judith Hurcombe – Senior Advisor, LGA (Peer Challenge Manager)

Scope and focus of the peer challenge

You asked the peer team to provide an external ‘health-check’ of the organisation by considering the core components looked at by all corporate peer challenges:

1. Understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?

2. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?

In addition you asked the peer team to comment on:

5. Being a responsive and innovative organisation
6. Community infrastructure and capacity building

We have considered these in the context of your plans to fundamentally consider and define the future purpose of the Council. We hope the feedback provided will help stimulate further debate and thinking about the future and how your plans and practice might develop and evolve further.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual council's needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 4 days onsite at York, during which they:

- spoke to more than 150 people including a range of council staff together with councillors and external partners and stakeholders
- gathered information and views from more than 47 meetings, visits to key sites in the area and additional research and reading
- collectively spent more than 220 hours to determine our findings – the equivalent of one person spending nearly 7 weeks in York

This letter provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (11th – 14th June 2013). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors.

Summary of feedback: overall messages

York is an exciting place to be. There is clear ambition amongst councillors and officers to do the best for both the people of York and the Council. The Leader and Chief Executive provide visible leadership and lead from the front, and their ambition for York is clearly recognised by partners and staff. You are aware of the challenges ahead and the organisation is starting to prepare for them, building on strong desire for improvement and innovation.

The Council has many achievements it can be proud of including:

- Excellent partnership working
- Solid performance in Children's Services with educational attainment good at all levels, including being in the top 20% at Key stage 4, and a strong education partnership
- One of the first Fairness Commissions in the country
- Super Connected City Status for broadband and Wi-Fi
- The relocation of Hiscox Insurance to York
- The GeniUS web forum
- The successful build and relocation of the new headquarters at West Offices

The Council has a clear 2 year budget strategy that balances and there is ambition to expand the council tax base to improve the long term base budget position. Like other councils you need to prepare for significant challenges in the medium term from 2016 onwards. There is good awareness of the need to change how the Council operates so that it continues to be fit for purpose in the future. Staff we spoke to were well motivated and generally feel supported by the organisation and its leadership, aided considerably by the recent move into the new West Offices. This rationalization of the Council's office buildings has enabled the co-location of a number of services including those of some partners, including the Clinical Commissioning Group, Citizens' Advice and a credit union. It has also had a significant impact on enabling improved communication and dialogue not only between members of staff and their respective departments, but is also noticed and welcomed by external partners, and has created improved customer reception arrangements.

York is regarded as a good place to do business, and there is enthusiasm from some but not all, internal and external stakeholders for the Council to seek and encourage economic growth. The degree of energy invested in this since the new administration formed in 2011 has led to a high degree of anticipation and expectation about future delivery. Innovation has been actively encouraged and has resulted in some bottom-up projects which have the potential to add value to how services are delivered now and in the future.

The significant ambition for the city and its area, as well as stretched officer capacity and looming future financial constraints means that now is the time to harness and manage the energy into delivering on the ambition. In particular more focus is needed on clarifying the Council's non-priorities, improving capacity for transformation, and consistency of follow through in delivery planning, linked to a clear medium term financial strategy which sets how major savings will be achieved, particularly in Adult Social Care.

City of York Council is at the tipping point of looking forward and needing to do things very differently due to a diminishing resource base, including looking afresh at models of service delivery which provide sustainable solutions. This is recognised by a wide range of stakeholders, including the partners, staff and trades unions; the next challenge is to move towards how you will do this, and to start to manage it.

We think you need to explore and define the preferred service transformation models more clearly and consistently at a corporate level, and consider a refreshed community engagement strategy, whilst considering your current and future capacity. This is not to say that your ambition is unachievable, but current capacity is stretched, and transformation will stretch it considerably further. The pathway needs clarity that better aligns resources with actions required to deliver the priorities.

Summary of feedback: strong ambition, further clarify priorities, explore future role of the Council, consolidate and bring structure to future plans and delivery

Understanding of local context and priority setting

York has many assets to be proud of. At all levels internally and externally there is a very powerful identification of and with York as a place, over and above identification with individual wards or neighbourhoods. This is a key strength, not to be underestimated in value, but it also brings challenges, because many people have strong views about what York needs for its future prosperity and sustainability, including wanting to protect its many unique aspects.

There is a strong and explicit drive for economic growth in York, clearly led by the Leader and Chief Executive, and recognised as “the right thing to do” by a wide range of people both internal and external to the Council. This ambition is understood by partners and welcomed by them, as it goes beyond building on the tourism element of the local economy which currently stands at around 25% of local jobs and investment. Reaching Further, the York economic strategy 2011-2015 has clear priorities for competitiveness, and there is evident buy-in to the strategy from a wide range of partners.

Although York has been part of the Leeds City Region for over a decade, the recent confirmation of the Council’s main allegiance with the Leeds City Region LEP is widely recognised and applauded by external partners, who describe it as a brave and necessary step, driven by limitations of the national LEP model and the desire to gain maximum opportunities for York. Although there are mixed views amongst the membership of the Council about CYC’s decision, it will bring financial leverage that will benefit York. Contributions have been made to the LEP infrastructure funds which will bring benefits to York in the future, including £80m transport leverage for the Northern Ring Road. In going forward, be mindful of the need to continue to work on relationships with your geographical neighbours.

You have a wealth of community assets and traditions, including a wide range of partner organisations willing and able to participate with you, as well as a long history of philanthropy and interest in the city. In some areas there are relatively affluent, well-educated residents who fuel this interest, many of whom are explicit in their demands and expectations of the Council and its partners.

Despite such affluence in some areas, deprivation and poverty are evident, particularly across the city suburbs. There is a growing awareness that the demographics of York are changing and having an impact on communities, for example the numbers of students living in residential areas has had an impact on rented housing availability and prices. There is also good understanding at a strategic level that the pace of economic growth as currently forecast is delivered, then community and social cohesion will need on-going attention. At political and officer levels there is also a good understanding about the tensions that may arise between growth and sustainability, and a recognition of the need to take a sensitive approach.

The council plan sets out five priorities, some people can articulate what these are: others told us about 3 or 4 additional priorities, plus economic growth; some reflected that they thought there are 5 priorities, but that it wasn't clear to everyone. This lack of understanding may relate to priorities which have emerged since the 2011 election when the Council changed control, but repeatedly we were told that officer capacity is stretched, and we found little evidence of clarity around non-priorities. We suggest that you should revisit the priorities and ask whether there are too many, as well as address their hierarchy, and ensure there is full buy-in to the future plan. Across documentation as well as in conversations, we gained the impression that there are opportunities to sharpen up key plans and policies, to reflect the future role and priorities of the Council.

It is also unclear whether ward level priorities and those of residents and customers feature in the council plan, as well as how it links to the future workforce and Medium Term Financial Strategy.

Whilst growth is the clear overarching priority, further exploration is needed to determine what sort of growth is anticipated, where it will be located, for example within the city, the wider CYC area or within the wider sub-region, how feasible this is, and how this will be planned for. We heard a wide variety of views from partners about what sort of growth should be pursued, with some welcoming new housing as a key area, others wanting organic growth of existing businesses, whether or not to have an international focus or to target young entrepreneurs, and others wanting new sectors and industries to emerge. Some of this growth may take a number of years to emerge, so care needs to be taken that any financial implications and assumptions are fully risk assessed.

Financial planning and viability

The 2 year financial strategy is clearly set out, and is balanced, and it appears that opportunities are being maximised, including building up the council tax base in the long term. This is significant for CYC as it has an historic low council tax base and one of the lowest Band D council tax charges in the country. The 2 year strategy has been subjected to a healthy degree of review and challenge. The capital strategy also appears to be soundly based, and includes details of plant and machinery investments, as well as public realm improvements.

Despite the council plan contents and budget consultations that have been undertaken, the budget is being driven by incremental budget reductions in services, and as a consequence is shaped by savings targets rather than by strategy and priorities. We found it difficult to ascertain which strategic transformation priorities these broad savings make a contribution towards, nor how these savings impact on wider service delivery. This approach is not

sustainable in the medium to long term, as it will begin to affect the future viability of the Council. Although finances are relatively stable now, there is still the need to start to address how the Council will transform so that it continues to function in a long term era of austerity. This means that clear medium-term transformation plans need to be developed across core city services, which balance income and efficiencies, and contribute to MFTS budget aspirations. There is appetite from staff to take a more radical approach which includes being more explicit about the implications of budget proposals, to begin to reduce service users' expectations and take a more active role in demand management.

The Council's budget in future years will rely heavily on growth assumptions, but growth isn't being realised on a rapid basis. There is also some anticipation that some economic growth may take many years to benefit CYC's budget, as may the benefits of membership of the Leeds City Region LEP. Until recently there has been limited progress on key development sites, such as the former Terry's site or York Central. Although progress is being made on these sites and there are indications of improved business confidence and investment overall, economic conditions are now clearly tough. This is important because delays may have an impact on predicted future growth-based income being realised. In light of this some medium term goals may need to be re-cast, and the issue of a clear MFTS beyond the initial 2 year budget strategy period, supporting medium-term transformation and economic growth priorities becomes more important for the future.

The impact of savings within the current year's budget are affecting the delivery of front line services, which in turn may have an impact on the Council's longer term ambitions for community capacity and co-delivery of services. For example, we were told of 'services going missing' at ward level, with perceptions of insufficient community consultation or information being sent to councillors, yet there is a broader expectation that in the medium to long term, communities or town and parish councils will take over some services.

Alongside other upper tier councils, Adult Social Care is a major budget priority, and is backed by a transformation plan and financial strategy, which includes plans to substantially remodel existing in-house residential care services for older people into new provision based on a "care village" concept in the medium term. Some elements of service delivery in this area, such as the warden call service, community equipment loans and Telecare are being encouraged to take a "spinning out" approach to create a social enterprise, and staff told us there has been good support to help them develop this. There is also recognition that closer integration with CCG and York Hospital at an operational level would have a beneficial impact on both budgets and better, quicker services being delivered to the public.

Despite this approach staff and partners feel that transformation is not happening fast enough in Adult Social Care, and that the Council is running out of time to provide a sustainable solution, as there is anticipated increase in the numbers of older people of 40% by 2020. Concerns about significant aspects such as assurance on transformation, quality and safety need to be planned for, as these too will have an impact on the budget if not carefully handled. The future of Adult Social Care is absolutely crucial to the Council's and its partners' budgets, so we suggest that broader understanding and ownership of the challenges and complexities it contains is needed, so that it is not regarded as a departmental, but as a corporate and council-wide issue.

Political and managerial leadership

The leadership provided by the Leader of the Council and the Chief Executive is strong and visible and widely commended both internally and externally. Their working relationship is positive and constructive, and both are energised about York and its future.

Partners speak highly of being able to engage with the high level ambition of growth for York, and we heard very positive views about the move to West Offices and improved dialogue with and between Council departments as a result.

Cabinet members clearly have a good grip of the priorities and agendas affecting their portfolios, and a clear understanding of the priorities in the council plan, but need to be fully engaged in the process of establishing what are not priorities for York, in the context of earlier reflections on the transformation and prioritisation challenges facing the city and the Council. Across the membership of the Council there is clear commitment to York and its residents and businesses, with non-executive members showing a strong community focus.

We found a tension in capacity between the high level ambition for the city and the practical reality of service delivery, with directorates and staff largely focused on traditional service delivery. Some of this is perhaps inevitable as the Council looks two ways in terms of meeting its current obligations, as well as beginning to explore what CYC's purpose is for in the years ahead.

There is a perception from some non-executive members, opposition members and communities that they are neither properly informed nor able to influence decision making. We were not in York long enough to test out whether this perception is a reality, but suggest that some clarification is required about expectations and access to information.

We suggest that time also needs to be taken in order to explore high level Cabinet and CMT roles and responsibilities. Individual strengths of Cabinet and EMT need to be matched by increased collective working on the corporate, strategic and cross cutting challenges in achieving priorities and addressing resourcing needs.

There is a considerable reliance on the role of the Chief Executive to make things happen, and whilst welcoming her energy and visibility, stakeholders suggest that there is room for other senior officers to play a role in developing and sharing the strategic vision for York. Partners are positive about working with the Council, and some recognise that their relationship is largely forged with the Leader or Chief Executive. Partners would welcome more opportunities to engage with the broader cohort of senior members and officers on the change agenda.

Governance and decision-making

Cabinet is well chaired and observers told us that it feels like it has momentum. Cabinet members recognise the need to start to define non-priorities. Members of the public are able to have a slot at the beginning of the meeting, and from June 2013 meetings have been webcast. These elements of the governance arrangements seem to work well.

There is willingness to make some difficult or potentially unpopular decisions, for example, the decision to expand the council tax base and joining Leeds City Region LEP.

Although no longer a statutory requirement, partners remain committed to the Local Strategic Partnership. Support to it for agenda and meeting planning is provided by the Council. The degree of partner commitment to the LSP and other partnership structures is a considerable asset, although we suggest as the Council moves forward it would be useful to revisit structures and arrangements to ensure they focus on new and emerging collaborative agendas.

There have been recent changes made to neighbourhood governance models, including to ward budgets, but we found that the understanding or acceptance of these changes has not yet fully permeated to either backbench members or to communities. This results in tension and frustration about what is or is not available in terms of service delivery and discretionary budgets.

Overview and scrutiny is not widely regarded as fully developed in York, and does not appear to be utilised to its best effect to help the Council develop its policies and improve service delivery. The focus of activity does not appear to be on the significant key strategic issues facing the city. Some members recognise this, having negative views overall about how it performs, and voicing concerns that its purpose and impact is unclear.

The scrutiny function would benefit from reviewing the current support arrangements, an increase in member training and an awareness that it needs to follow significant council agendas more overtly. This would help to ensure scrutiny can be used as a resource to assist with policy development and prioritisation, and to improve service delivery.

Being a responsive and innovative organisation

The willingness of the Council to continue to change and improve is evident, and staff and members are highly positive about their roles and clearly motivated in working for CYC. Favourable comparisons are made by staff about working in York rather than in other councils in the region, and some partners give favourable comparisons about their working relationship with CYC.

We found that equality and diversity has a high profile and is becoming mainstreamed in how the Council does its business, as well as being championed by a wide range of individuals, both members and officers, across the organisation. Consideration is also being given on how this will affect York's communities in the future, and how the Council will support this social change. The Council's intention to provide more pitches for the gypsy and traveller community, and the anti-poverty strategy are good examples of the mainstreaming of equality and diversity.

Amongst managers there evidence of an appetite for innovation and change management. Innovation is actively encouraged and welcomed and including:

- the Telecare service in Adult Social Care
- improved use of fleet transport

- Genius York is a useful innovation vehicle, enabling residents, businesses and the academic community to contribute ideas to improved services and new ways of working.
- Library staff are excited about the forthcoming changes in their service and are committed to transformation
- At back office level, opportunities for improving and reducing the number of transactions are being explored.

There is a willingness to make the Council more open and receptive to external perspectives and challenge. The peer review undertaken with Calderdale Council on your approach to neighborhood engagement is a good example of the Council being increasingly open to external views and challenge, and seeking other resources to aid thinking.

Whilst the freedom to innovate has enabled many new ideas to emerge, it is not always clear how innovation links back to high level priorities, nor whether the interdependencies between current and future service delivery are being explored. In making this point we are trying to not discourage CYC from innovating, but innovation needs to be actively harnessed to ensure that the maximum benefits can be obtained, including the impact and interrelationships of new initiatives, particularly during this unprecedented era of change and uncertainty. Staff are also keen to learn from successes including why things work, how it can be applied elsewhere, and how to identify and use best practice

There is clearly a lot going on at York, but this has also resulted in staff feeling very stretched, and some query whether there is sufficient capacity or skills to transform for the future, and whether future service delivery is sustainable. The Council is good at developing new ideas, but needs more rigour in implementing them consistently and in marshalling strong transformation capacity to secure delivery across the board, for example, although the Living Wage recommendation from the recent Fairness Commission has been adopted by CYC, there were mixed views about how clearly its many other recommendations have been adopted.

There is sufficient motivation and energy across the Council to help support doing things very differently and new approaches and change appear to have become an extension to the day job for many staff, but the overall direction is not always clear. We suggest that more corporate capacity is needed to help develop thinking as well as transformational, rather than incremental change, to ensure innovation is strategic and coordinated. This capacity needs to be supported by an overarching and strategic planning framework which will help to ensure that change is programmed and managed, rather than being organic in development. Ambitions also need to be grounded in terms of what is realistic and achievable within current financial and staffing levels.

Partners, whilst recognising and applauding recent improvements in cross departmental working, still have some concerns that the consistency and degree of customer focus. More work is needed to ensure the highest level cultural changes permeate through the organisation.

Community infrastructure and capacity building

Along with partners there is a strong approach to mapping and understand the skills and re-entry to the labour market issues affecting all its communities, particularly those in highly deprived areas of the city's urban fringes, and is concentrating on strategies to ensure all communities are able to access the employment and growth opportunities its economic plans are forecasting. Clearly the benefit of some of these strategies is yet to be realized, but the Council has made good endeavours to secure sustainable benefit and access to these opportunities across communities with widely differing needs across the wider geographical area.

The recently launched volunteer policy is a good initiative aimed at increasing council staff's awareness of the community and voluntary sector, as well as providing development opportunities and capacity for external organisations.

It is consistently recognised by members and officers that the Council needs to transform if it is to survive in the future, but it is not yet clear what the future of the organisation will be. Although the term "co-operative council" is widely used, it is not clear what this means for future service delivery, nor when such arrangements will come into place, or whether it is a title rather than an embedded policy commitment. Some of this may relate to activity being undertaken within rather than across services. Your future operating model needs to be explored and articulated, and we suggest that you exchange information with similar sized councils to see how they are approaching this.

When this has been determined, we suggest you need to consider whether there is capacity or capability at strategic management level to be transformational. Currently expressed intentions are strategic and enabling but most of current resources are traditionally focused. All councils need to think about and plan for transformation and this is a question to be tested against current delivery models and where capacity is currently consumed, balanced against what will be required in the future. The workforce development plan will need to be revisited as part of this approach.

The need to balance the budget has inevitably lead to cuts being made in traditional, universal neighbourhood service areas as finances become more difficult. For example, significant cuts have been made in area management, play development, and community development; there is a danger that the consequences of this may run counter to building community capacity to engage in co-production and design. The transfer of assets to communities needs further development so that stakeholders and staff have a better understanding of what it means, and how it will work.

We think that you need to reconsider the over-arching approach to neighbourhood engagement and capacity building, to ensure that relationships with communities are maintained as your new purpose is articulated. Currently stakeholders do not appear to be clear about what they can expect of the Council, either at customer or partner levels. Councillors of all parties have a key responsibility in being part of the conversation, but recent reductions to ward budgets appear to have created a lack of clarity and a lack of buy-in, with some councillors being disenchanted.

Community contracts have been developed for each ward, and include ward-specific elements such as councillor contact details, and background information about each area, as well as suggestions on how communities can do more. However, not all councillors have fully bought into the concept and we heard the contracts described as being imposed from the top of the organisation.

York has some significant advantages that will help address this future role, including enthusiasm for innovation, backed by a wealth of community assets and a history of philanthropy. Now is the time to call on these assets to work with you in shaping the future role of the Council, working alongside partners, residents, and the community and voluntary sectors to bring about sustainable change.

Recommendations

There is a range of elements we think you should consider now, including:

- A re-evaluation of priorities relative to the over-arching priority of economic growth
- Be more pro-active in determining non-priorities
- Create opportunities to share thinking and understanding about the council's role and function will be in the future, including where and how transformation will take place
- Create corporate resources to programme manage your ambition
- Consider developing a mechanism for the exchange of best practice and learning across services
- Sustaining and encouraging member engagement in developing the new approach to transformation
- Review Overview and Scrutiny's role in supporting policy development
- Be prepared to do things differently, moving away from traditional solutions to embrace new and untested ways of working

We have attached a set of slides that summarise the above feedback. The slides are the ones used by the peer team to present its feedback at the end of the onsite visit.

Next steps

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued activity to support this. In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. We will endeavour to signpost you to other sources of information and examples of practice and thinking.

I thought it helpful to include contact details of Mark Edgell, LGA Principal Advisor for Yorkshire and the Humber, mark.edgell@local.gov.uk tel. 07747 636910. He is the main contact between your council and the Local Government Association. Hopefully this provides you with a convenient route of access to the Local Government Association, its resources and any further support.

All of us connected with the peer challenge would like to wish you every success. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Yours sincerely

Judith Hurcombe – Senior Advisor
Local Government Association
Tel. 07789 373624
Email Judith.hurcombe@local.gov.uk

On behalf of the peer challenge team:

- Dave Smith – Chief Executive, Sunderland City Council
- Councillor Jon Collins (Labour) – Leader of Nottingham City Council
- Councillor Clare Whelan OBE (Conservative) – London Borough of Lambeth
- Tom Stannard – Director of Communications and Public Affairs, NIACE
- Fiona Johnstone – Director of Policy and Public Health, Wirral Council
- Giles Perritt – Head of Policy, Performance and Partnerships, Plymouth City Council
- Judith Hurcombe – Senior Advisor, LGA (Peer Challenge Manager)

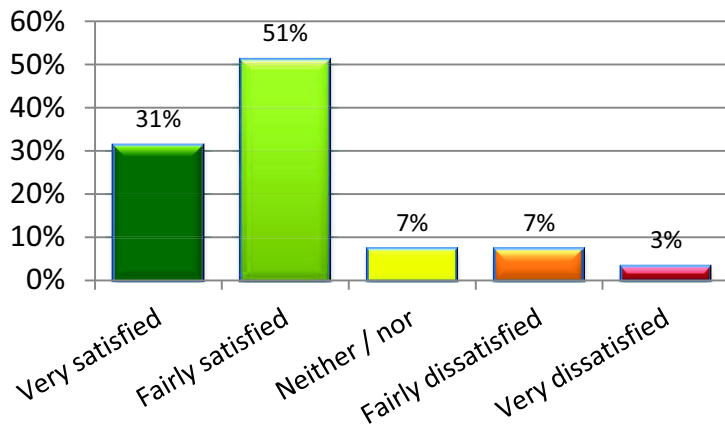
Appendix A



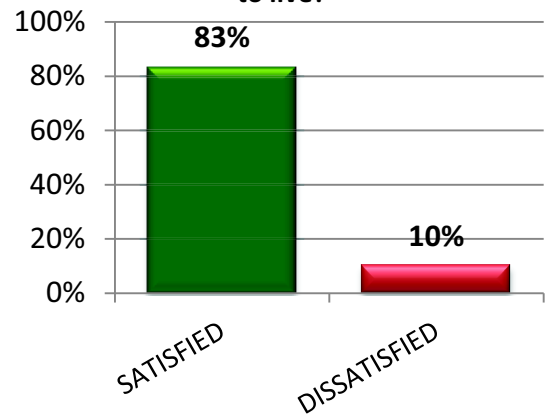
CYC Final
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Your City and Your Council - Question 1

How satisfied or dissatisfied are you with your local area as a place to live?

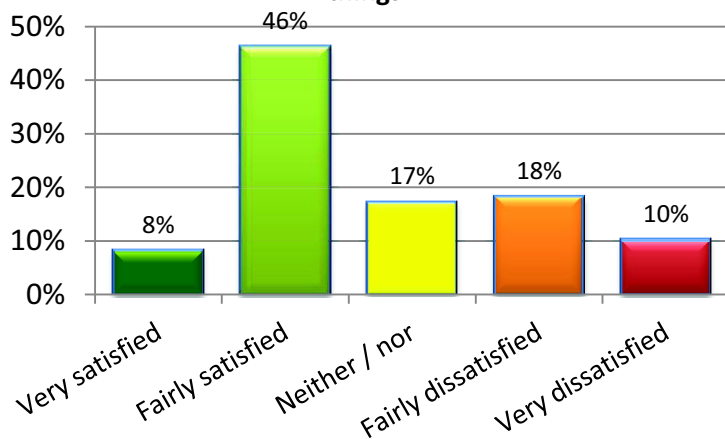


How satisfied or dissatisfied are you with your local area as a place to live?

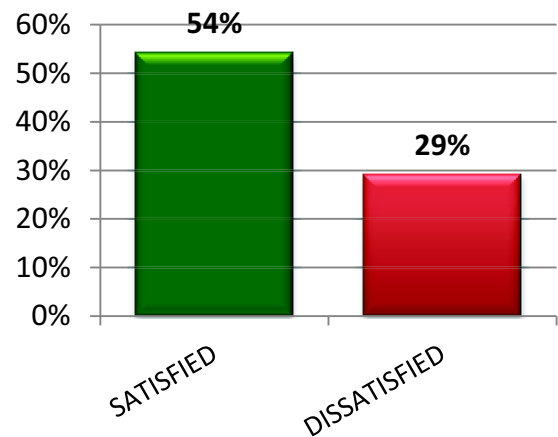


Question 2

Taking everything into account, how satisfied or dissatisfied are you with the way the council runs things

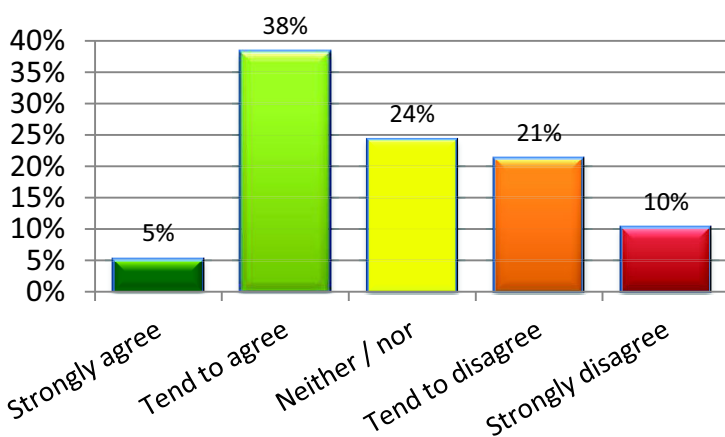


Taking everything into account, how satisfied or dissatisfied are you with the way the council runs things

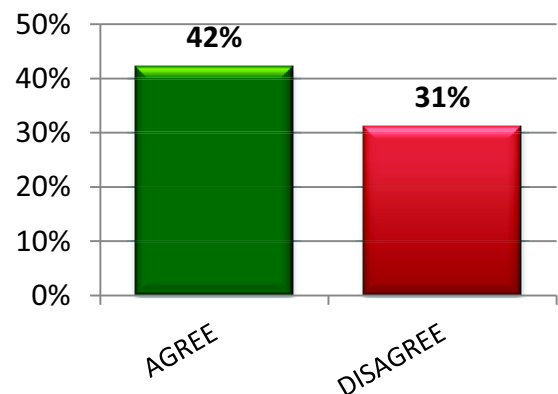


Question 3

To what extent do you agree or disagree that the council provides value for money?

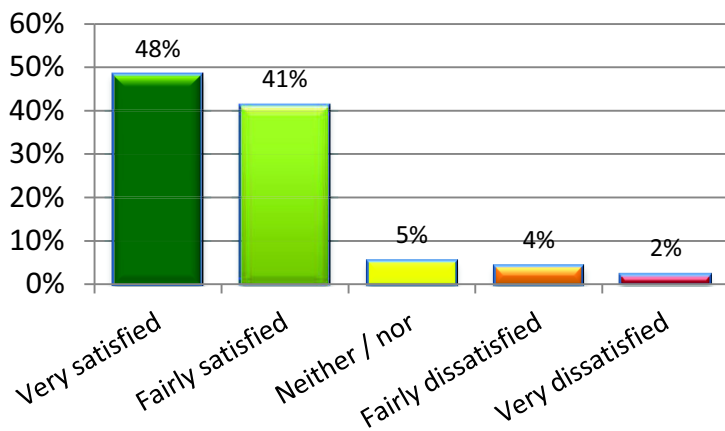


To what extent do you agree or disagree that the council provides value for money?

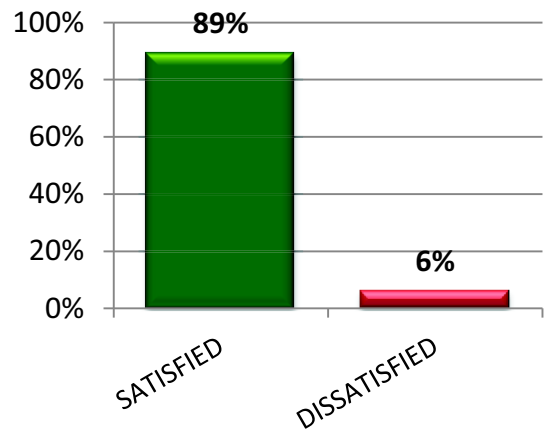


Question 4

How satisfied or dissatisfied are you with York as a place to live?

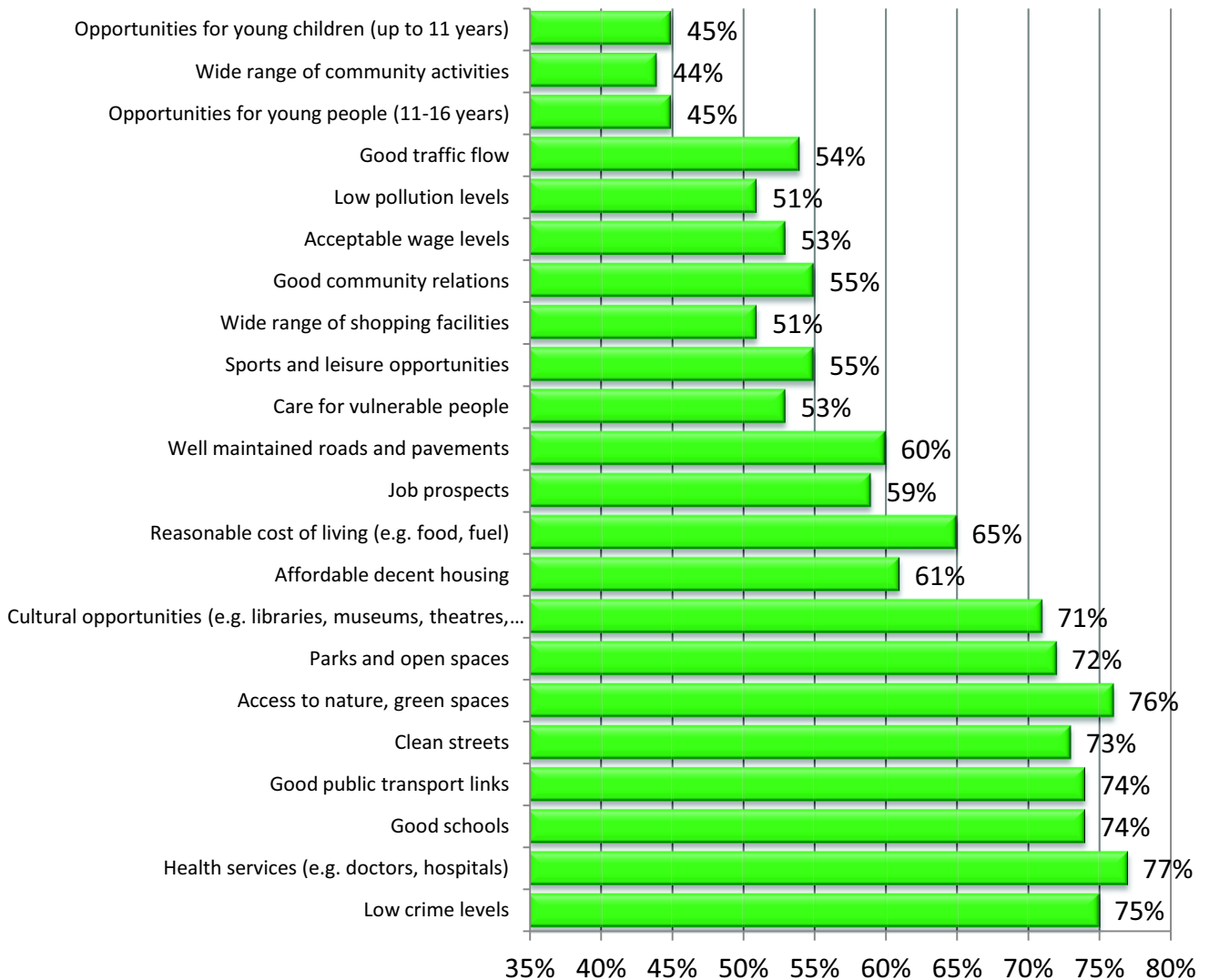


How satisfied or dissatisfied are you with York as a place to live?



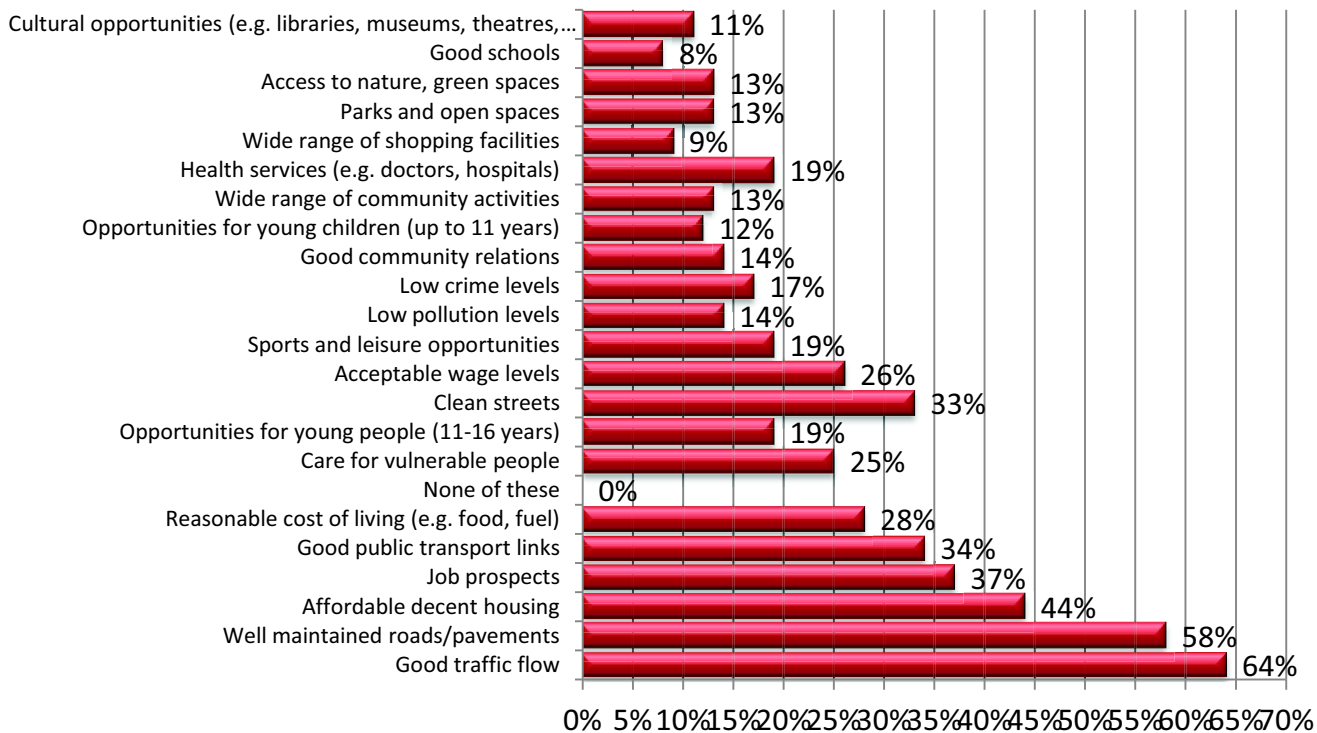
Question 5 - Part A

Which of the things below would you say are most important in making somewhere a good place to live



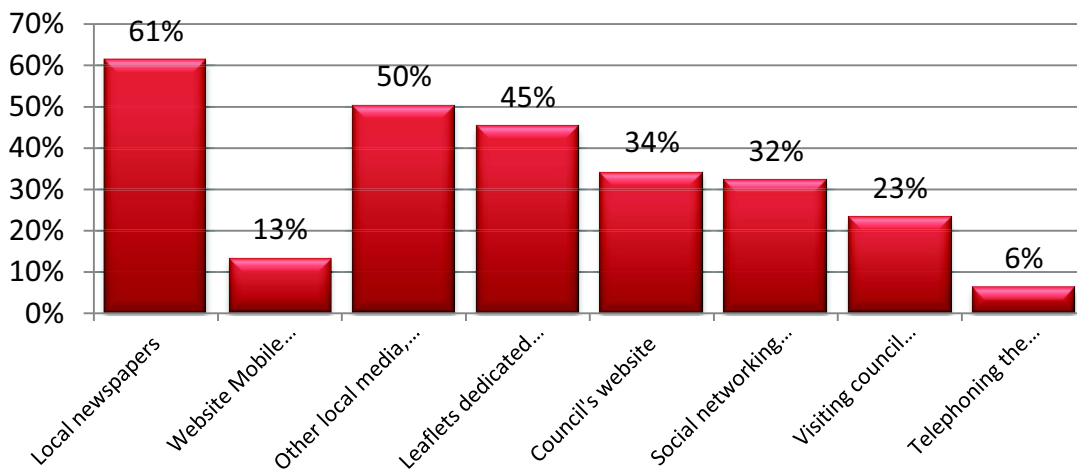
Question 5 - Part B

Which do you think need improving most?

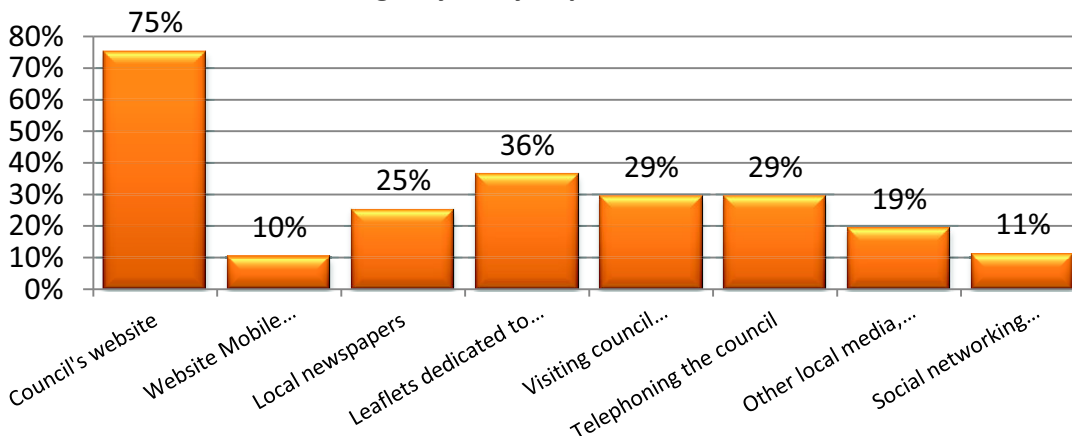


Question 6

Which of the following ways do you prefer to find out about events in the city?

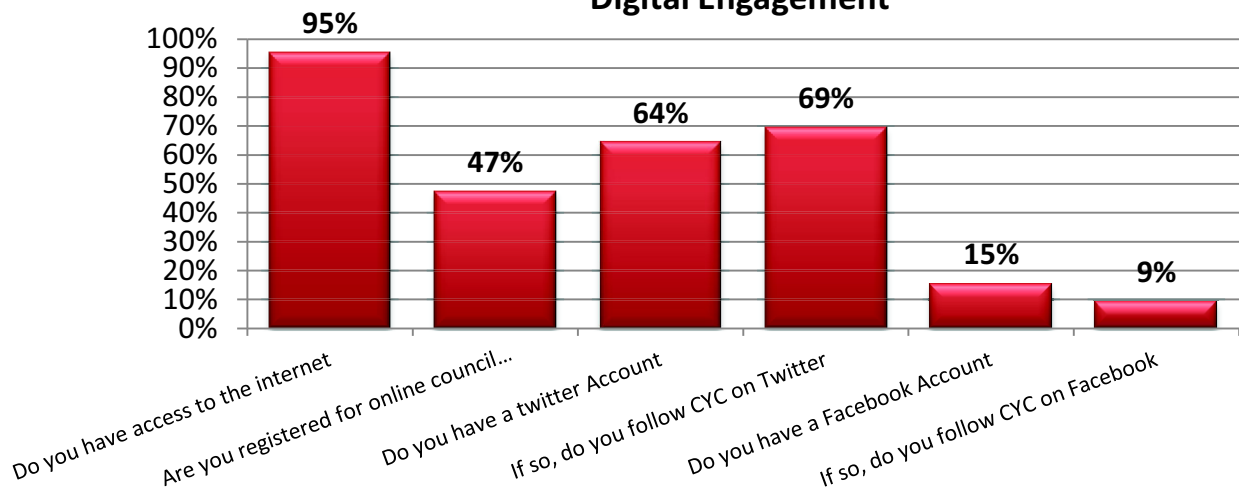


Which of the following ways do you prefer to find out about council services?



Question 7

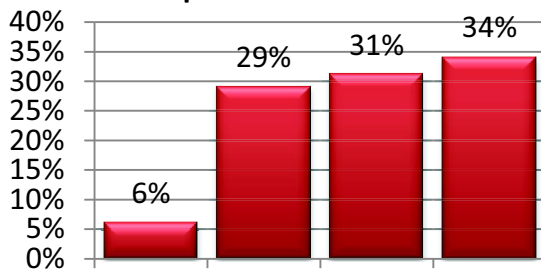
Digital Engagement



Question 8

What is your level of understanding of these other ways of providing services?

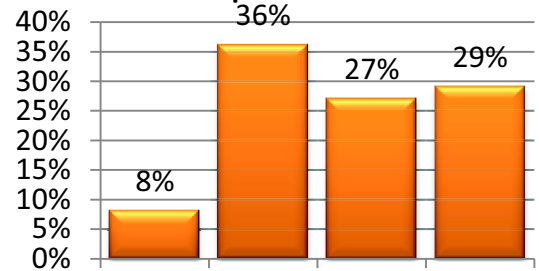
Social enterprise



Excellent understanding
Some understanding
Heard of it, but don't know what it is
Never heard of it

What is your level of understanding of these other ways of providing services? Co-operative

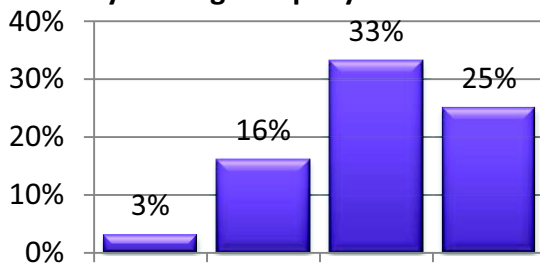
Co-operative



Excellent understanding
Some understanding
Heard of it, but don't know what it is
Never heard of it

What is your level of understanding of these other ways of providing services?

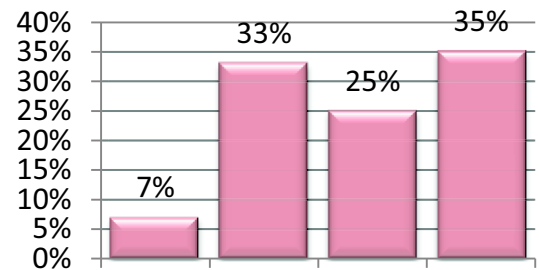
Local Authority Trading Company



Excellent understanding
Some understanding
Heard of it, but don't know what it is
Never heard of it

What is your level of understanding of these other ways of providing services?

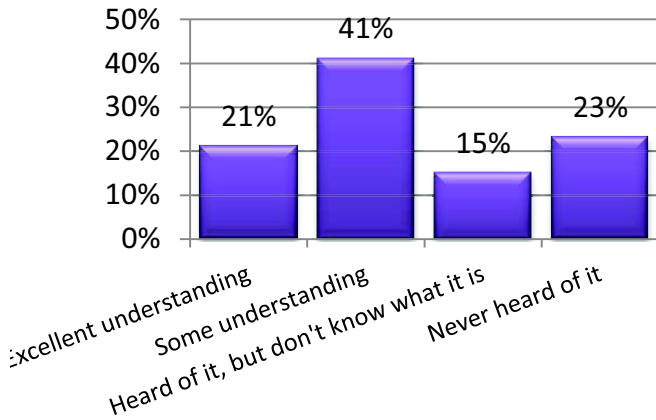
Shared service



Excellent understanding
Some understanding
Heard of it, but don't know what it is
Never heard of it

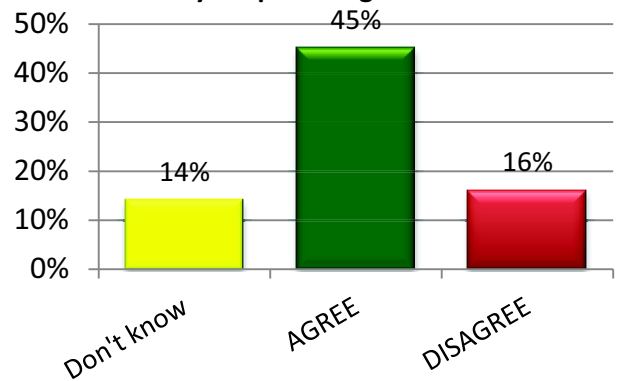
Question 8

What is your level of understanding of these other ways of providing services?
Private sector run



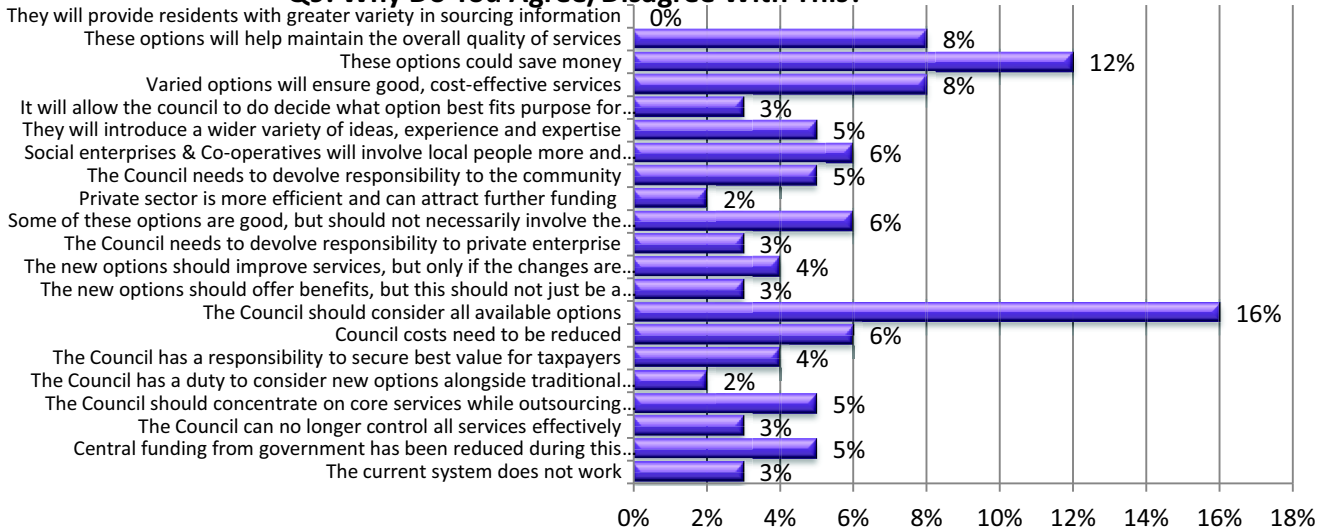
Question 9

How far do you agree that City of York council should explore these different ways of providing services



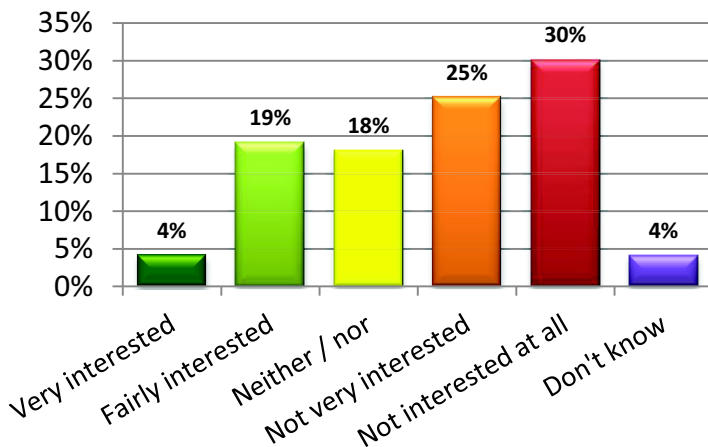
Question 10

Q9. Why Do You Agree/Disagree With This?

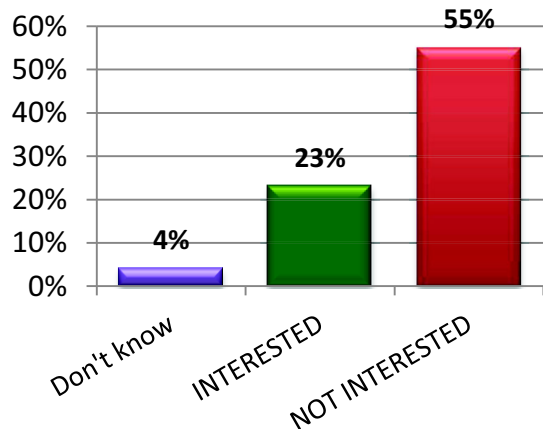


Question 11

How Interested would you be in running a service?



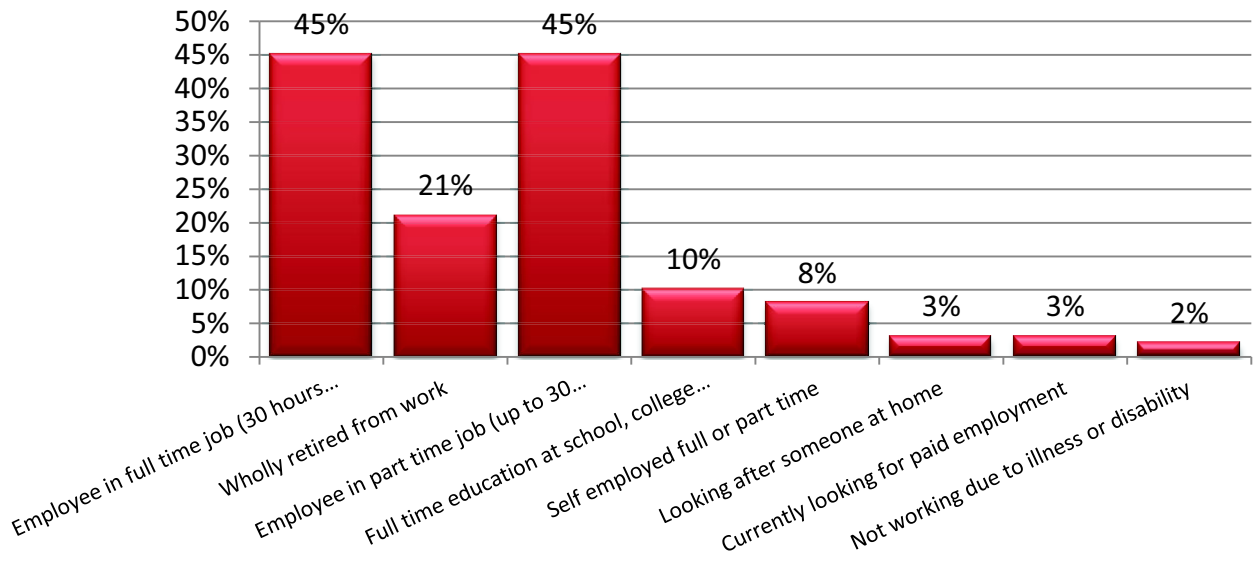
How Interested would you be in running a service?



Council Plan Priority: Create Jobs and Grow the Economy

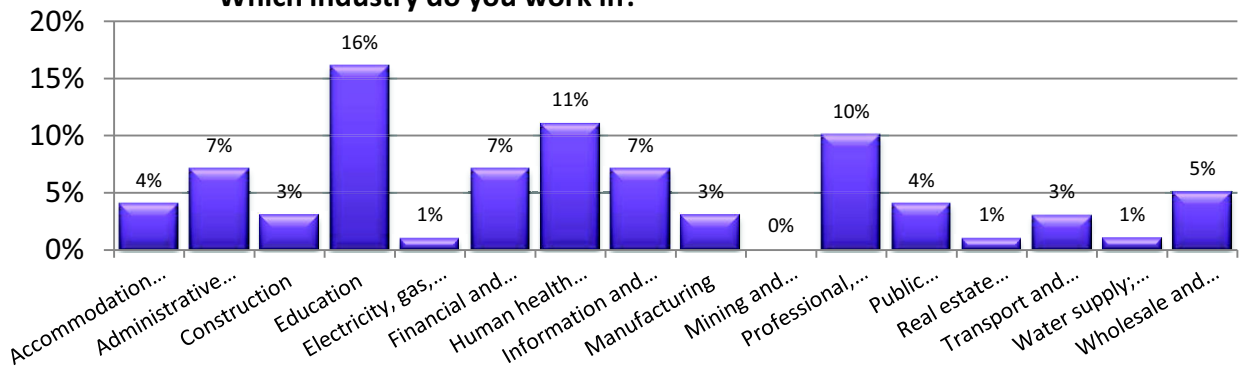
Question 12

Which of these activities best describes what you are doing at present?



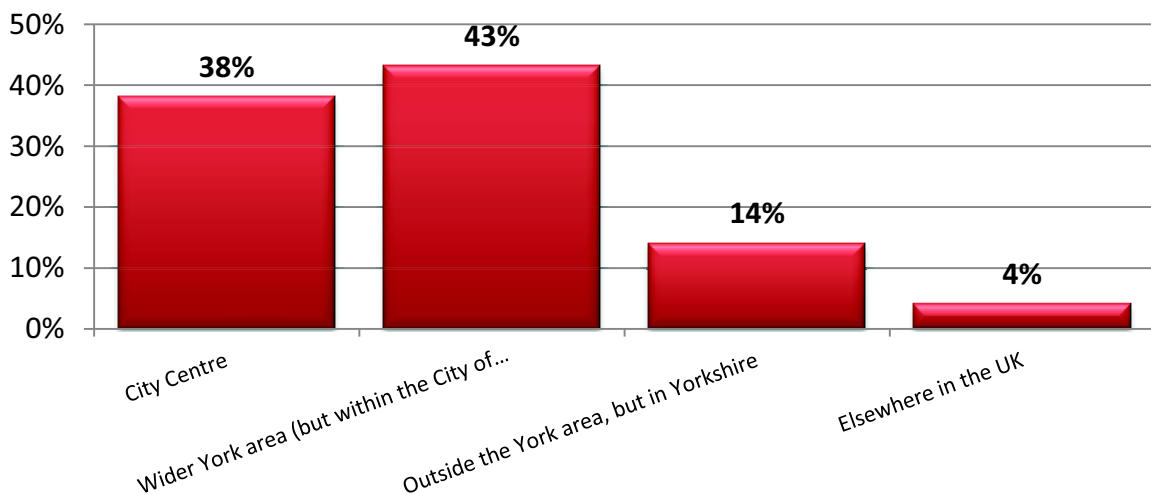
Question 13

Which industry do you work in?



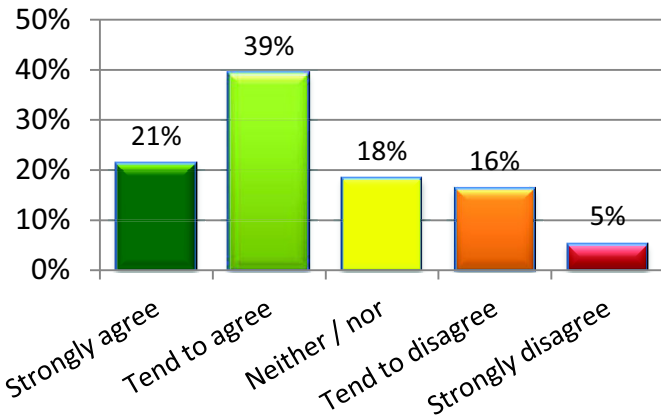
Question 14

Where do you currently work/study?

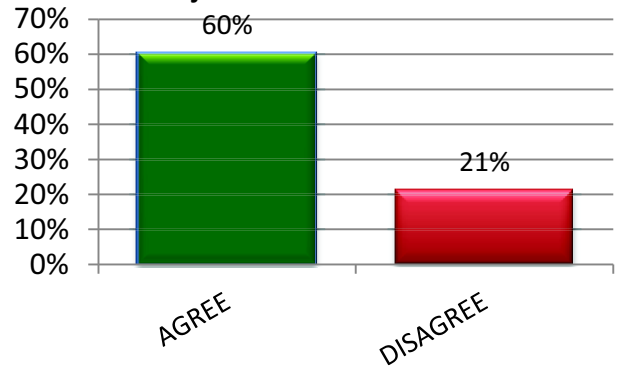


Question 15

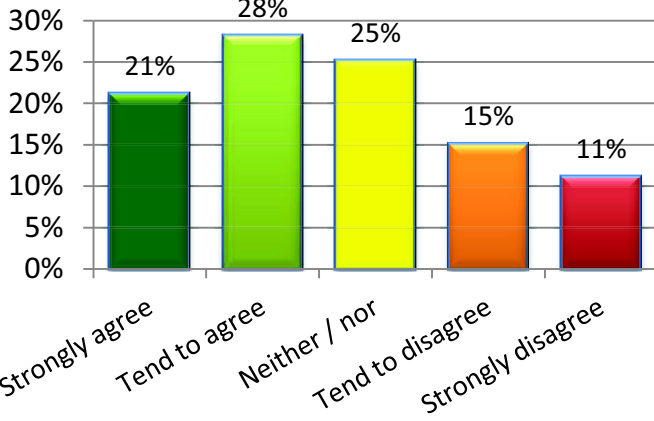
Agree/Disagree 'My skills and qualifications are suited to the types of jobs available in York'



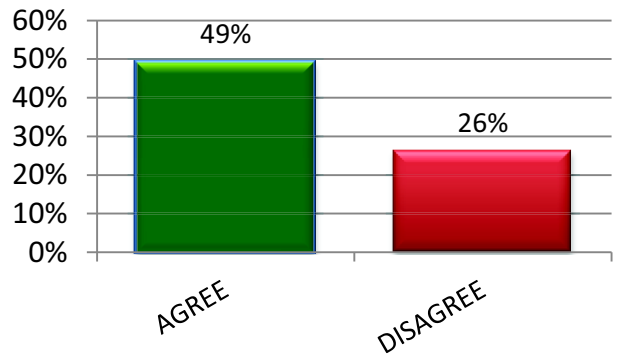
Agree/Disagree 'My skills and qualifications are suited to the types of jobs available in York'



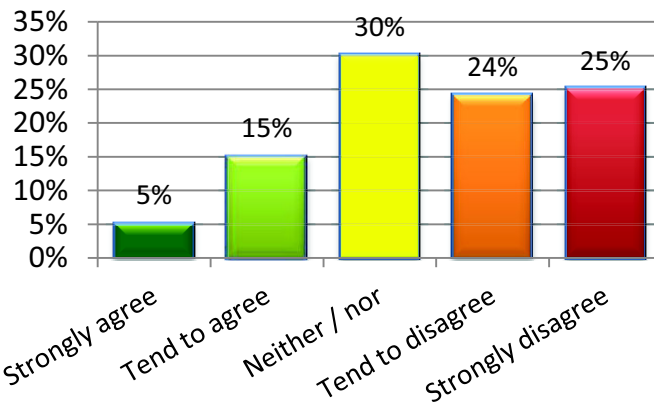
Agree/Disagree 'To develop my career I will need to commute out of the York area'



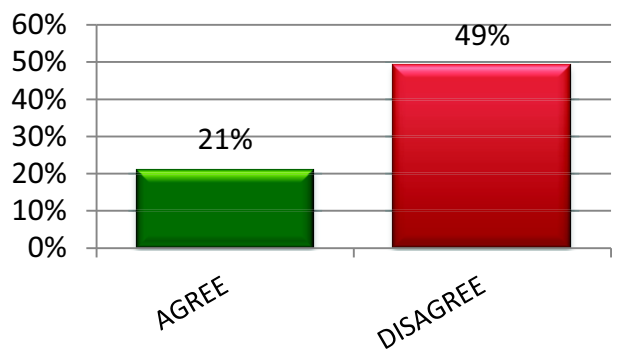
Agree/Disagree 'To develop my career I will need to commute out of the York area'



Agree/Disagree 'To continue working in York I feel I will have to retrain'

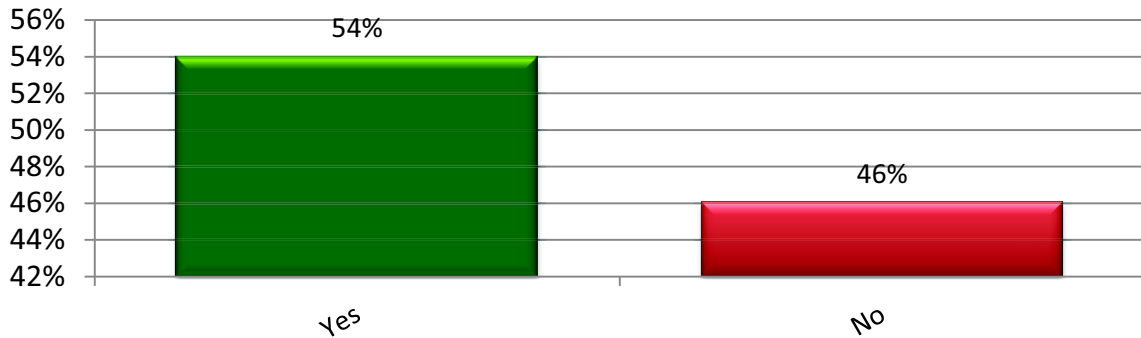


Agree/Disagree 'To continue working in York I feel I will have to retrain'



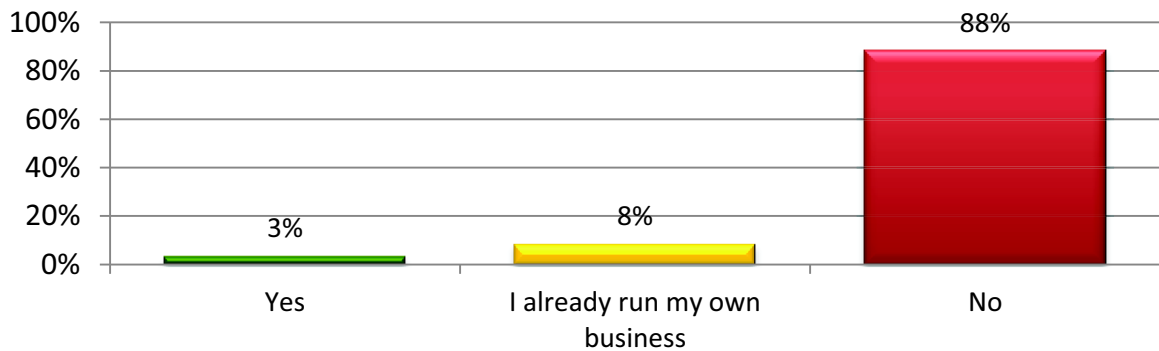
Question 16

Have you received support from your current employer or place of study to help you improve your job



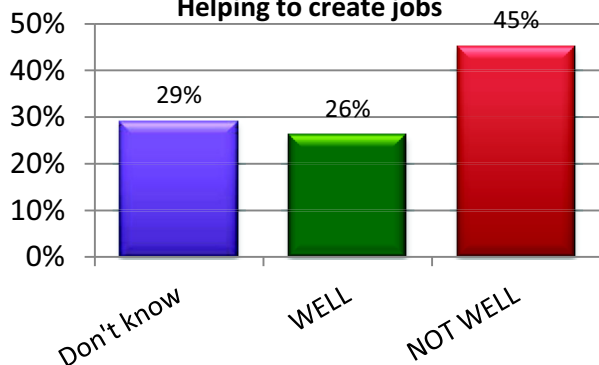
Question 17

Are you planning to start your own business in the next 12 months?

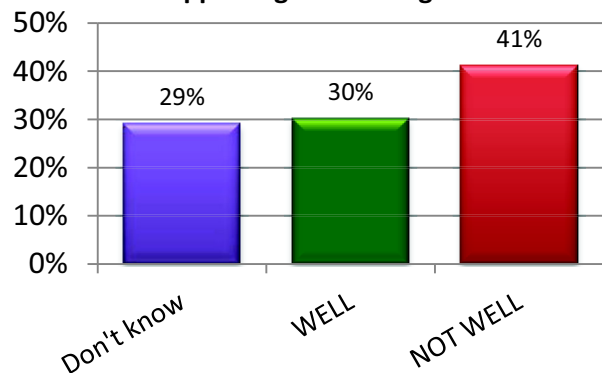


Question 18

How well do you think the council and its partners are achieving the following?
Helping to create jobs



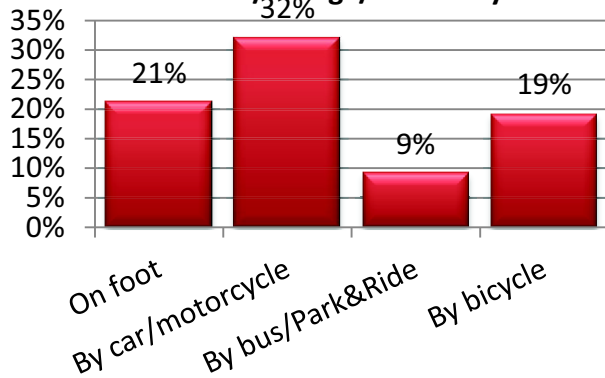
How well do you think the council and its partners are achieving the following?
Supporting economic growth



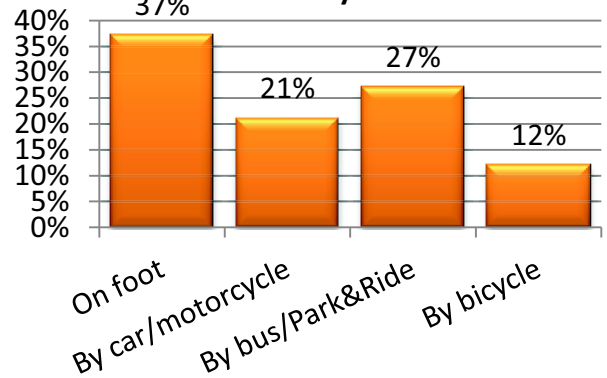
Council Plan Priority: Get York Moving

Question 19

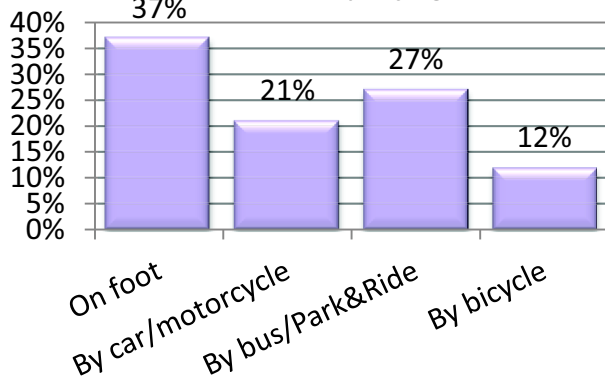
How do you usually travel, if at all, to work/college/university?



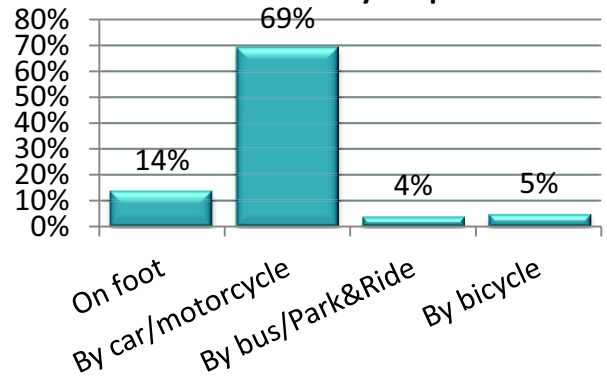
How do you usually travel, if at all, to the city centre?



How do you usually travel, if at all, to school when accompanying children?

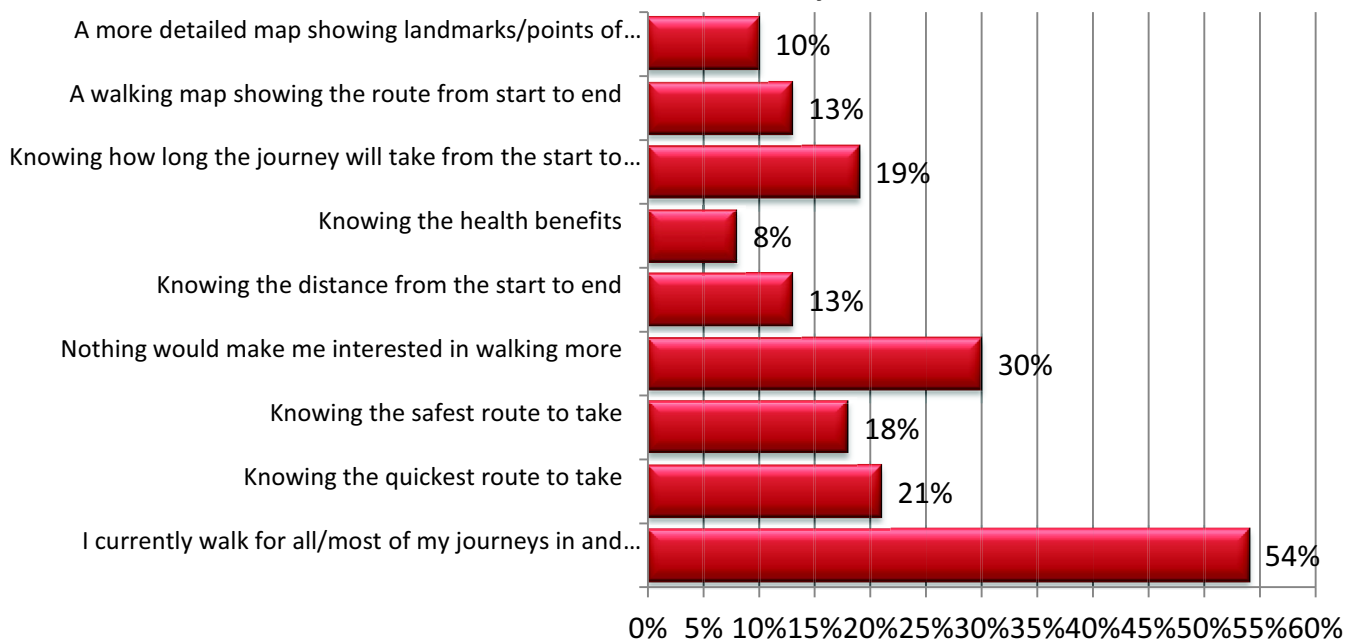


How do you usually travel, if at all, for a weekly shop?



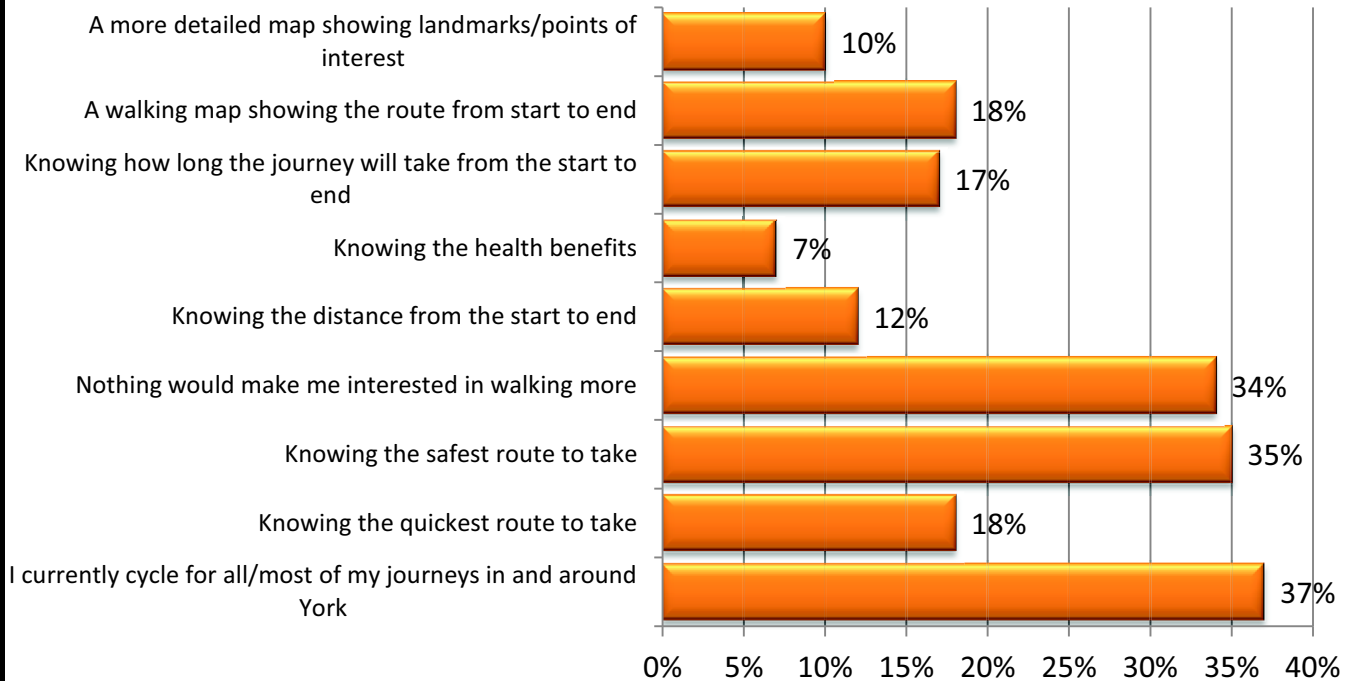
Question 20

Which of the following, if any, would encourage you to walk for more journeys than you do?



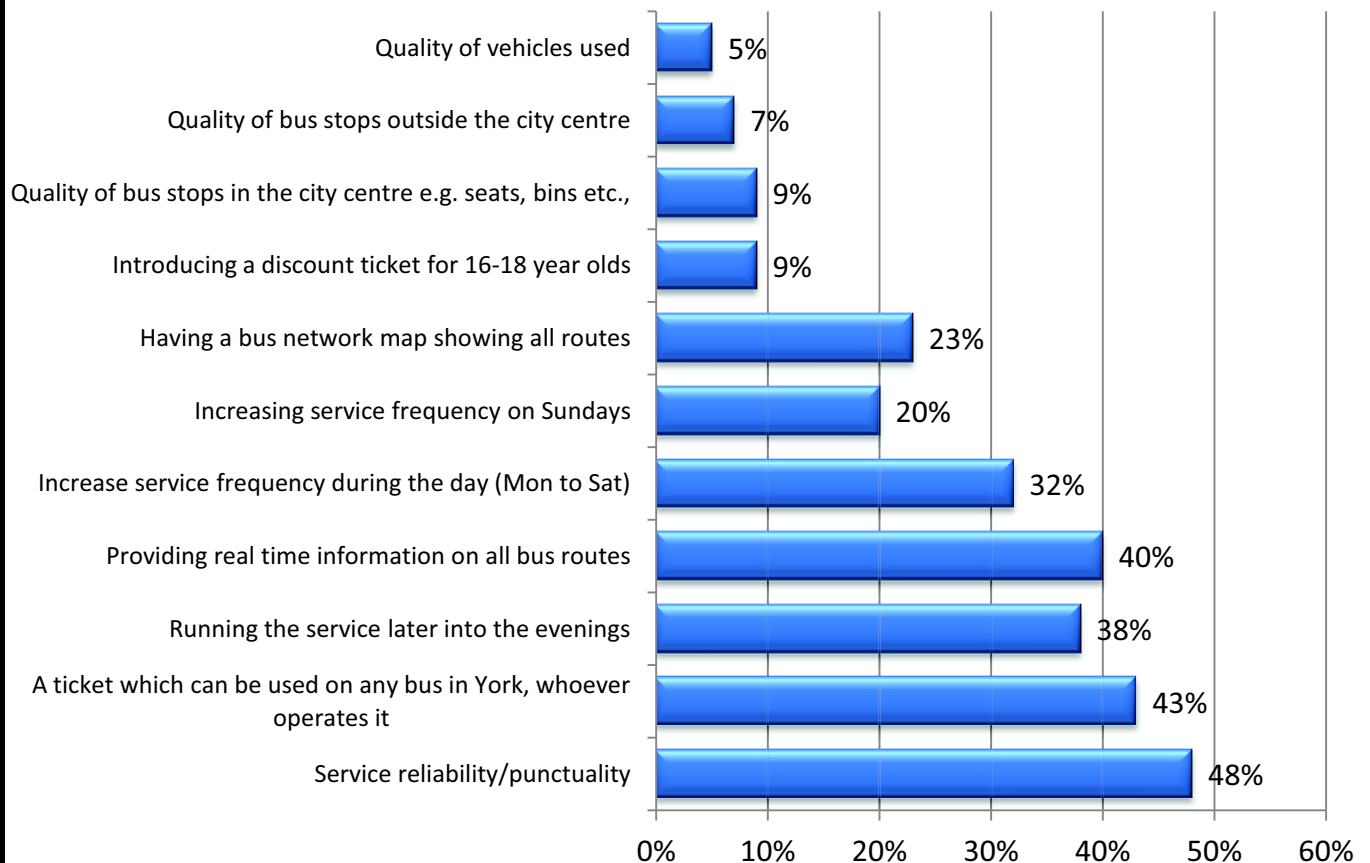
Question 20

Which of the following, if any, would encourage you to cycle for more journeys than you do?



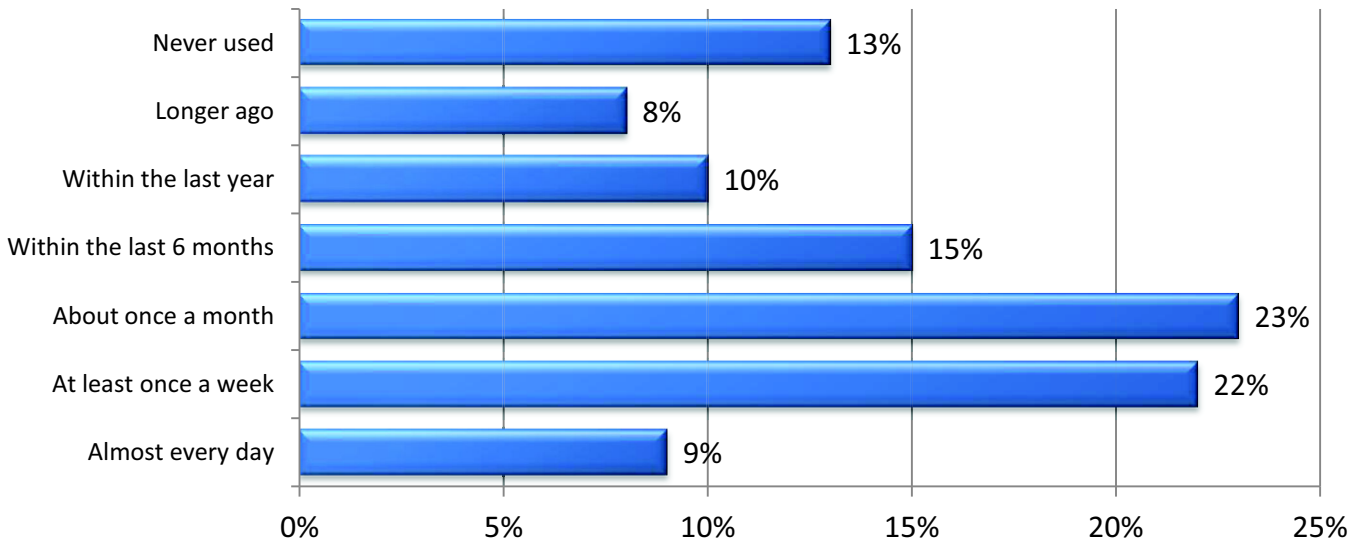
Question 21

The council wishes to improve the bus service in York. Which three things most need improving?



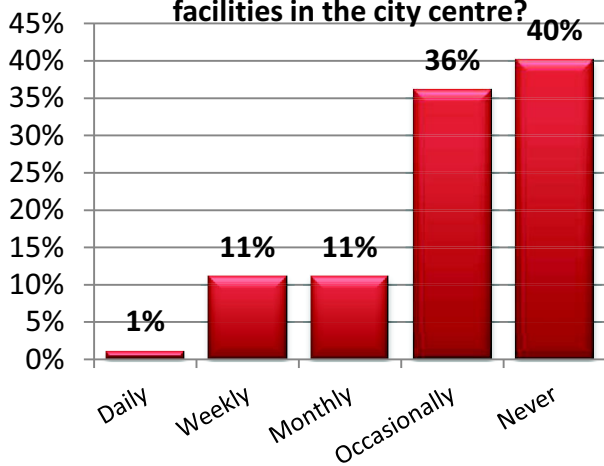
Question 22

How often do you travel by bus/Park & Ride in York?



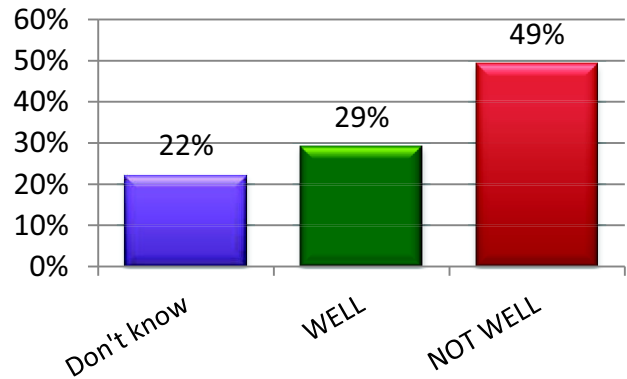
Question 23

How often do you use paid parking facilities in the city centre?



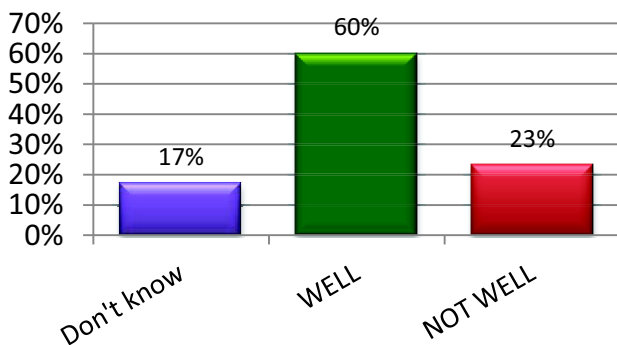
Question 24

How well do you think the council and its partners are achieving the following?
Improving York's Bus Service

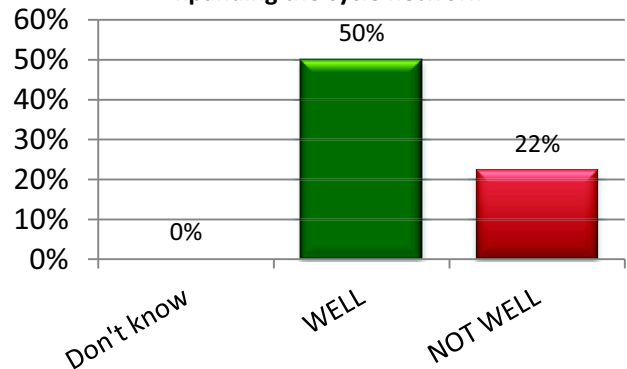


Question 24

How well do you think the council and its partners are achieving the following?
Making it easier for people to travel around on foot



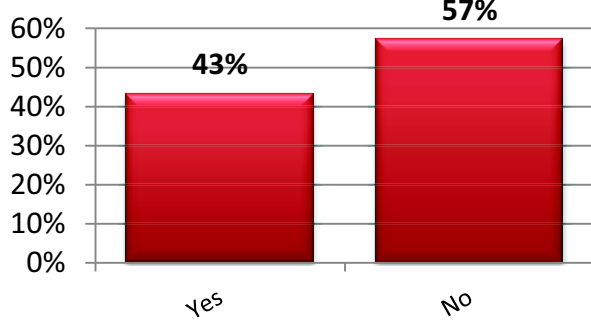
How well do you think the council and its partners are achieving the following?
Expanding the cycle network



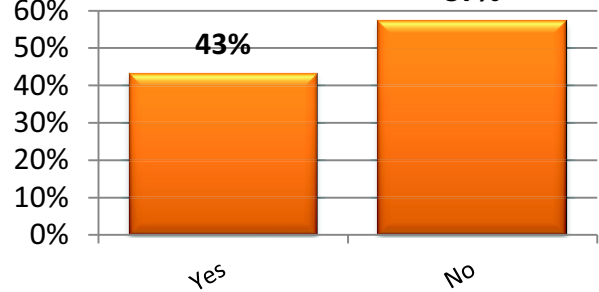
Council Plan Priority: Building Stronger Communities

Question 25

Do you know who your ward councillor is?

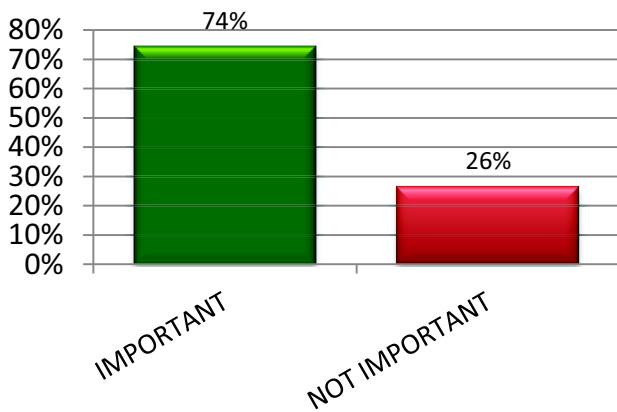


Have you seen or had any written communication from your local councillor in the last 12 months?



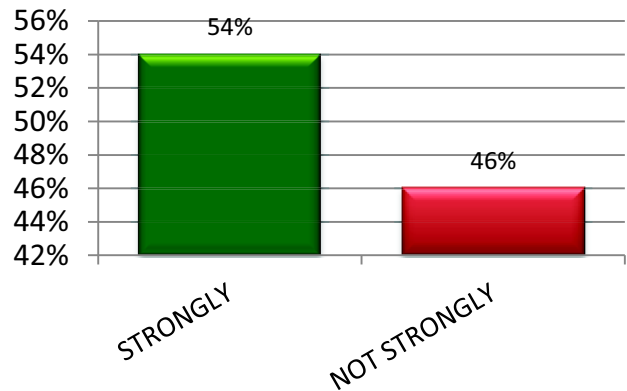
Question 26

How important is it to you that you feel part of your local community?



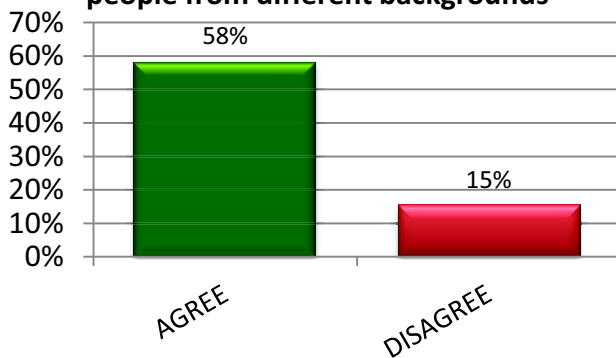
Question 27

And how strongly do you feel you belong to your local community?



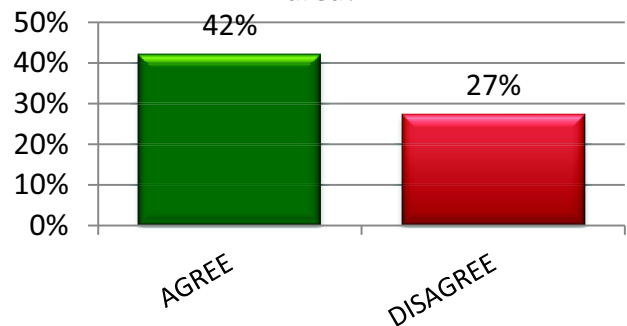
Question 28

To what extent do you agree or disagree that it is a place where people from different backgrounds



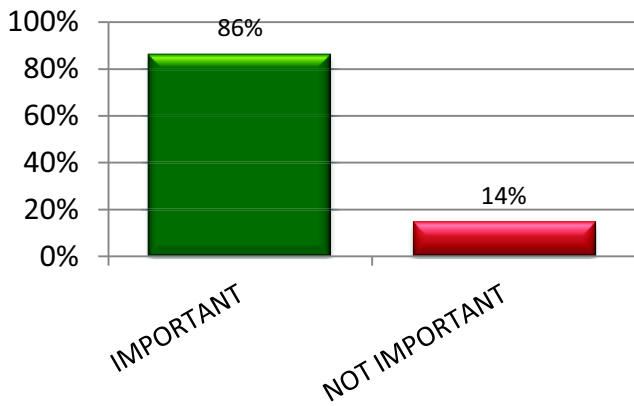
Question 29

To what extent would you agree or disagree that people in this local area pull together to improve the local area?



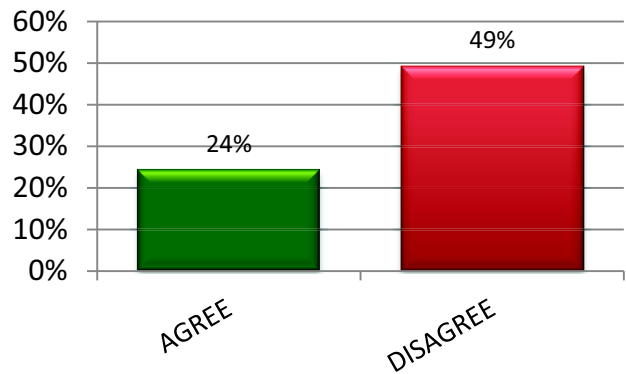
Question 30

How important is it that you can influence decisions affecting your local area?



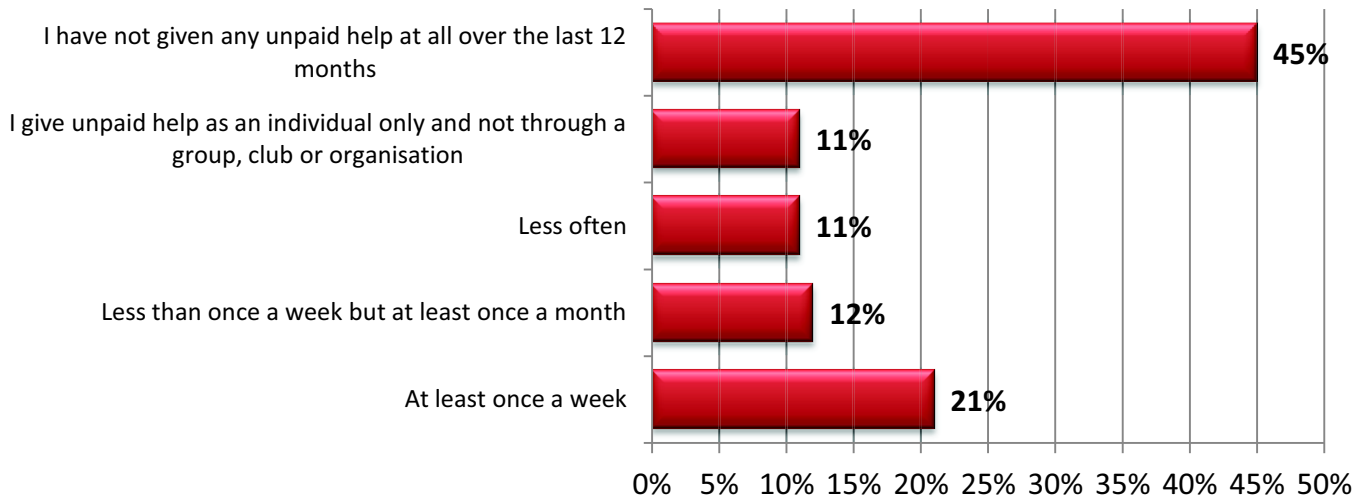
Question 31

Do you agree or disagree that you can influence decisions affecting your local area?



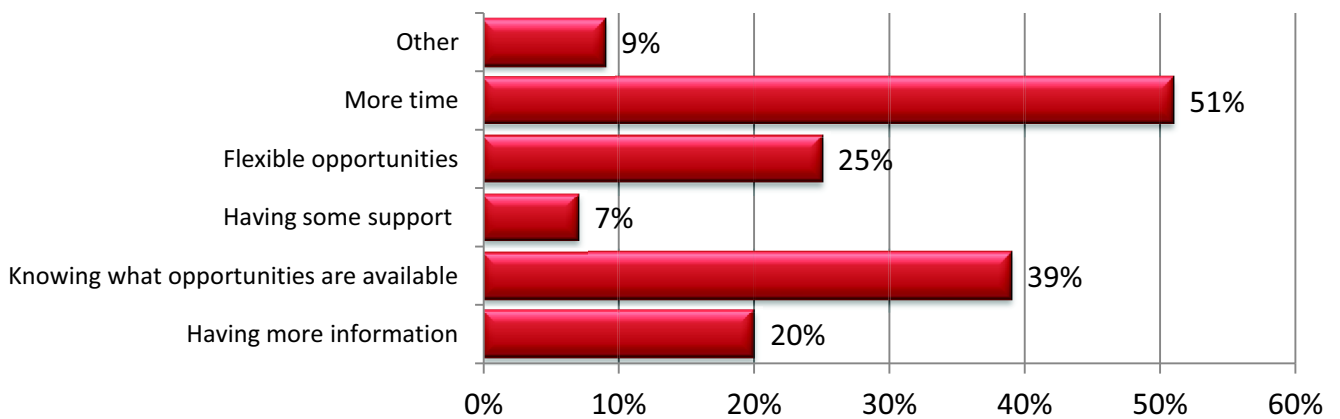
Question 32

Overall, how often in the last 12 months have you given unpaid help to any group, club or organisations?



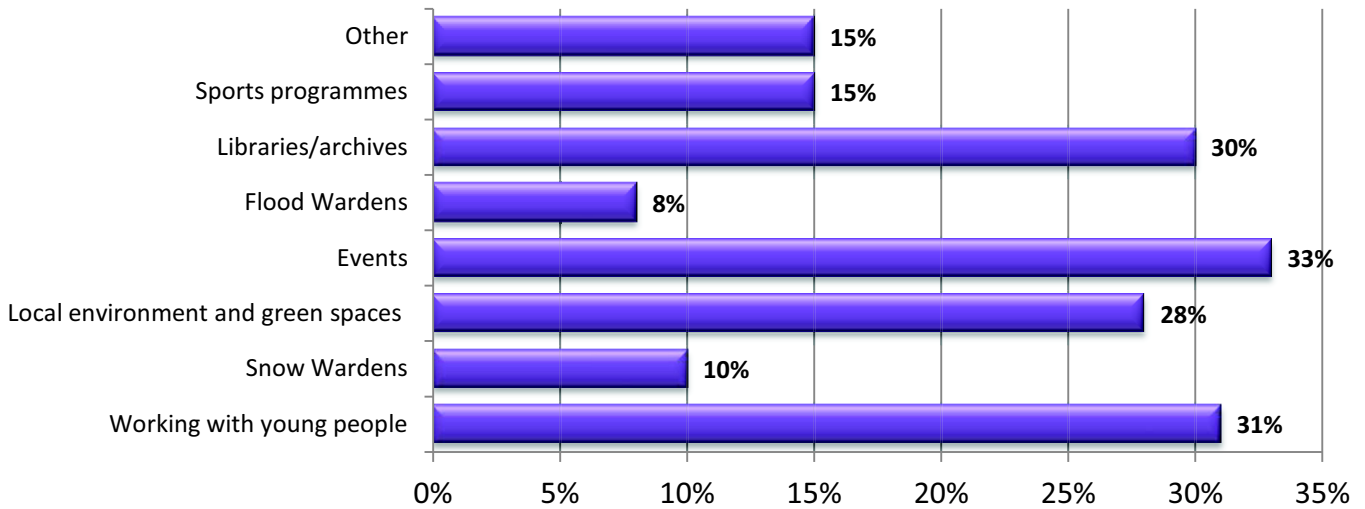
Question 33a

What would encourage you to volunteer in the next 12 months?



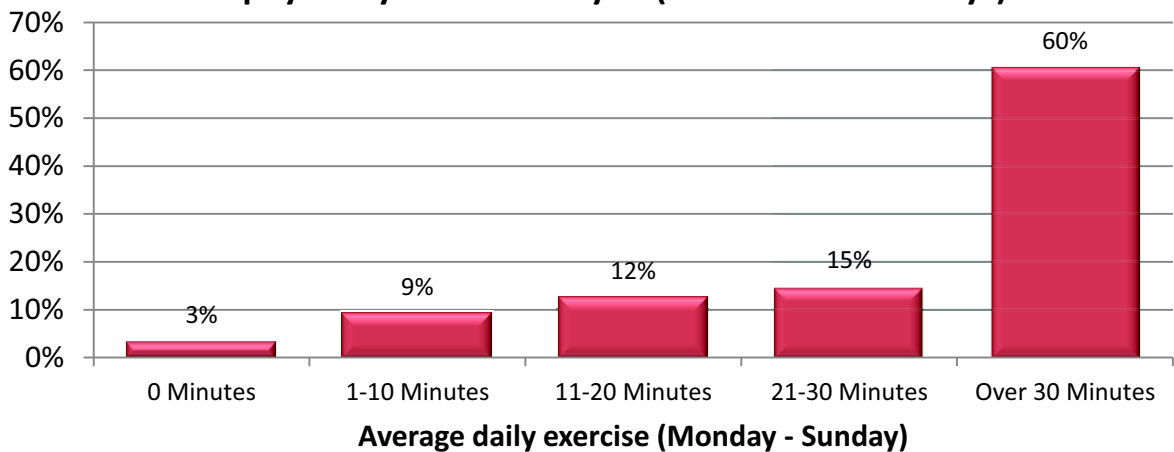
Question 33b

What sort of opportunities would you be interested in?



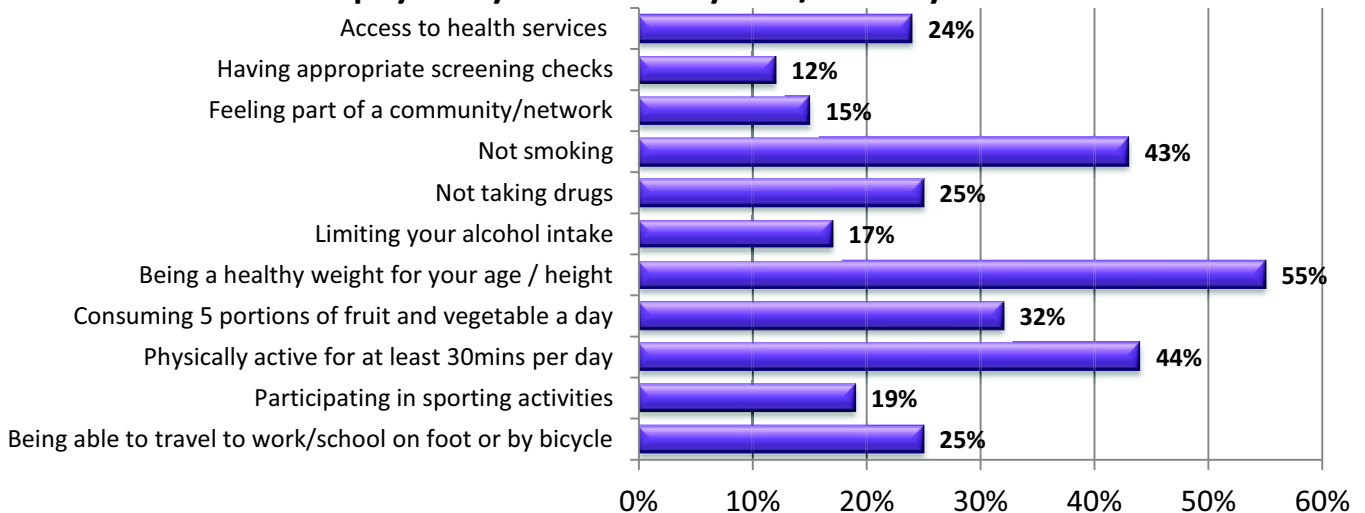
Question 34

How physically active were you (in the last seven days)?



Question 35

Which do you feel are the three most important for staying physically and mentally well/ healthy?



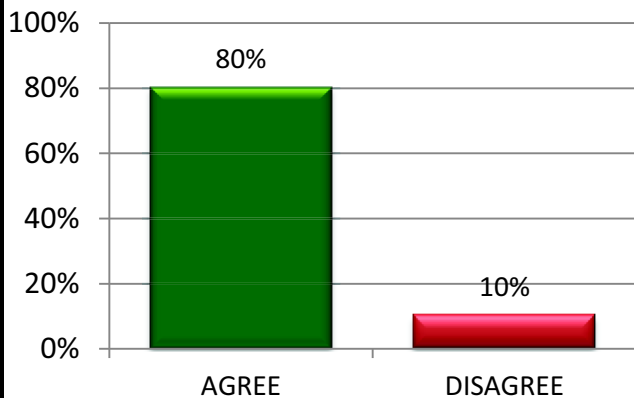
Question 36

Question 37

Questions 36 and 37 were free-text boxes. The comments received will be passed to the service area to review.

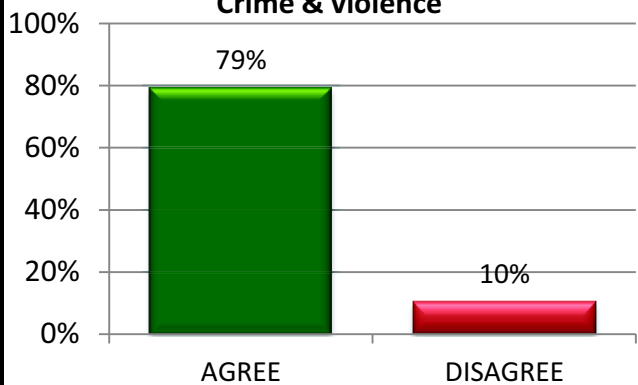
Question 38

How much do you agree that York (as a whole) is a safe city to live in, relatively free from crime



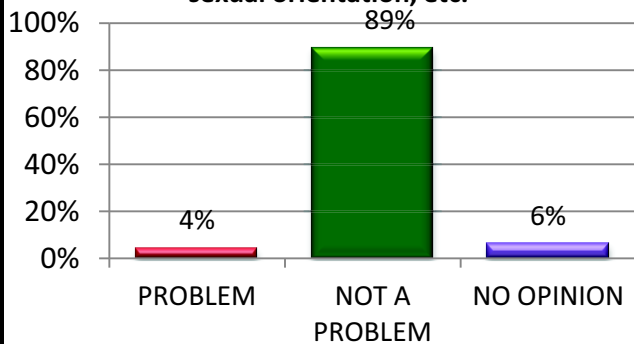
Question 39

And how much do you agree or disagree that your local area is a safe place to live in, relatively free from Crime & violence

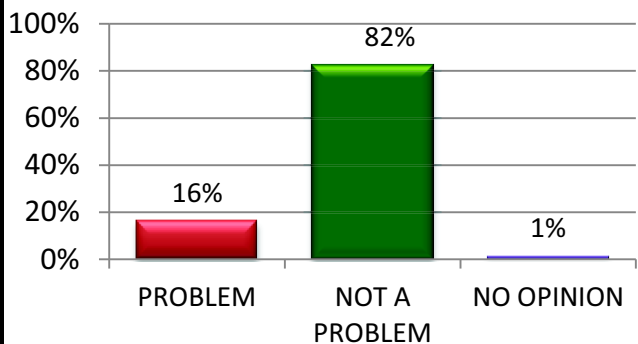


Question 40

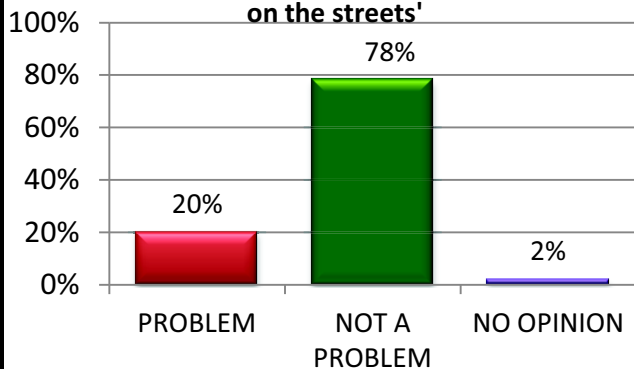
Level of problem 'Hate crime - crimes against people because of their religion, sexual orientation, etc.'



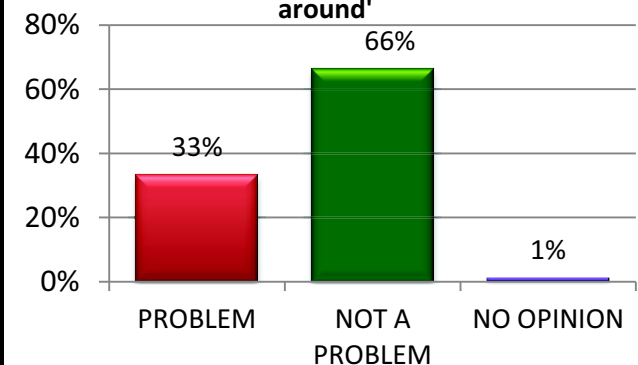
Level of problem 'Noisy neighbours or loud parties'

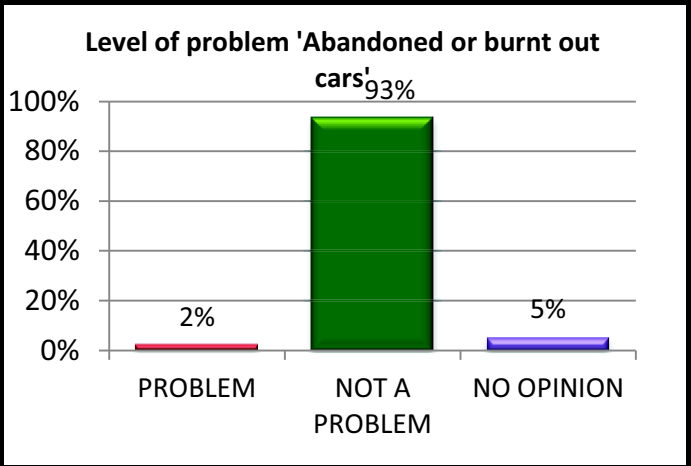
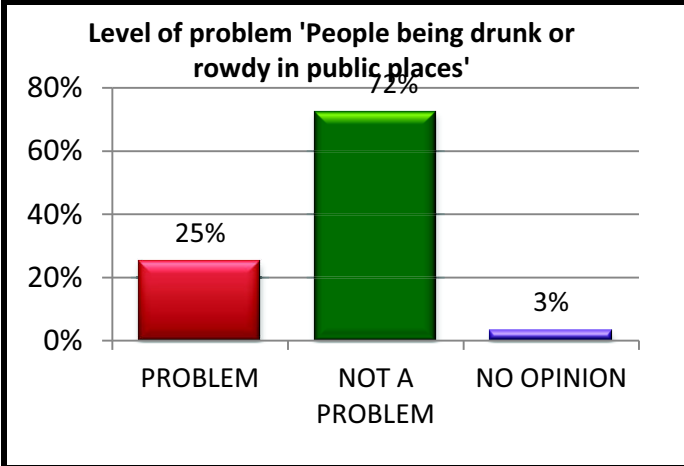
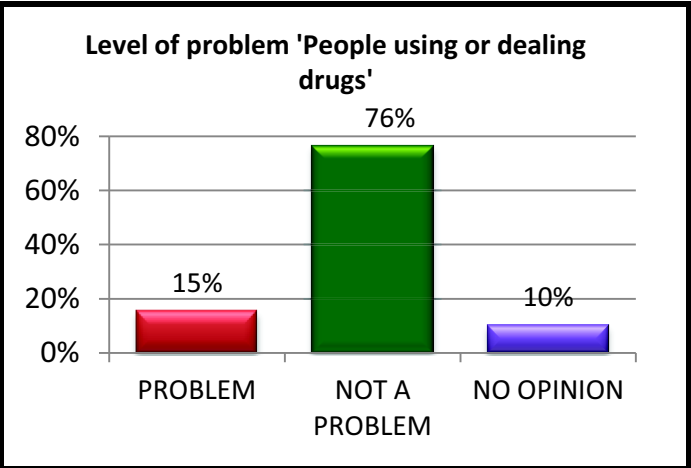
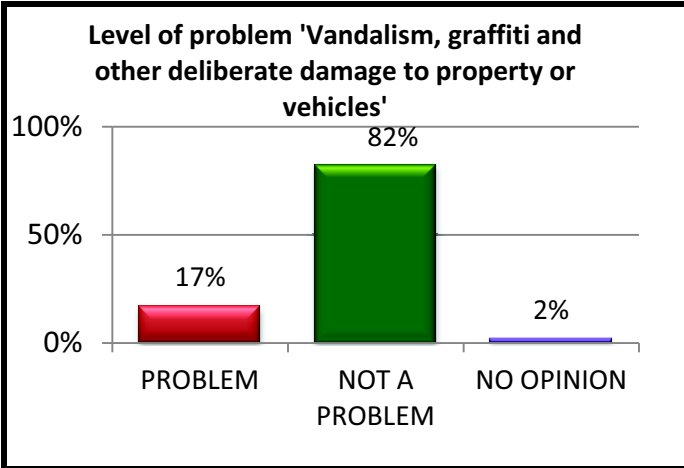


Level of problem 'People hanging around on the streets'

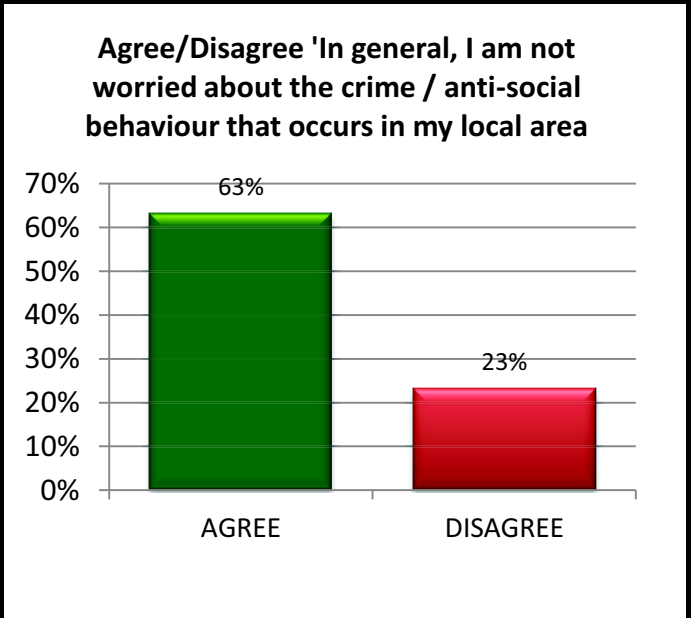
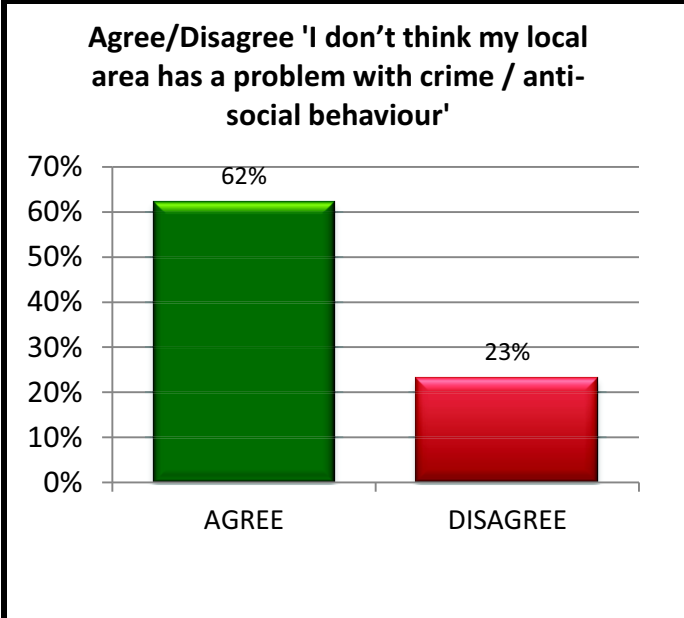


Level of problem 'Rubbish or litter lying around'

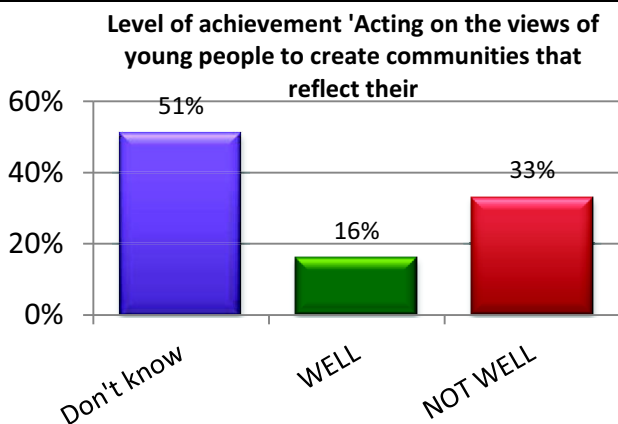
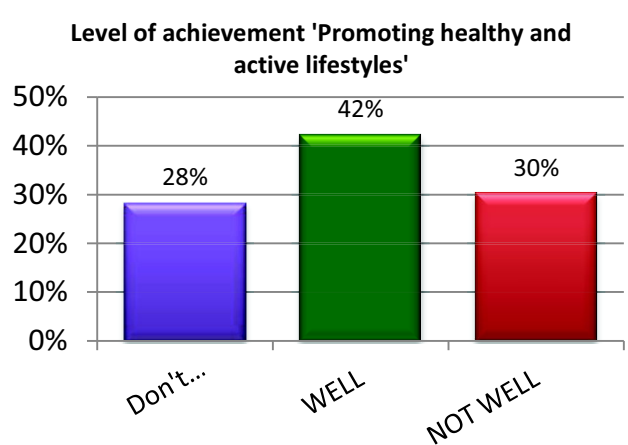
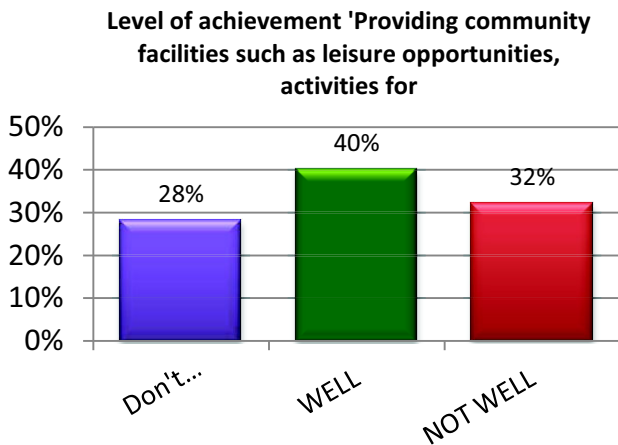
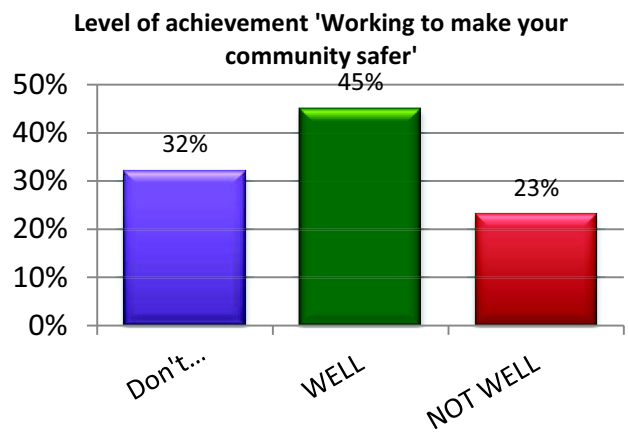
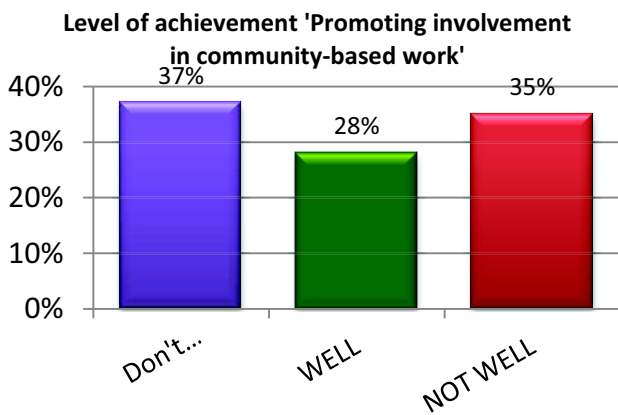
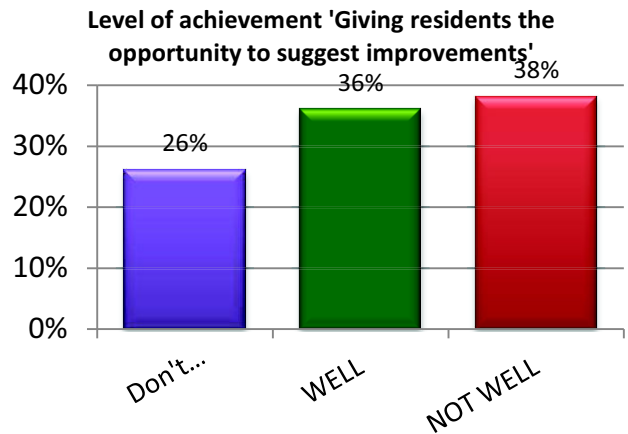
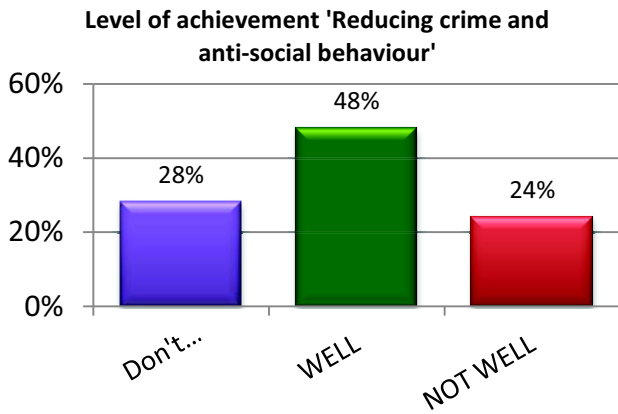




Question 41



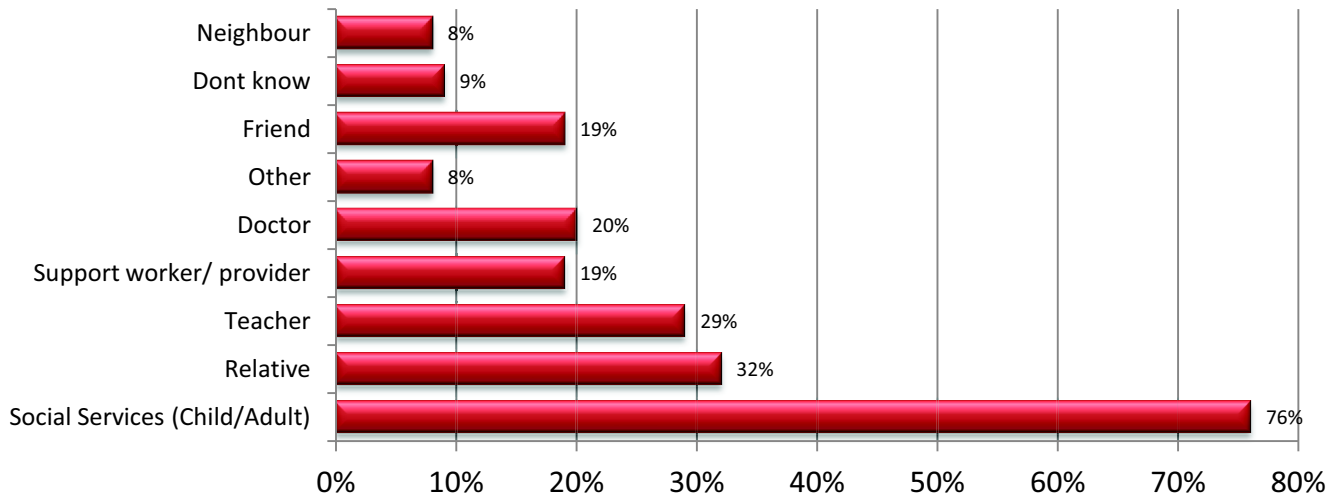
Question 42



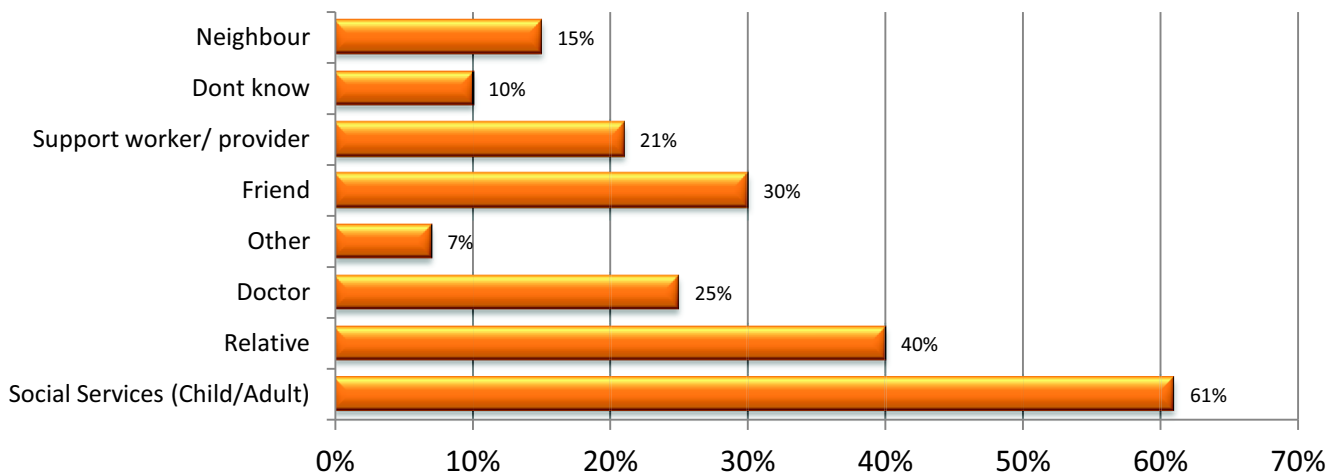
Council Plan Priority: Protect the Vulnerable

Question 43

If you thought a child may be being abused, who would you tell?

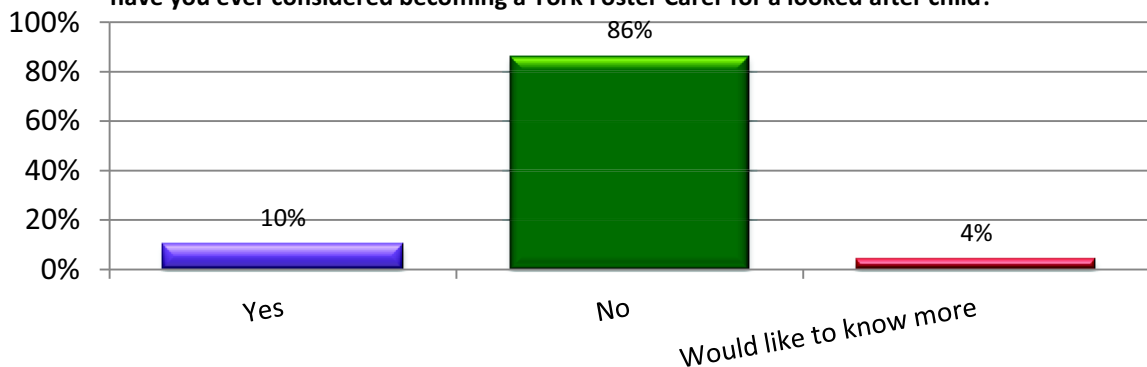


If you thought a child may be being abused, who would you tell?

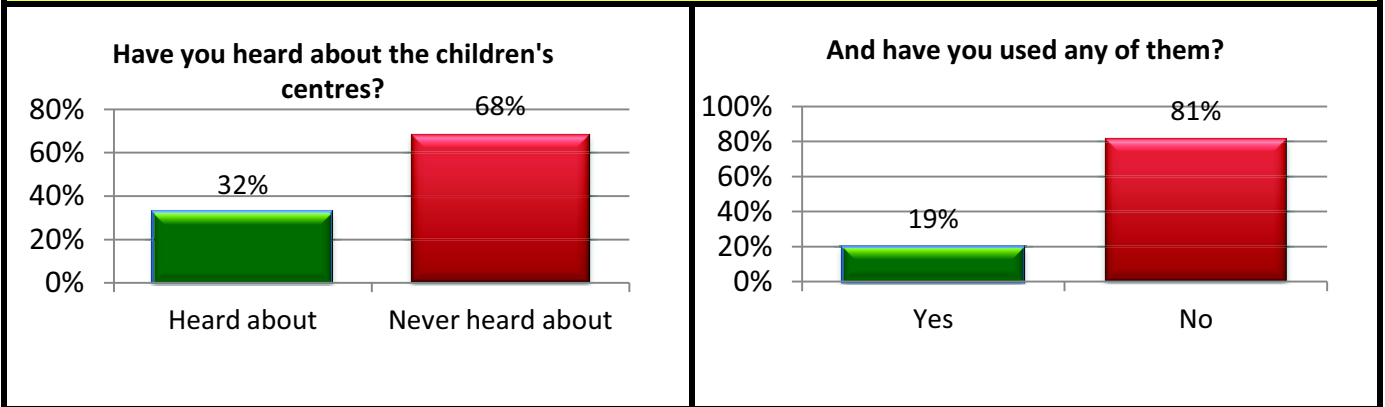


Question 44

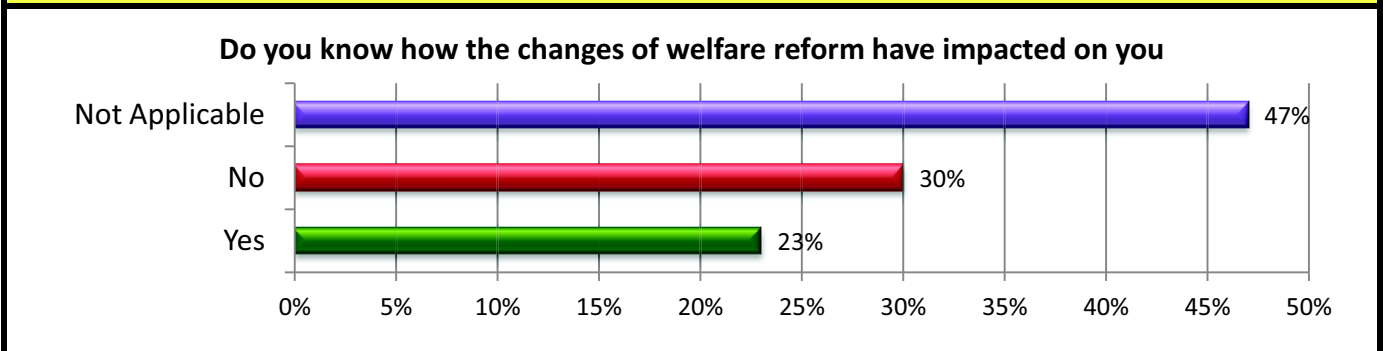
have you ever considered becoming a York Foster Carer for a looked after child?



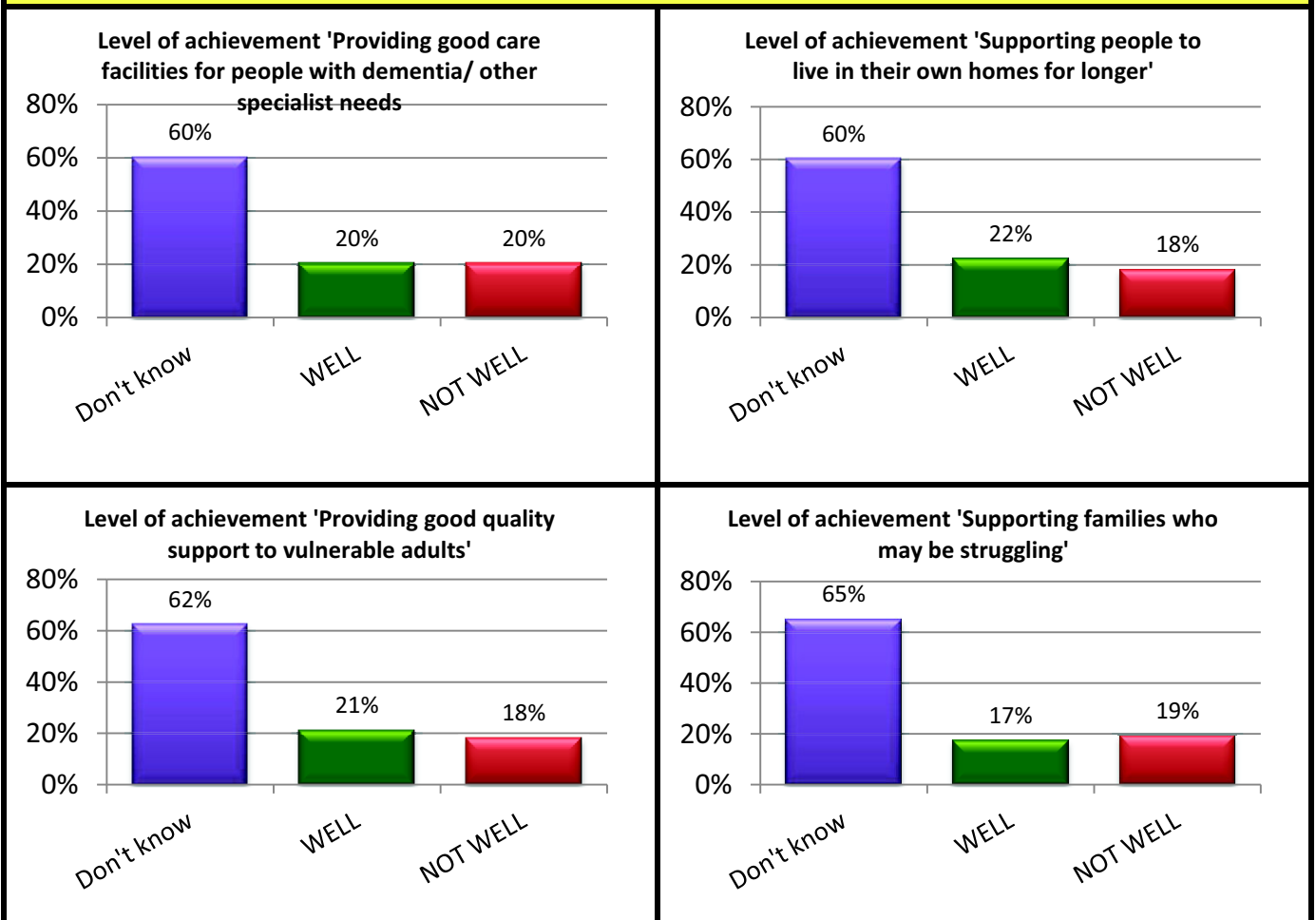
Question 45



Question 46a



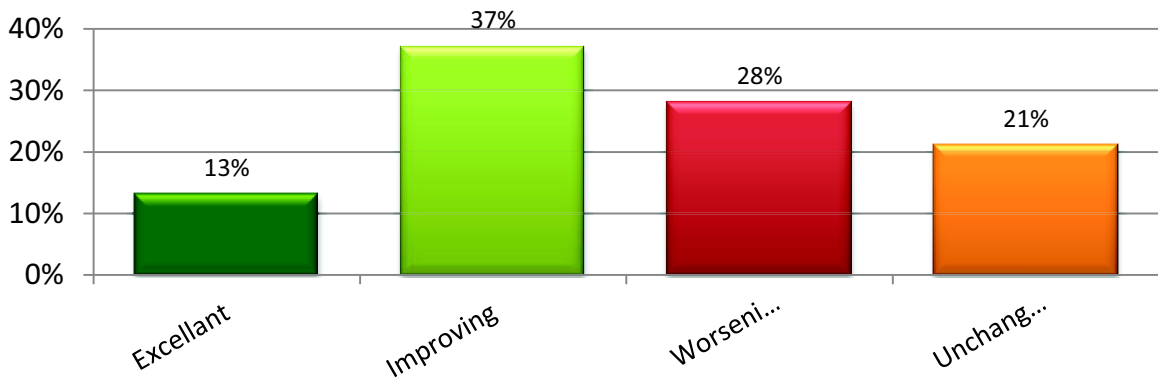
Question 47



Council Plan Priority: Protect the Environment

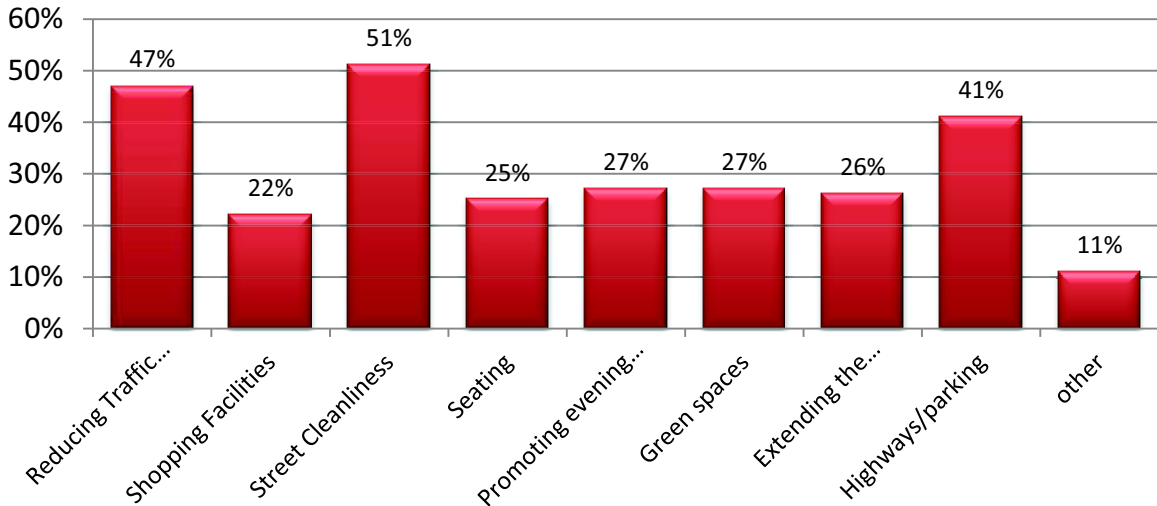
Question 48

How would you rate the quality of the city centre environment?



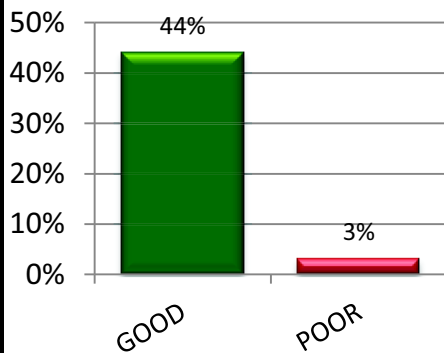
Question 49

What priorities do you think the council should focus on in the city centre?

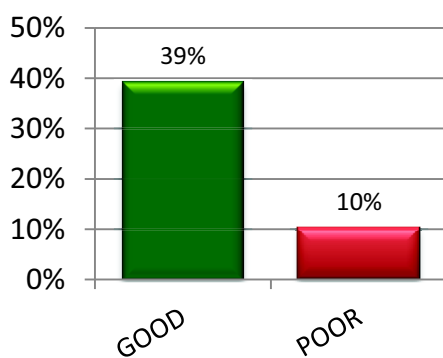


Question 50

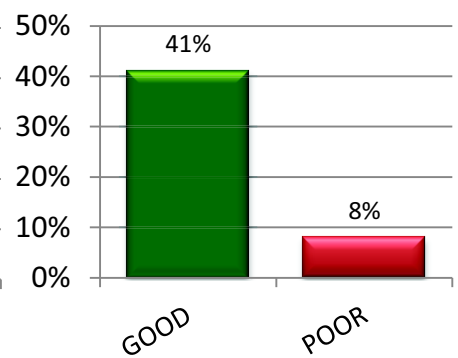
How would you rate green spaces in York? Access to green spaces



How would you rate green spaces in York? The habitats that have been created for wildlife

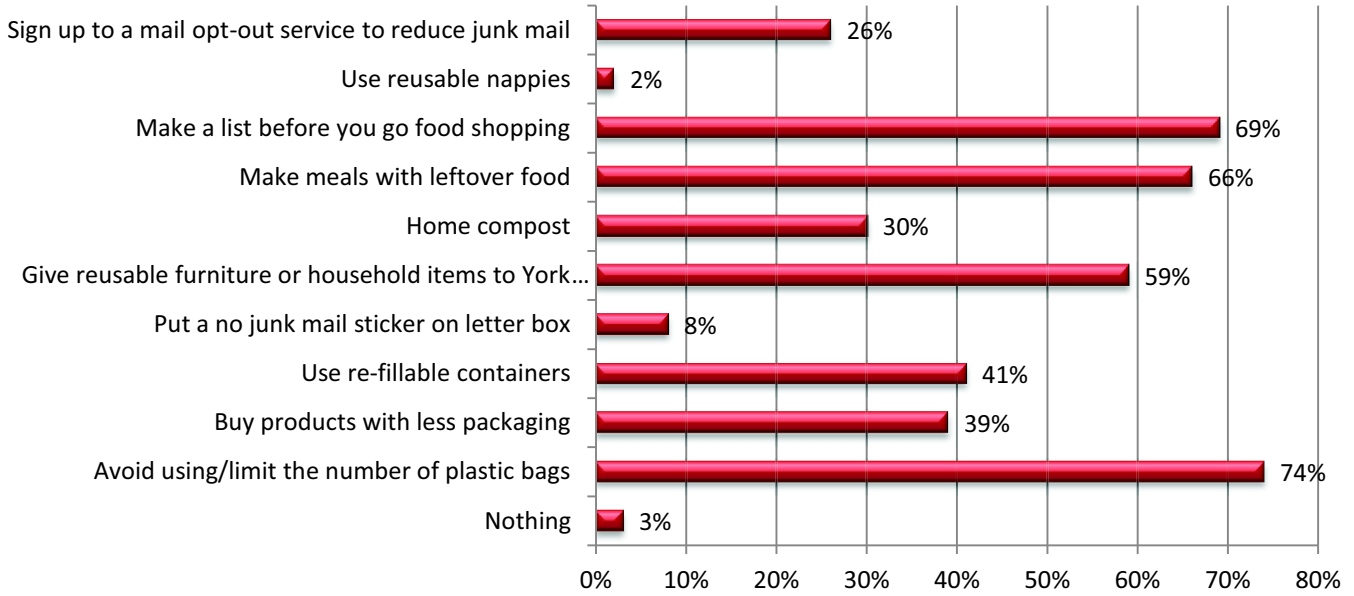


How would you rate green spaces in York? Balance between public access and wild life protection



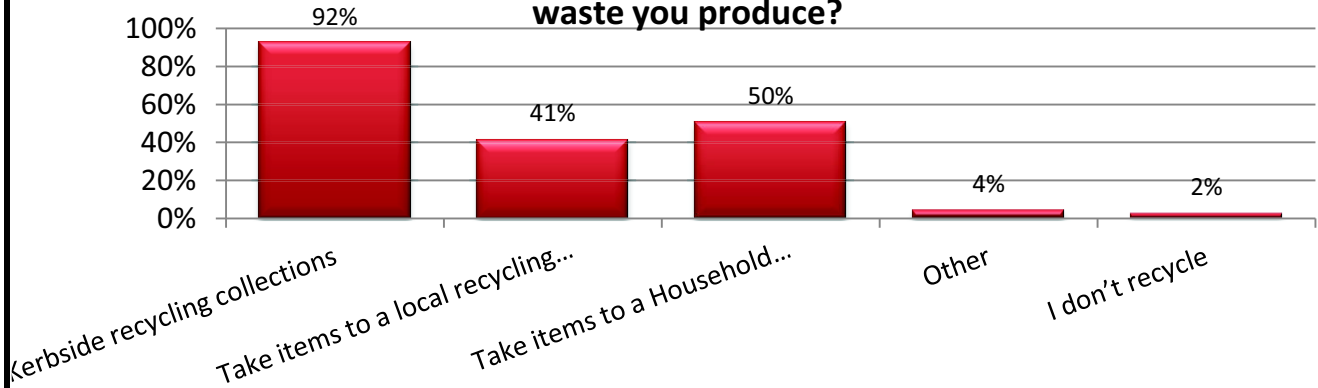
Question 51

What things do you do regularly to reduce the amount of household waste you produce?



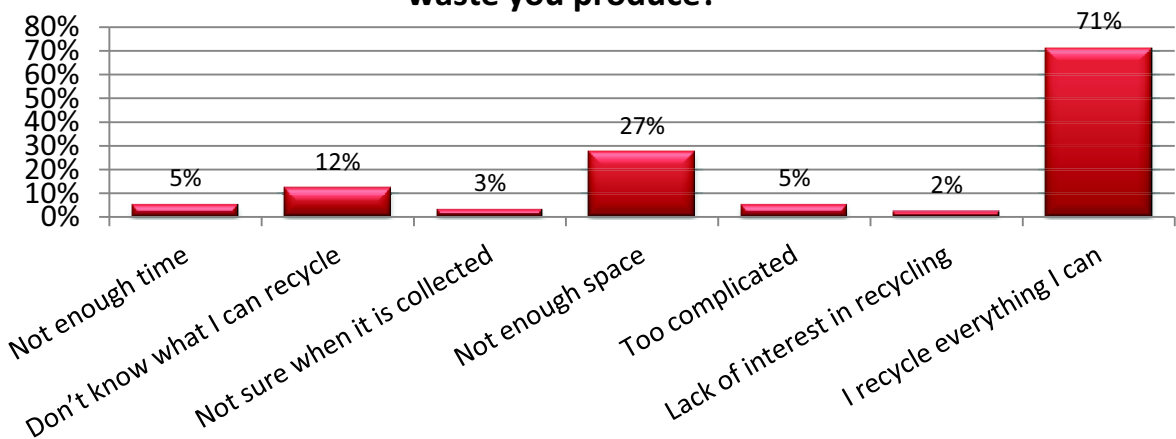
Question 52

What things do you do regularly to reduce the amount of household waste you produce?



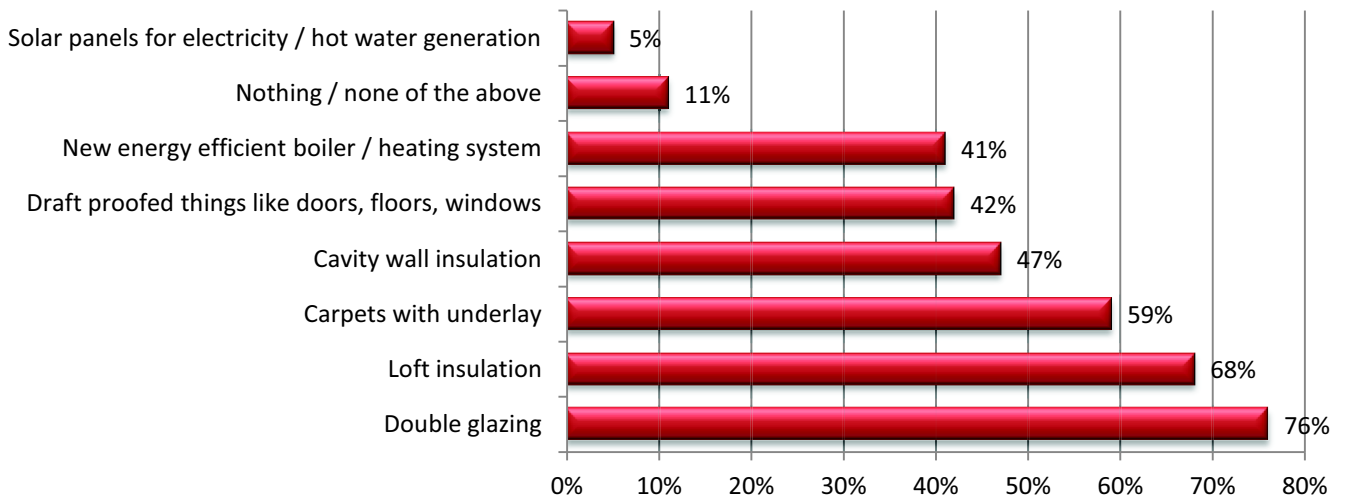
Question 53

What things do you do regularly to reduce the amount of household waste you produce?

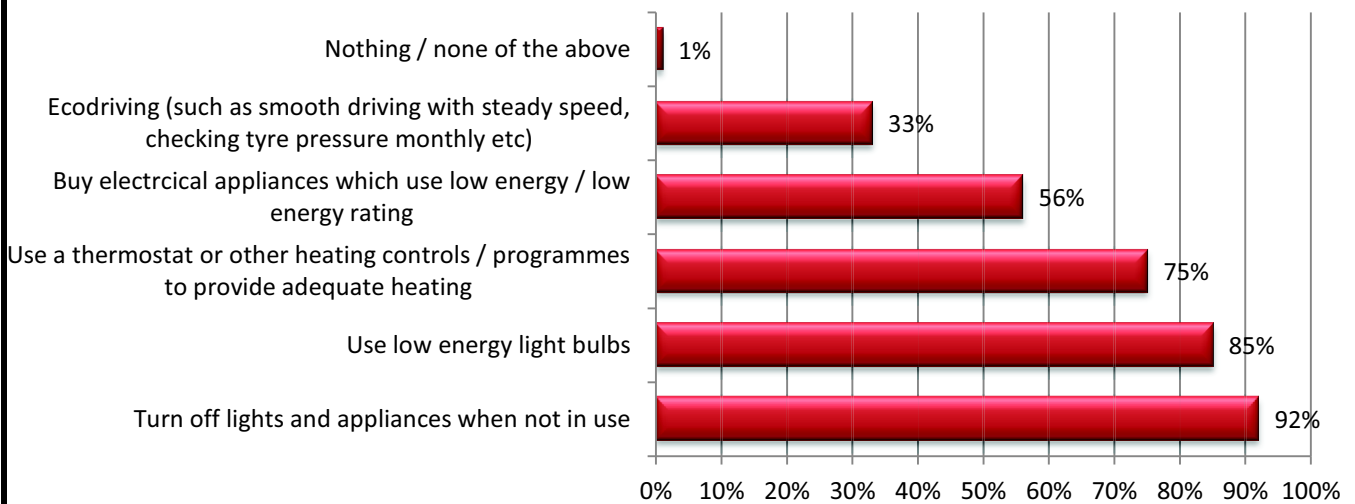


Question 54

Which things do you have already / have had installed recently at your home?

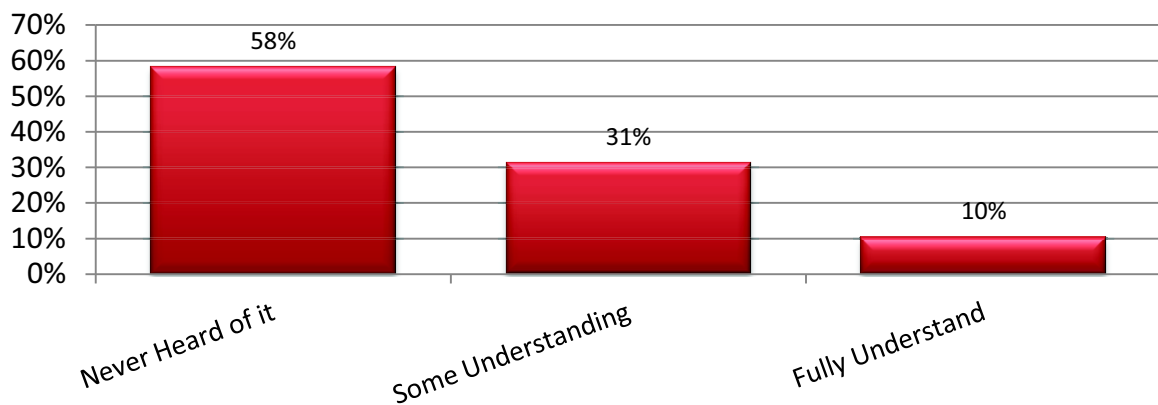


Which things do you regularly do?

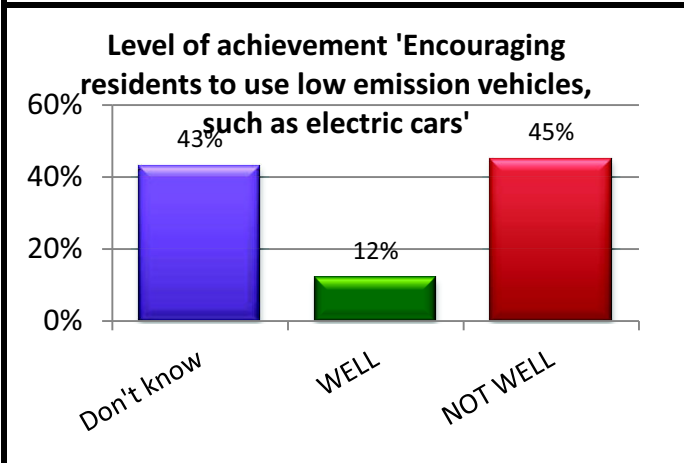
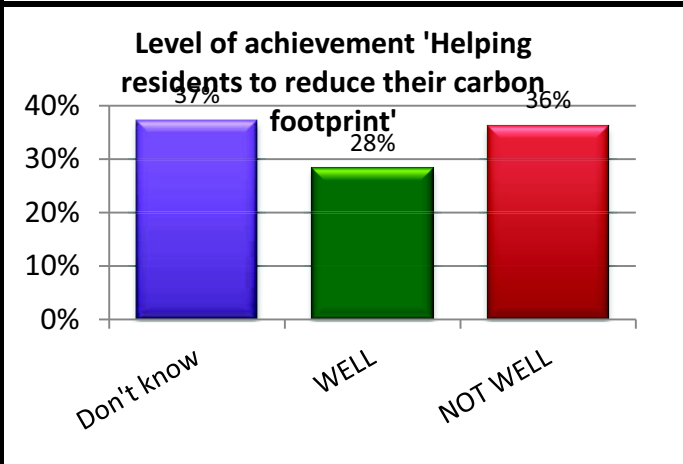
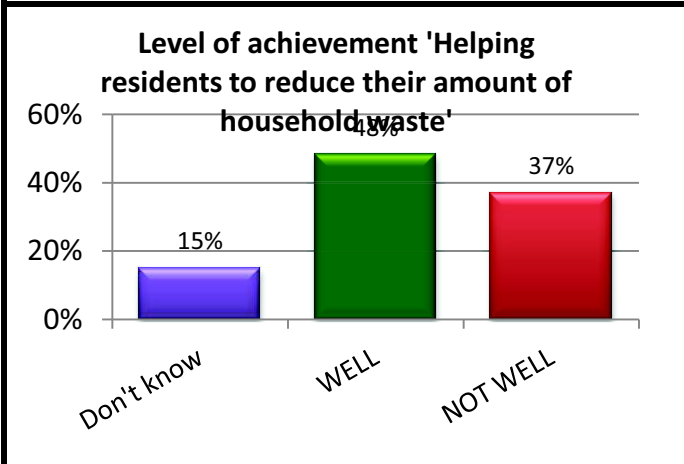
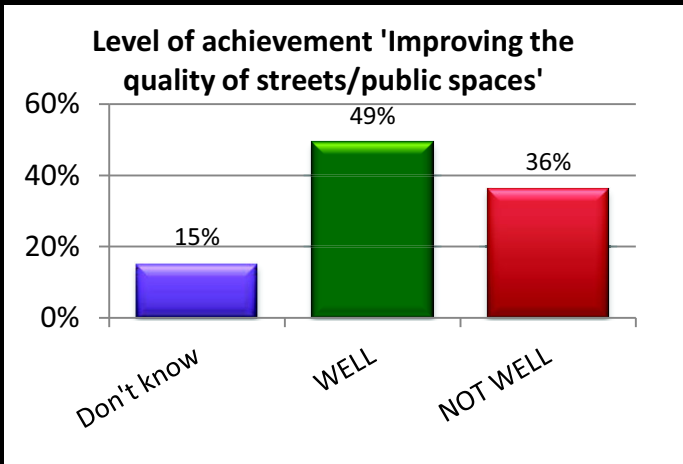
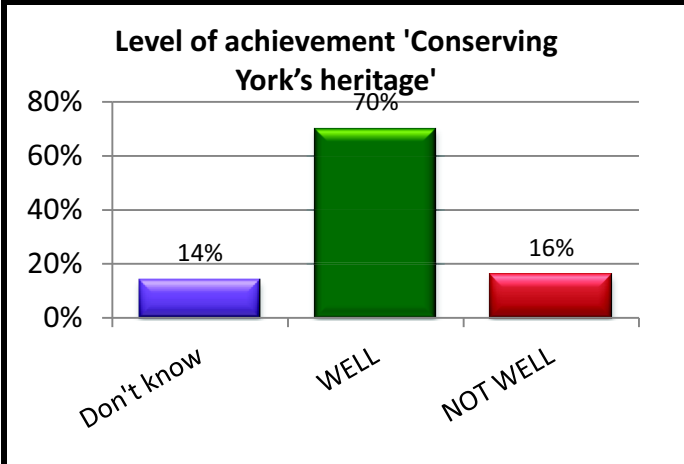
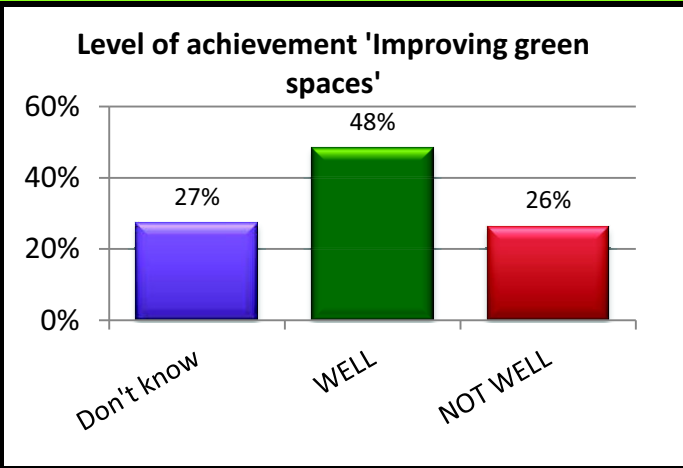
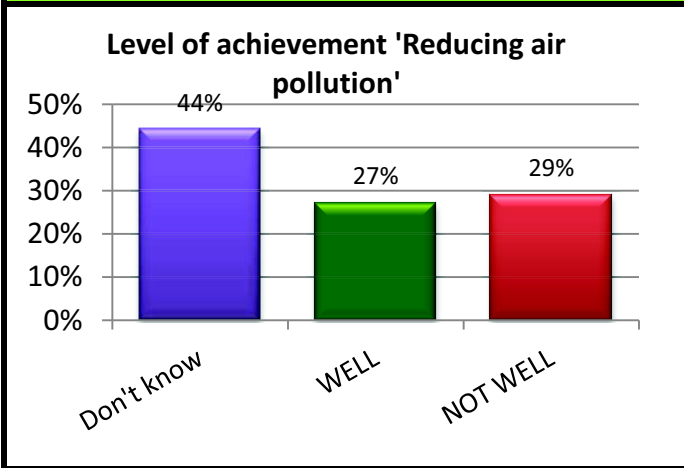


Question 55

How well do you understand what the Green Deal is?



Question 56



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Cabinet

1st October 2013

Report of the Cabinet Member for Finance Performance and Customer Services

Disposal of Council Properties

Summary

1. This report sets out the progress over the last 4 years in disposing of surplus Council property assets. Specific approval is also sought from Members to dispose of properties at St Anthony's House and 13/15 Redeness St

Background

2. One of the key principles for the asset review of all council property and land agreed by Cabinet in November 2012 was to identify opportunities to generate capital receipts by rationalising and sharing the occupation of properties so reducing the number of properties the Council owns and occupies. In addition opportunities are always looked at where the Council can significantly increase the value of its properties by working with third parties.
3. The principles for assessing disposals were set out in the November 2012 Cabinet report as follows
 - Reducing revenue costs by co-locating the service in another Council or non-Council buildings thus freeing up the building
 - Supporting economic development – adding value by creating jobs and encouraging new businesses into the City
 - Creating new homes – supporting Get York Building programme
 - Creating community value by asset transfer

- 4 The adopting of these asset review principles has built on many years of successful asset management by the Asset and Property Management Team. Since April 2010 £10.4m of capital receipts have been generated and this has included the sale of Edmund Wilson Pool (developed as a supermarket, land at Osbaldwick (for housing development), Kent Street Coach Park (for the new fire station) and land at Yearsley Bridge for housing and retail development.
- 5 In addition sales have also been agreed using these principles which are currently progressing including the sale of the Hungate site to Hiscox and the Parkside Centre for an office development
- 6 It is the responsibility of the Council to ensure it receives best value from the disposal of all its land and buildings using the principles for disposal detailed above. Obtaining this best value can be dealt with in a number of ways
 - Open market sale – the asset is placed on the market and offers are received with the highest one being accepted. These offers are made unconditionally and ensure a sale goes through quickly. Examples of these which have recently taken place are the sale of Hollycroft and it is proposed to sell Ashbank on his basis
 - Open market sale with conditions – the asset is placed on the market with a planning brief and offers are invited setting out the conditions (ie. obtaining planning permission) which the offer is subject to. These offers are then considered both on price and the risk of the conditions not being fulfilled. Examples of this type of approach recently done are the Yearsley Bridge site and the Edmund Wilson Pool site and this approach will be followed at 17/21 Piccadilly and part of the former Manor School site which are shortly to be marketed.
 - Direct negotiations with one party – this method is not often followed but is used when the other party has an interest in the property – ie. a current tenant – or there is a very good economic and financial reason for dealing directly with them such as the creation of new jobs or the assembly of a larger site for residential development. These other parties are known as ‘special purchasers’ or ‘particular buyer.’ Disposal by this method is permitted as long as an independent valuation is carried out by a firm of chartered surveyors not connected to the

case showing that market value has been obtained. An example of this would be the agreement to sell the Hungate site to Hiscox and Kent Street Coach Park for the new fire station

7. It is the responsibility of the Assistant Director for Finance, Asset Management and Procurement to ensure the right approach to the method of disposal is followed on a case-by-case basis using these principles. Proposed disposals of Council property assets are reported to the Capital and Asset Board and, where the capital receipt is above £100,000 are then reported to Cabinet for approval.
8. Detailed below are 2 proposed disposals which have followed the process outlined in the third bullet point of paragraph 6 for the reasons stated below which Member approval is now sought.

St Anthony's House, Clarence Street

- 9 St Anthony's House (see plan at Annex A) was vacated earlier this year as part of the migration of staff to West Offices. The Council has no requirement for this building and therefore it was agreed to dispose of this property and seek to maximise the capital receipt.
- 10 York St John University (YSJU) have expressed an interest in this property as they have an urgent need for additional teaching and staff accommodation as part of the expansion plans for YSJU. Negotiations have taken place with a property professional for YSJU and the following terms have been provisionally agreed
 - St Anthony's House – sale with vacant possession for a figure detailed in confidential Annex B
- 11 An external firm of valuers have undertaken a valuation of this building and site, calculating the value for the current use, the proposed use by YSJU and alternative uses which could be permitted under current planning guidance such as residential. They have confirmed that the figure agreed is the best value.

13/15 Redeness Street, Layerthorpe

- 12 This site is let on 2 long ground leases from 1970 to 2064 at a combined yearly rent of £8,250. The lessee was Yorkshire Water but they ceased using the site several years ago and Maple Grove Developments are the leaseholders. This development company have also agreed to buy the adjoining site (not owned by the Council) – (edged blue on the plan at Annex A) – and have

approached the Council, through their development partner, Yorvale, to buy the freehold so they can develop both sites, subject to obtaining planning permission, for a 325 bed student accommodation. Initial discussions with planners have been positive.

- 13 The freehold value of the site, subject to this lease, is low (for details see confidential Annex B). The Council cannot terminate the lease as the lessees are fulfilling the covenants contained in the lease including paying the rent. Negotiations have therefore taken place with the tenants/prospective purchasers on merging the 2 interests with the added value this creates for the development – often referred to as the ‘marriage value’. Normally this marriage value is split 50:50 between the 2 parties in arriving at any sale price but the Council has negotiated a 68:32 split in the Council’s favour. Full details of the proposed offer are contained in Annex B and again a report and valuation has been carried out by an external firm of valuers which supports the sale figure and confirms this is the best value for this site.

Consultation

14. All properties which are suitable for sale are first checked to see if there are any service requirements or any potential community use for the buildings as part of the disposal policy. Then a report is taken to the Capital and Asset Board on offers which have been received and any other interest in the property. Both the above sales have been approved by the Capital and Asset Board.

Analysis/Options

15. The only 2 alternative options to the disposal of both properties detailed in paragraphs 8 to 12 would be to either refuse to sell or put the properties on the open market. However for the reasons already stated it is highly unlikely that a higher offer would be received for either property as both purchasers have a special and particular interest in buying the freeholds which has been reflected in the sale prices which have been negotiated.
- 16 In addition if these sales did not proceed then, in the case of St Anthony’s House, YSJU would have to find an alternative site to meet their immediate need which would be further away from the current University Campus. For the Redeness Street proposal then an opportunity to develop accommodation for students could be lost

as development on the adjoining non- Council site only would be less viable and therefore may not proceed.

Corporate Objectives

- 17 The proposed sales would meet the Council priorities for **Creating Jobs and Growing the Economy** by supporting the YSJU in providing teaching accommodation for staff and students and also **Building Strong Communities** by providing accommodation for students from all learning centres. In addition the substantial capital receipts raised from these sales will provide funding to also help meet the Council's priorities through its capital programme.

Implications

- 18 **Financial** – the capital receipts from the sale of St Anthony's House and 13/15 Redeness Street will be used to support the Council's capital programme
- 19 **Property** – all the implications are contained in this report
- 20 **Legal** - as the report indicates the Council must generally obtain best value on land sales. This duty to achieve the best consideration which is reasonably obtainable is contained in section 123 of the Local Government Act 1972. The Council is under no duty to dispose of land through particular means such as through open marketing. A failure to market does though increase the risk of a sale being challenged. However, the Courts though have said that a breach of section 123 is only likely to be found if:

“the council has (a) failed to take proper advice or (b) failed to follow proper advice for reasons which cannot be justified or (c) although following proper advice, followed advice which was so plainly erroneous that in accepting it the council must have known, or at least ought to have known, that it was acting unreasonably.”

In this case the valuation evidence provides a proper basis for the recommendations.

- 21 **Equalities and Human Resources** – no implications

Risk Management

22. There are no major risks associated with the sale of the properties detailed above. Obviously if planning approval is not given for the development on the Redeness Street site then the sale will not proceed.
23. Property disposals generally do carry risks such as the
 - Legal title which the Council has for the property – this is being mitigated by the Council registering it's title with the Land Registry to all its property assets
 - Uses to which vacant sites and buildings can be put to – this requires close liaison with Planning and also the Local Plan development to bring more certainty when any disposal takes place
 - The state of the market – for buying the type of properties which come forward. This is more difficult to control but, as has been done in the past the sale of vacant properties can be delayed until market conditions are suitable with temporary occupation in the meantime to reduce the cost of retaining vacant properties.

Recommendations

24. That the Cabinet
 - notes the work which is being undertaken to ensure that properties are disposed of to maximize the benefit to the Council from any sale and
 - approves the sale of St Anthony's House and 13/15 Redeness Street for the capital receipts detailed in confidential Annex B.

Reason: To support corporate priorities with respect to jobs and economic growth and to provide capital receipts to fund the Council's capital programme.

Contact Details

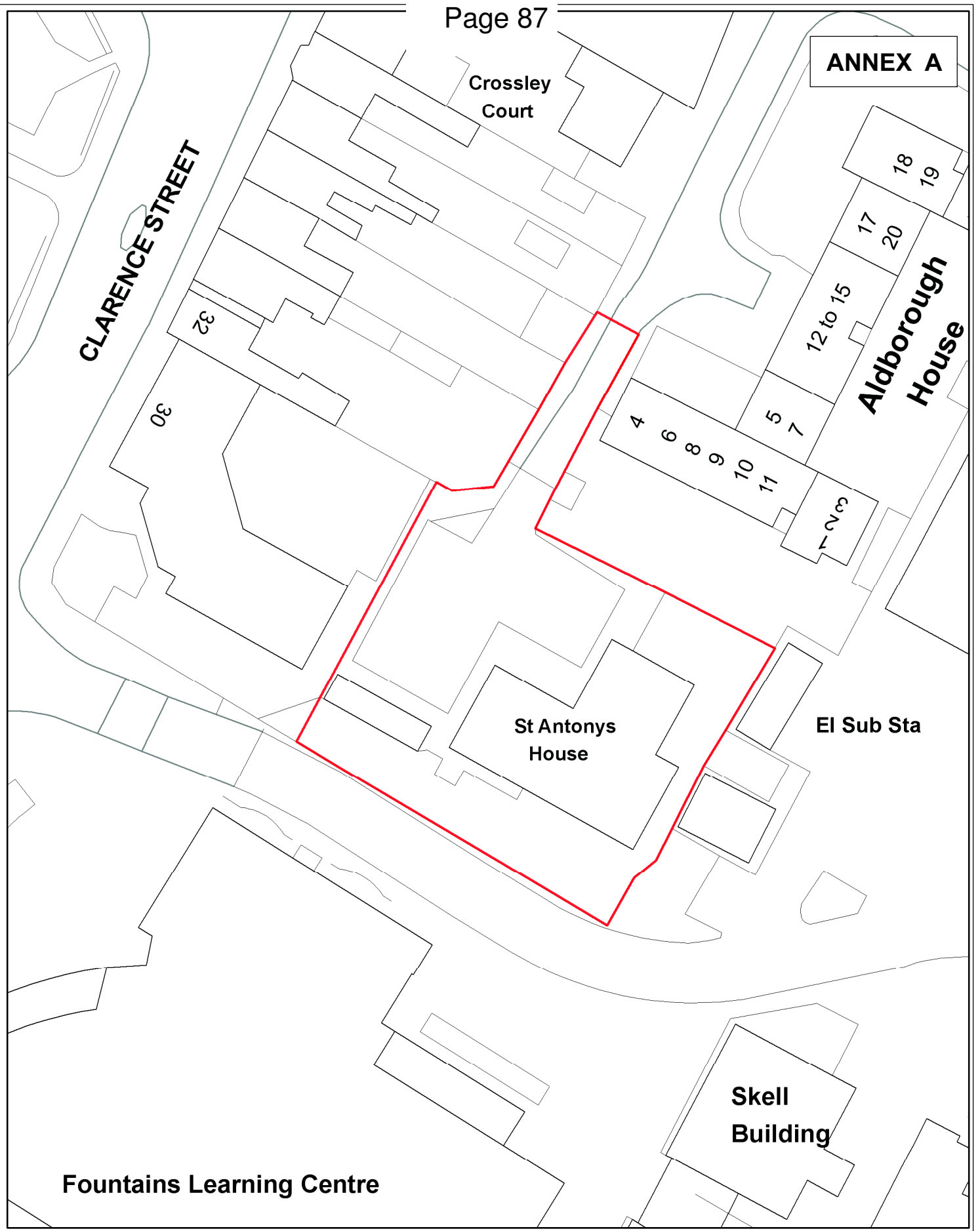
Author:	Cabinet Member and Chief Officer Responsible for the report:		
Philip Callow Head of Property and Asset Management Customer and Business Support Services	Cllr Dafydd Williams, Cabinet Member for Finance, Performance and Customer Services Tracey Carter Assistant Director of Finance, Asset Management and Procurement		
	Report Approved	√	Date <i>20 September 2013</i>
Specialist Implications Officer(s) Ross Brown – Technical Finance Manager Brian Gray – Senior Legal Assistant			
Wards Affected: All			√
For further information please contact the authors of the report			

Background Papers: None**Annexes:**

1 – Site Plan

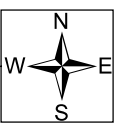
2 – Confidential – Details of sale terms and summary of independent valuers report

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CBSS
Asset & Property Management

St. Antonys House



SCALE 1:500

DRAWN BY: GR

DATE: 17/09/2012

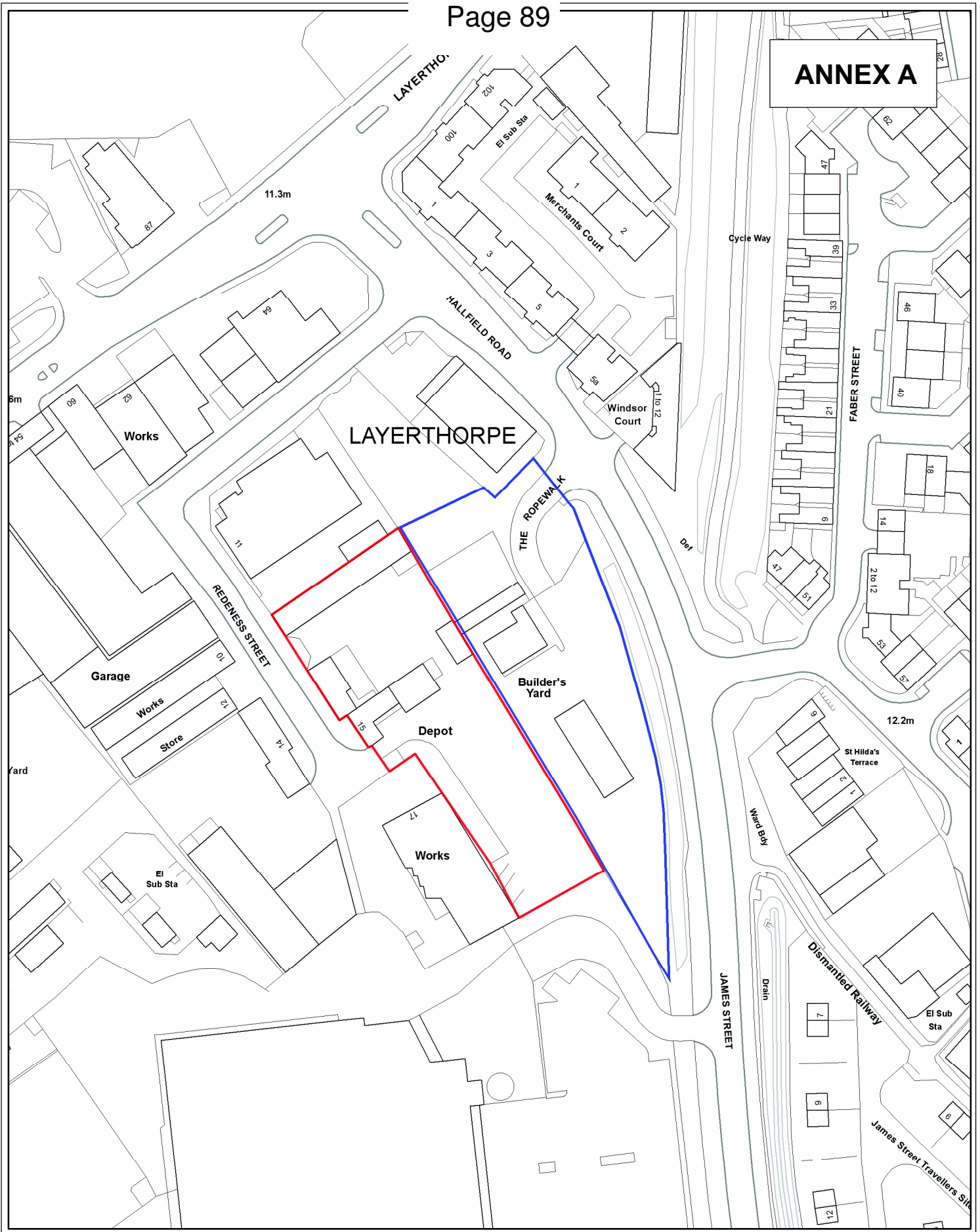
Originating Group: **Asset & Property Management**

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ANNEX A



CBSS
Asset & Property
Management

13/15 Redeness Street

SCALE 1:1,250

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DATE: 11/09/2013

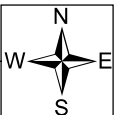
Originating Group:

Asset & Property Management

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Cabinet

1st October 2013

Report of the Cabinet Member for Finance, Performance and Customer Services

Technical Reforms to Council Tax

Summary

1. The purpose of this paper is to provide Cabinet with an update on the current position of the changes to Council Tax Exemptions approved in November 2012 and to consider what, if any, changes should be made for 2014/15 including council tax support.

Background

2. The Government allowed councils latitude to amend four key Council Tax Exemptions in the Finance Act (November 2012) these changes came into place from 1st April 2013. The exemptions became discounts from this date and Table 1 below shows the changes approved by Cabinet in November 2012.

Table 1

Exemption	Pre 1st April 2013	April 2013
Empty and Unfurnished (Class C)	0%	50%
Structural Repairs (Class A)	0%	50%
Second Homes	90%	100%
Longer Term Empty (2Yrs +)	100%	150%

Collection and Liability

3. It is difficult to predict with complete accuracy the level of additional council tax that will be collected through the changes made to exemptions from the 1st April 2013 until the end of the financial year. Table 2 below provides an estimate of the potential outturn position based upon collection and liability at the end of August 2013. The table also compares this to the estimated additional liability set out in the November 2012 decision paper to highlight any variation. The paper to Cabinet highlighted that actual collection was unlikely to match liability due to a number of factors.

Table 2

Exemption	Est 2013/14 (Liability)	August 2013 (Liability)	August 2013 (Collected)	Est Outturn (Collection)
Empty and Unfurnished (Class C)	£537K	£347K	£115K	£276K
Structural Repairs (Class A)	£67K	£22K	£8K	£19K
Second Homes	£105K	£82.6K	£30K	£72K
Longer Term Empty (2Yrs +)	£64K	£29.7K	£10K	£24K
Total	£773K	£481.3K	£163K	£391K

4. It is difficult to provide accurate full year estimates of liability for Class A and C exemptions. This is due to the way that the Northgate system (Council Tax database) applies exemptions. It will always apply any exemption from the date of award to the end of the financial year so liability is always overstated where it is applied before 1st September. Even after September in many cases a property will be reoccupied before expiry of the exempt period. As a result of this the value of liability and collection arising from these changes will not be known until the end of the financial year. A conservative estimate however is that the changes will yield

at least £300,000 of additional income taking account of all issues.

5. In the report to Cabinet, it was highlighted that there remained a number of risks and issues, which meant that relying upon significant additional income would not be prudent in the first year. These included the potential for residents to transfer to payment of council tax over 12 months (affecting cash flow) and wider issues and risks associated with council tax benefit, and the general economic position which could impact on council tax collection. In particular there were significant risks associated with the actual spend side of council tax benefits, and therefore we needed to be relatively prudent in terms of assumed council tax income. The issue of medium term growth in the spend side of benefit continues to be a factor, and this is considered further later.
6. The council does have the power to amend both Class A and C exemptions which currently stand at 50% (Second Homes and Long Term Empties are already at the maximum charge permissible). Removing them altogether will not necessarily increase income by 100% and visibility will be lost in the normal council tax collection (i.e. they won't appear as exemptions). Table 2 predicts income this year for these exemptions to be in the region of £300K.
7. It is difficult to predict what will happen if one or both are removed or further reduced. There has been very little feedback to the changes this year. We have had representation from an Almshouse in respect of the 50% charge on Class A as they are struggling to afford major structural repairs and some anecdotal feedback from small local builders affected by having to pay council tax in respect of Class C on unsold properties.
8. Therefore, in simple terms the current estimates suggest the changes made to exemptions this year should yield over £300,000 in additional income, with the scope for a further £300,000 if all exemptions were removed in 2014/15.
9. These figures however need to be considered in the context of the wider financial position, both in terms of council tax collection/council tax benefits, and the wider financial strategy. These are considered below.

Council Tax Support

10. The Council approved a Council tax support scheme which limited council tax benefits to 70% of the assessed liability. This was with a view to ensuring the scheme was cost neutral on the Council, following the loss of Government grant. Whilst it is still too early to conclude what the final figures will be, it is considered that the scheme will operate to budget during 2013/14, albeit there remain some risks in terms of non collection
11. Looking ahead to future years there are a number of considerations to be made. The spend on council tax benefits is almost certain to increase, for example due to increases in council tax e.g. a 1% increase in council tax will increase the council's expenditure by some £75,000. The grant from the Government in respect of council tax support is fixed (although there is some debate it is actually being reduced). In addition there remain risks that the total number of claimants will increase, either through general demographic changes, or economic factors.
12. It has been assumed for financial planning purposes that any additional council tax income e.g. from the technical changes, would be utilised to cover the growth identified in the above paragraph.
13. In respect of the percentage reduction applied, as described above the 30% is likely to deliver a balanced scheme. If members wished to reduce this percentage reduction, every 1% reduction would cost in the region of £50,000. Any change in percentage will require public consultation and Full Council approval before 31 January 2014.

Wider financial implications

14. Whilst the above issues are relevant in the context of understanding the options/issues surrounding council tax exemptions and council tax support, they clearly need to be considered against the overall financial strategy.
15. The first thing to note is that the impact of technical changes (i.e. exemptions) is only one part of the calculation of the council tax base which is determined by the Director of CBSS. Other factors need to be considered at the time, not least the overall position regarding general collection rates, and any issues regarding the overall make up of the taxbase.

All things being equal however, further reduction to the exemptions will produce additional income.

16. Of perhaps more significance is the fact that the Council faces increasingly difficult financial circumstances, and as such any areas of potential additional income need to be considered against the Councils overall pressures. There remain significant financial issues, including in particular
- Additional reductions imposed on local government funding, including further 1% reduction in 14/15
 - Looking into 15/16 there is a need to save some £10m, with a grant reduction of around 13%
 - Beyond 15/16 further cuts in grant of around 10% are to be expected
 - Beyond 15/16 there are likely to be further increases in benefits expenditure.

Options

17. All this means that there are in essence the following key options to consider
- i) Does the Council wish to change the exemptions applied, and in particular to amend class A and C to 100% liability, noting the potential increase in income of £300,000?
 - ii) Subject to the above point, if there is additional income, how does the Council wish to use this, recognising that the financial pressures facing the Council are very significant and that the current financial plans assume that growth from benefits expenditure would be met from increased council tax yield?
 - iii) Does the council wish to amend the level of Council Tax Support for 2014/15?
18. Given the financial challenges facing the Council it is recommended that class A and C be amended to 100%.
19. Given the wider financial issues and challenges, and recognising the need for prudence, it is proposed that any additional income from these changes in 2014/15 and

2015/16 be utilised to cover the potential costs of any increases in expenditure pressures on the benefits expenditure, with the final amount to be determined at budget setting time. No change is proposed to the council tax benefit scheme.

Council Plan 2011 - 2015

20. The implication of any changes made will potentially impact on the following priorities within the council plan:
- a) Protecting vulnerable people
 - b) Building strong communities

Implications

- (a) **Financial** – The wider financial implications that need to be considered in taking any decision are set out at Paragraphs 14 – 16.
- (b) **Human Resources (HR)** - There are no implications
- (c) **Equalities** – There are no implications
- (d) **Legal** - There are no implications
- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications

Risk Management

21. The key risks in relation to this paper is the level of the additional council tax that will be levied and collected through removing or further reducing Class A and/or C exemptions which is difficult to predict. In addition landlords may increase rents to offset any further reduction in class C exemptions however the risks of this are not perceived as being high (In consultation with Housing). Further reductions to Class A and C exemptions can also impact charities and individuals

respectively however Charitable Registered Social Landlords can claim full relief for six months by claiming Class B rather than Class C exemptions.

Recommendations

22. Cabinet are asked to:

- a. Apply 100% liability in respect of Class A and C properties, from the current 50% liability.

Reason

To increase the amount of council tax liability in respect of council tax exemptions in 2014/15

- b. Approve that any additional income from the technical changes to council tax be reserved in the first place to cover potential increases in benefits expenditure, with further consideration at time of budget setting.

Reason

To ensure cost pressures related to council tax benefits are managed, and to consider any additional income against the Councils overall financial position

- c. Leave the level of council tax support as at present.

Reason

To set the level of council tax support for 2014/15.

Contact Details

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	Report Approved	√	Date 6 September 2013
Wards Affected: All			√
<i>For further information please contact the authors of the report</i>			

Background Papers

Technical reforms to council tax DCLG (*copy attached online*)
 Technical reforms to council tax – Response DCLG (*copy attached online*)
 Technical Reforms to Council Tax – Cabinet, 6th November 2012



Cabinet

1 October 2013

Report of the Cabinet Leader net

Economic Infrastructure Fund: Progress and New Project

Executive Summary

1. This report and its appendices provide Cabinet with an update on the impact of the **Economic Infrastructure Fund (EIF)** to date, setting out the high level impacts, spend and progress to date, and where possible, an illustration of the projects and programmes funded.
2. The report also includes one new bid for EIF funding for Acomb Community Economic Development project.

Background

3. The Economic Infrastructure Fund (EIF) was created in April 2012 by Cabinet in order to make a real step change in the pursuit of its number one priority of creating jobs and growing the economy. It is comprised of £28.5m, £8.5m of which is New Homes Bonus and the remainder of which is made up of prudential borrowing.
4. Since its creation, the Fund has unlocked a number of major projects across the city, and made possible projects where otherwise progress would have been too slow or not possible to make an impact on the jobs and growth prospects of the city.
5. The EIF has provided the Council a tool with which to contribute directly to facilitating progress toward the city's economic ambitions as set out in the *York Economic Strategy 2011-15* - a

strategy which sets the ambitious targets of becoming a top 5 UK and top 10 mid-sized European city economy by 2015.

6. The projects funded by the EIF to date, although only a proportion of the many advances the city has made in achieving these targets, has facilitated a number of major advances in the key themes identified for the Fund when it was originally established:
 - **Sustainable Economy:** to develop a sustainable local economy
 - **Get York Moving:** to ensure the infrastructure is in place to provide an environment for economic growth and job creation
 - **Reinvigorate York:** to facilitate a viable city centre as an asset for attracting high value investment
 - **Economic Inclusion:** to unlock the potential of our communities by connecting them to jobs, skills and enterprise opportunities
 - **Digital York:** to facilitate a digital infrastructure and business capacity that would place York as the most digitally connected economies in the UK.
7. The total EIF funding allocated to date is **£17.662m**. The total remaining EIF is **£10.8075m**. The recommended project in this report totals £30K, bringing the total allocation, if this project is approved to **£17.692m**.

Progress on specific themes

8. **Annex A** contains an overview of spend to date against projects committed; **Annex B** contains a detailed spreadsheet showing the projected profile of spend for the Fund over the five-year period of the fund.
9. The following updates are provided on a theme-by-theme basis to demonstrate the impacts by project on the EIF spend committed to date.

Sustainable Economy York

10. The **Sustainable Economy** theme has been aimed at projects to stimulate economic growth in a more sustainable way by providing

the environment – both hard and soft infrastructure required to promote business growth locally.

11. Recently voted one of the top five places in the UK for business investment, the City of York has ranked number one for human resources by Local Futures Inward Investment Guide to England, and number 2 for talent according to Santander's Towns and Cities Index 2013.
12. The recent high profile move to the city by Hiscox Ltd has signalled the city's resurgence in the nation's and Europe's consciousness as a city for business and living. The city's openness and eagerness to welcome new business and investment has seen *The Economist* heralding the city as a "Northern light" – suggesting that the city has "found a recipe for post-industrial success."¹
13. Within this theme, the ***High Growth Business Programme*** awarded to Science City York (SCY) in 2012 has provided critical co-investment required to bringing forward targeted support activities to potential high growth businesses across the local economy.
14. Between April 2012 to March 2013, SCY's business support activities in total generated 24 businesses supported, 83 days of mentoring in total, and 31 jobs created – adding up to an economic impact of £0.3m.
15. The activities provided include mentoring and coaching, and three case studies are included in **Annex C** to demonstrate the value of this activity behind these numbers.
16. The ***Promoting York*** project has contributed significantly to the city's ability to engage positively with new markets, aligned to its internationalisation strategy, providing seed funding to enabling the city to engage with Nanjing in the development of a city collaboration which is now progressing with new contacts made in

¹ The Economist. "York's booming economy: Northern light." (13 July 2013).

the city of Nanjing. In addition, links with key business support agencies in Chicago and New York are in place following a delegation to the States in 2012, and there have been sectoral links made with the city's civic twin of Dijon.

17. The contribution of £25K to the city's representation at **MIPIM 2013** enabled engagement of potential investors, developers and potential partners at the largest international property fair in the annual calendar – an audience of 80,000 exhibitors from global markets. The event produced 35 warm leads with which the city has been engaging and is following up to promote investment in the city's key and strategic development sites.
18. The project to create a **Digital and Media Arts Centre (DMAC)** for the city was initially received by Cabinet in July 2012, and at the time, the intention was to explore the use of the Bonding Warehouse for the project.
19. Although the Warehouse building proved financially unviable as a site, work done to date has identified the demand and an outline business plan for the operation of the Centre. The new preferred site for the Centre is the Guildhall Complex, which, following a decision by Cabinet in May 2013 will be taken into dedicated project management with the intention that options for the complex and the DMAC as part of that complex will be brought back to Cabinet in due course.

Reinvigorate York Theme

20. York's city centre faces many of the same challenges that cities across the UK are facing in the transformation of the traditional high street and the need for diversification in the city centre economy.
21. Despite lower than average vacancy rates, the Council has identified a need to work to boost the competitiveness of the city centre economy. The Reinvigorate York theme of the EIF is

intended to provide the city with a step change in the city centre's public realm and economic landscape – creating a world class centre.

22. To this end, the **Reinvigorate York programme** is a comprehensive approach to the reinvigoration of York's city centre public realm. There are six project areas covered by the programme, which EIF is going a significant way to financing:

- Parliament Street (including Piccadilly/ Coppergate junction)
- King's Square
- Exhibition Square/St. Leonard's Place/ Bootham Bar
- Fossgate/Pavement
- Duncombe Place/Blake Street
- Micklegate

23. To date, this is underway and demonstrating impact across the city. Specifically, progress is now underway in Kings Square, where Phase 1 will be complete before 28th November and the start of St. Nicholas' Fayre, and a second phase on highway improvements will be started in Spring 2014.



Image: Artist's impression of King's Square improvements

24. The refresh of **Newgate Market** has also been committed funding through EIF, and consultation undertaken with residents and businesses locally as to the shape of the designs for the Market.

Get York Moving

25. Significant progress has been made with EIF Funding in unlocking the infrastructure of the city via step change improvements that have leveraged DfT funding to provide two new Park and Ride sites via the **Access York** project. The development of these sites is now underway.

26. Further the city has made a major investment in the **West Yorkshire plus York Transport Fund** which has signalled the city's ambitions of being a full partner of the Leeds City Region Deal, which will enable the city to benefit from the Deal's offer on transport of 10 year major scheme funding and delegation of major scheme appraisal – bringing major transport decisions to a more local level and giving the city a better chance of getting infrastructure projects that are important to the local economy funded.

Economic Inclusion Theme

27. Although the city historically performs above average on indicators of employment and inclusion, being as it is ranked in the top 10% of English cities on measures of employment and JSA Claimant Count according to the latest Centre for Cities Cities Outlook 2013, there remain pockets of where communities face challenges of poverty and deprivation. To contribute to tackling these challenges, programmes have been provided funding through the **Economic Inclusion** theme, where progress is being made in connecting local residents to jobs and opportunities.

28. The first of these programmes is the **financial inclusion programme**, which is providing £300K to ensuring that the city's most vulnerable residents are able to access the necessary support. Specifically, the following progress has been made with draw down of £90K to date:

- £80k was as match funding for a Big Lottery funded project that brought in an additional £250k to the city to transform Advice Services in partnership with CAB and other Advice Providers in the city.
 - £10k has been set aside for a targeted fuel poverty campaign, linked to the appointment of a Home Energy Support Coordinator.
29. The **economic inclusion programme** is designed to target more fundamentally the causes of financial exclusion – ensuring that residents have the best opportunity possible to access jobs and opportunities. This includes:
- The introduction of twice-yearly Jobs Fairs to end March 2016, the third of which will be delivered on 1st October
 - Tablets provided for Deprived Primary Schools to raise aspirations + literacy / numeracy achievements with pupils + parents
 - Support for over 50s - Experience Works to be provided by York College to support 245 unemployed over 50s, of which delivery is already underway
 - Support for unemployed 18-24s into Apprenticeships 'step up to Apprenticeships' (York Learning)

New EIF Project Bid: Acomb Community Economic Development

30. The project proposes investment from EIF in core infrastructure for the Acomb Front Street which will act as a catalyst for community-led economic development in the area.
31. The full project proposal is set out at **Annex D** to this report.

Implications

Financial

32. The EIF has already been approved by Cabinet in April 2012, and any proposed new project funding will come out of this established Fund.

Human Resources

33. There are no human resources implications arising from this report.

Equalities

34. There are no equalities implications arising from this report.

Legal

35. There are no legal implications arising from this report

Crime and disorder

36. There are no crime and disorder implications arising from this report.

Information Technology

37. There are no information technology implications arising from this report.

Property

38. There are no property implications arising from this report.

Other

39. There are no other implications arising from this report.

Risk Management

40. There are no known risks arising from the report.

Recommendations

41. Members are asked to:
- note progress made with EIF spending to date; and
 - approve proposed spend of £30K in Acomb for the proposed Community Economic Development project.

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

Contact Details

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	Report Approved	√	Date 20 September 2013
Wards Affected: All			√
<i>For further information please contact the authors of the report</i>			

Background Papers - None

Annexes

Annex A - Economic Infrastructure Fund – Spend and Benefits

Annex B – Economic Infrastructure Summary

Annex C - Case studies of business supported through the EIF-supported High Growth Business Programme

Annex D - Acomb Community Economic Development Project

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APPENDIX A. Economic Infrastructure Fund – Spend and Benefits

Project	EIF Spend	Estimated impacts	Leverage	High level summary of project	Progress
Get York Moving					
Park and Ride	£3,250,000	Indirect impact on jobs and GVA	£16.516 m DfT funding	This project aimed to leverage sufficient external funding, which together, will enable the creation of two new Park and Ride sites.	<ul style="list-style-type: none"> Two new park and ride sites are now under construction <ul style="list-style-type: none"> A1036 Askham Bar – 1,100 Space Replacement Site A59, Poppleton Bar – 600 Space New Site
Better Bus Fund	£1,470,000	Indirect impact on jobs and GVA	£2.9m DfT funding	Investment in bringing forward Government funding which is now being used to make improvements to the city's main bus corridors and facilities.	
Leeds City Region Transport Package	<p>£500K for West Yorkshire Transport Fund</p> <p>£50K for business case development</p>	Indirect impact on jobs and GVA estimated at 1,200 jobs and £70m in additional GVA by 2024		<p>Investment of initial £500K as York's investment in the West Yorkshire Plus York Transport Fund which sees the five West Yorkshire authorities and York pooling funding with Government funding which will enable the local authority areas involved to make a step change in economic growth in their areas through the creation of an up to £1bn overall fund.</p> <p>The additional £50K is intended to provide the necessary resource for the Council to prepare the necessary business cases to pitch for funding as required through this and related pots of funding now held at LEP level.</p>	The investment in the Fund is now committed, although spend is yet to begin. Projects earmarked from the fund include a range of projects from the local York area.
Infrastructure Investment Plan	£1,000,000	Indirect support to CYC's ability to unlock development with potential of approximately, 10,200 permanent jobs, 3400 temporary construction jobs, and a potential £855m GVA		Investment in resources that are required to take forward the delivery of development to enable economic growth for the city of York. This investment will provide the professional and technical resource needed over 2013/14 & 2014/15. It is proposed that it is directly linked to development activity such as the key sites coming forward (e.g. York Central, British Sugar, Terry's & Nestle and other major sites) that will emerge from the Local Plan process. Investment in resources targets;	

Sustainable Economy York					
Digital, media and cultural centre (subject to due diligence; agreed in principle)	£1,400,000	377 direct and indirect anticipated ¹	Potential ERDF	This project is aimed at the creation of a digital and media arts centre that provides an iconic centre for the industry in the city of York as well as provision of much-needed grow on space for the small and medium sized businesses in these sectors for which the demand for grow on space outstrips the supply.	<ul style="list-style-type: none"> An outline business plan and evidence of demand for the space is established, although the previous preferred site has been assessed as unviable. Work is now being undertaken to assess viability of the Centre at the Guildhall complex following Cabinet decision in May 2013 to develop options for the complex's development, including its use as a digital media arts centre. An ERDF bid submitted in 2013 reached full business plan stage but will need to be re-submitted given the new timescales for the project, with intended resubmission on completion of the Guildhall project plan.
High Growth Business Support (SCY)	£80,000	31 jobs to date; GVA impact of £300K to date		With this investment, Science City York will deliver mentoring and support to businesses in the city's growth sectors, targeting those with high growth potential across the city.	<ul style="list-style-type: none"> The initial year of support package has now completed and further year is starting
Tour de France Grand Depart	£550,000 ²	Increase in GVA through estimated 180,000 increased footfall from the event		Investment of £50K in the initial campaign coordinated and led by Welcome to Yorkshire but co-invested by local authorities regionally; as well as £500K funding for the organisation of the event itself.	<ul style="list-style-type: none"> The campaign was successful and Tour de France Grand Depart Stage 2 is secured for city of York Work is underway to coordinate the delivery of Stage 2 and maximising the potential for local business and communities to benefit from the event.
Promoting York	£250,000	Indirect impact on jobs; up to £2.25m GVA impact in total	£250K	Investment in activities to promote the city's offer to business and markets outside the city, whether international or otherwise, with an opportunity for providing economic benefit to the city.	<ul style="list-style-type: none"> Initial progress has been made in the first year in developing a city collaboration with Nanjing in China, where the potential for the city to export skills in digital heritage and the science/high tech industries that are especially prominent in York Further formal connections have been made with inward investment and trade leads in Chicago, New York, Dijon, France and Munster, Germany – the latter of which build on the city of York's existing twinning links with these cities In addition, activity has been carried out to work with local companies in joint events to promote the city of York through the leadership of SMEs, such as The Beautiful Meme and an event jointly funded in London earlier in 2013 at which the city's creative industries were on showcase as part of a wider national "network of the creative and media industry landscape.
Economic growth analysis	£30,000	Indirect impact on jobs and GVA		Provision of detailed econometric modelling of York's baseline and potential employment and GVA growth, mapped onto spatial requirements to support the development of the local plan.	<ul style="list-style-type: none"> This modelling is now complete and has been used to inform the creation of the draft local plan.

¹ These figures are based on estimates for the model produced using the Bonding Warehouse site assessment; space available in the new preferred site, the Guildhall complex, is estimated to provide similar potential space, although details will need to be confirmed on business case development.

² Includes £50,000 initial contribution to the Welcome to Yorkshire led campaign to secure the Grand Depart for the region.

Leeds City Region Revolving Investment Fund (LCR RIF)	£1,632,000	A proportion of the expected uplift in GVA over time of up to £3billion. ³	Leverage ratio being applied of 1:3	Investment by City of York in the LCR RIF, which matches with the contributions and investments of the other contributing authorities (five West Yorkshire local authorities and Harrogate Borough Council) to create a fund of critical mass to unlock investment in economic infrastructure across the city region. The aspiration is to create a Fund of up to £500 million that could be invested in projects that support economic growth, with financial returns being reinvested on a revolving basis.	<ul style="list-style-type: none"> The RIF has been launched and progress is being made to generate interest locally in tapping into this fund through private sector led bids to the Fund.
MIPIM 2013	£25,000	Leads for investors and developer partners generated		Provision of City of York part of the Leeds City Region stand at MIPIM 2013, and funding to send delegation to represent the city and engage with potential investors, developers and partners.	<ul style="list-style-type: none"> Significant progress made on the back of engagement undertaken at the event, with now 35 warm leads which are being engaged with local landowners and city partners, in order to bring forward development of York's key and strategic employment and residential sites.
Closer working with LBIA Airport	£85,000	Increased profile/potential for leads from inward investors, visitors and students		The investment approved includes the development and roll out of a campaign for the promotion of the City of York as a destination to visit, do business, live and study, initially at Leeds Bradford Airport, with an initial 12 month contract that, depending on the results of the monitoring and evaluation of the initial campaign, could be renewed on a rolling basis.	<ul style="list-style-type: none"> An in principle agreement is in place with LBIA on the proposed positioning of the campaign, and the tender for design is being developed
Reinvigorate York					
Reinvigorate York Initial Project	£3,500,000	Up to £5.5m indirect impact on GVA		This programme will invest in 6 key sites across the city with the ultimate aim of providing a world class city centre commensurate with the city's economic ambitions. These six sites include: <ul style="list-style-type: none"> Parliament Street King's Square Exhibition Square/St. Leonard's Place/ Bootham Bar Fossgate/Pavement Duncombe Place/Blake Street Micklegate 	<ul style="list-style-type: none"> Progress is being made to bring forward reinvigoration of key sites, including the most recent start on Kings Square Phase 1, which is due to complete by 28th November, with Phase 2 starting in Spring 2014.
Newgate Market Refurbishment	£1,614,000	Indirect impact on jobs and GVA		Investment in the refurbishment of the Newgate Market in order to create a destination market which will in turn generate increased footfall in the city centre and stimulate the competitiveness of the city centre economy.	<ul style="list-style-type: none"> Consultation on the initial plans for a refreshed Newgate Market are now complete An architect has been selected after going through a two stage tender, and a team of consultants will be put in place to advise through the process of developing the detailed plans for the refurbishment. Work will commence on site approx Summer 2014. There are hopes that the city will be able to test a new prototype for kiosk units Easter 2014.

³ Based on Pricewaterhouse Coopers analysis of £500m Fund, attracting leverage at a ratio of 1:3 from the private sector – creating £2bn initial investment capacity. Assumes Fund is “revolved” three times to deliver investment of £6bn. Estimated impact of £6bn investment, increase in GVA of up to £3bn.

Christmas Stimulus Package for City centre	£34,500	Indirect impact on jobs and GVA		Investment in boosting city centre Christmas lights programme to stimulate more footfall in the city centre	<ul style="list-style-type: none"> • 2012 Christmas lights were invested in and promoted
Arts Barge	£100,000	Indirect impact on jobs and GVA	£175K	Investment of capital into the purchase and renovation of a river barge. The overall cost of this work is expected to be approximately £275k and the balance of funding will come from sponsorship and fund raising from the Arts Barge Project.	<ul style="list-style-type: none"> • A barge has been purchased, and plans are being developed for development of the Barge. • An appeal in 2012 raised over £5000 and the ability to buy a boat will allow fund raisers to focus their efforts around a tangible asset and objective. • Mooring possibilities are being explored and planning permission will be submitted in due course.
Economic inclusion					
Economic inclusion package	£200,000	Indirect impact on jobs and GVA		Investment in a range of activity to connect local residents to jobs and opportunities, programmes and initiatives to add value to the market place and better connect all residents with existing and future jobs and opportunities over the next 3 years: <ol style="list-style-type: none"> 1. Transitional support 2. Routes to Employment 3. Creating Employment Opportunities 	Progress has been made in progressing the following elements of the programme: <ul style="list-style-type: none"> • Introduction of twice yearly Jobs Fairs to end March 2016, the third of which will be delivered on 1st October • Tablets provided for Deprived Primary Schools to raise aspirations + literacy / numeracy achievements with pupils + parents • Support for over 50s - Experience Works to be provided by York College to support 245 unemployed over 50s, of which delivery is already underway
Financial inclusion package	£300,000	Indirect impact on jobs and GVA	£250K	A three year programme to over three years to deliver against the priorities outlined in the Financial Inclusion Policy and Action Plan (approved by Cabinet in November 2012).	Progress has been made on the following projects: <ul style="list-style-type: none"> • £80k was as match funding for a Big Lottery funded project that brought in an additional £250k to the city to transform Advice Services in partnership with CAB and other Advice Providers in the city. • £10k has been set aside for a targeted fuel poverty campaign, linked to the appointment of a Home Energy Support Coordinator.
Living wage proposals	£388,000	Indirect impact on jobs and GVA		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.	Funding now in place for this programme
Digital York					
Superconnected Cities Programme	£869,000	Indirect impact on jobs and GVA	£3.98 m (DCM S grant and	The Super-Connected Cities Programme i) minimises the extent to which York developed a two speed digital economy by focussing on the opportunities which the market would find challenging without support and ii) puts in place a number of projects that would place York at the top end of digitally	Outline programme available in the original Cabinet report at the attached link .

			other external contributions)	connected UK cities. The programme is focussed on the following 8 projects that complement existing private and public digital investment.	
Core capacity					
Project team costs	430,000	Indirect impact on jobs and GVA		Provision of capacity to project manage the EIF and maximise the impact of projects funded through EIF.	Officer capacity is now secured
Total approved	£17.662m				

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TABLE 1 Funding Sources

		Funding type req	11/12 £000	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
New Homes Bonus		Revenue		1,300	1,800	1,800	1,800	1,800	8,500
Prudential Borrowing		Capital (PB)		2,000	4,000	5,000	5,000	4,000	20,000
Total Fund Value CYC			0	3,300	5,800	6,800	6,800	5,800	28,500

TABLE 2 Projected Allocations by Theme & Scheme - detail

		Funding type req	Prior Year £000	12/13 £000 Outturn	13/14 £000 Revised Budget	14/15 £000 Revised Budget	15/16 £000 Revised Budget	16/17 £000 Revised Budget	Total £000
Get York Moving - Expenditure			395	2,135	21,674	2,440	250	0	26,894
- Park & Ride			395	1,875	18,317	1,522			22,109
Funded by:									
Gvt Grant - DfT				1,875	14,763	374			17,012
S106				0	400				400
CYC - Other			395		104	948			1,447
CYC - EIF		approved		0	2,967	200			3,167
CYC - EIF		approved			83				83
			395	1,875	18,317	1,522	0	0	22,109
- Better Bus Fund				260	2,557	418			3,235
Funded by:									
Gvt Grant - DfT				260	1,505				1,765
External Contributions				0	1,052	418			0
CYC - EIF		approved		0					1,470
			0	260	2,557	418	0	0	3,235
- Transport Package					550				550
Funded by:									
Gvt Grant - DfT									0
External Contributions									0
CYC - EIF		approved			550				550
CYC - EIF		approved			0				0
			0	0	550	0	0	0	550
- Infrastructure Investment Plan					250	500	250		1,000
Funded by:									
Gvt Grant - DfT									0
External Contributions									0
CYC - EIF		approved			250	500	250		1,000
CYC - EIF		approved							0
			0	0	250	500	250	0	1,000
Get York Moving - Funding			395	2,135	21,674	2,440	250	0	26,894

		Funding type req	11/12 £000	12/13 £000 Outturn	13/14 £000 Revised Budget	14/15 £000 Revised Budget	15/16 £000 Revised Budget	16/17 £000 Revised Budget	Total £000
Digital York - Expenditure			0	0	3,050	1,799	0	0	4,849
- Super Connected Cities					3,050	1,799			4,849
Funded by:									
Gvt Grant - Super Connected City DCMS					2,750				2,750
External Contributions						1,230			1,230
CYC - EIF		approved			190	360			550
CYC - EIF		approved			110	209			319
			0	0	3,050	1,799	0	0	4,849
Digital York - Funding			0	0	3,050	1,799	0	0	4,849

		Funding type req	11/12 £000	12/13 £000 Outturn	13/14 £000 Revised Budget	14/15 £000 Revised Budget	15/16 £000 Revised Budget	16/17 £000 Revised Budget	Total £000
Reinvigorate York - Expenditure			0	327	1,908	3,014	0	0	5,249
- Reinvigorate York - All				292	1,708	1,500			3,500
Funded by:									
External funding									0
External Contributions									0
CYC - EIF		approved		200					200
CYC - EIF		approved		50	110	140			300
CYC - EIF		approved		42	1,598	1,360	0	0	3,000
			0	292	1,708	1,500	0	0	3,500
- Newgate Market Refurbishment				0	100	1,514			1,614
Funded by:									
External funding									0
External Contributions									0
CYC - EIF		approved			100	14			114
CYC - EIF		approved		0	0	1,500			1,500
			0	0	100	1,514	0	0	1,614
- Xmas Stimulus Package				34.5	0	0	0	0	35
Funded by:									
External funding									0
External Contributions									0
CYC - EIF		approved		34.5					35
			0	35	0	0	0	0	34.5
- Arts Barge Project				0	100	0	0	0	100
Funded by:									
External funding									0
External Contributions									0
CYC - EIF		approved		0	0				0
CYC - EIF		approved		0	100				100
			0	0	100	0	0	0	100

Reinvigorate York - Funding		327	1,908	3,014	0	0	5,249	
	Funding type req	11/12 £000	12/13 £000 Outturn	13/14 £000 Revised Budget	14/15 £000 Revised Budget	15/16 £000 Revised Budget	16/17 £000 Revised Budget	Total £000
Economic Inclusion York - Expenditure		0	0	588	250	0	0	838
- Financial Inclusion Policy and Action Plan			0	150	150			300
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				300
		0	0	150	150	0	0	300
- Living Wage				338				338
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				338
		0	0	338	0	0	0	338
- Economic Inclusion Programme				100	100			200
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				200
		0	0	100	100	0	0	200
Economic Inclusion York		0	0	588	250	0	0	838

	Funding type req	11/12 £000	12/13 £000 Outturn	13/14 £000 Revised Budget	14/15 £000 Revised Budget	15/16 £000 Revised Budget	16/17 £000 Revised Budget	Total £000
Sustainable Economy York		0	195	2,292	3,450	50	50	6,037
- Targeting Growth in Key Sectors			40	40				80
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				80
		0	40	40	0	0	0	80
- Digital and Media Arts Hub					3,400			3,400
Funded by:								
External funding					1,000			1,000
External Contributions (in kind)					1,000			1,000
CYC - EIF			approved in principle	Capital	1,400			1,400
		0	0	0	3,400	0	0	3,400
- Tour de France - Campaign			50	500				550
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				50
CYC - EIF			approved	Revenue				500
		50	50	500	0	0	0	550
- Growth Analysis			30	0	0	0	0	30
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				30
		30	30	0	0	0	0	30
- Promoting York			50	50	50	50	50	250
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				250
		50	50	50	50	50	50	250
- MIPIM 2013			25	0	0	0		25
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				25
		25	25	0	0	0	0	25
- LCR Revolving Investment Fund				1,672				1,672
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				1,672
		0	0	1,672	0	0	0	1,672
- Acomb Community Economic Development				30				30
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			pending	Revenue				6
CYC - EIF				Capital				24
		0	0	30	0	0	0	30
Sustainable Economy York - Funding		0	195	2,292	3,450	50	50	6,037

	Funding type req	11/12 £000	12/13 £000 Outturn	13/14 £000 Revised Budget	14/15 £000 Revised Budget	15/16 £000 Revised Budget	16/17 £000 Revised Budget	Total £000
Core Costs - Expenditure		0	0	86	86	86	172	430
- Officer delivery team			0	86	86	86	172	430
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF			approved	Revenue				430
		0	0	86	86	86	172	430

Core Cost/Project Team		0	0	86	86	86	172	430
	Funding type req	11/12 £000	12/13 £000 Outturn	13/14 £000 Revised Budget	14/15 £000 Revised Budget	15/16 £000 Revised Budget	16/17 £000 Revised Budget	Total £000
TABLE 3 - TOTAL EIF Fund Value + Non EIF funding								
Direct EIF		0	3,300	5,800	6,800	6,800	5,800	28,500
Non EIF		395	2,135	19,522	4,552	0	0	26,604
		395	5,435	25,322	11,352	6,800	5,800	55,104
Funded by:								
Government Grant		0	2,135	19,018	374	0	0	21,527
S106		0	0	400	0	0	0	400
Other External Funding			0	0	3,230	0	0	3,230
CYC - Other		395	0	104	948	0	0	1,447
		395	2,135	19,522	4,552	0	0	26,604
CYC - EIF Revenue	All (approved and to be considered)	0	480	4,142	1,400	386	222	6,630
CYC - EIF Capital	All (approved and to be considered)	0	42	5,934	5,087	0	0	11,063
		0	522	10,076	6,487	386	222	17,693
CYC - EIF to be allocated		0	2,779	0	313	6,414	5,578	10,808
TABLE 4 - Summary EIF - Approvals/Recommendations								
Total Available		0	3,300	5,800	6,800	6,800	5,800	28,500
Total Allocations		0	521.5	10,076	6,487	386	222	17,693
Allocations Approved		0	521.5	6,621	3,918	136	222	11,419
Allocations Pending		0	0.0	3,455	2,569	250	0	6,274
Balance Remaining		0	2,779	-4,276	313	6,414	5,578	10,808
TABLE 5 - EIF (CYC) Analysis Capital Revenue Split								
Total Available		0	3,300	5,800	6,800	6,800	5,800	28,500
NHB Total		0	1,300	1,800	1,800	1,800	1,800	8,500
NHB Revenue Spend	Revenue		479.5	4,142	1,400	386	222	6,630
NHB Capital Spend	Capital		42.0		0	0	0	42
NHB Total Remaining		0	779	-2,342	400	1,414	1,578	1,828.5
Prudential Borrowing Total		0	2,000	4,000	5,000	5,000	4,000	20,000
Prudential Borrowing (CYC) - Capital Spend Only	Capital	0	0	5,934	5,087	0	0	11,021.0
Prudential Borrowing Remaining		0	2,000	-1,934	-87	5,000	4,000	8,979.0
TABLE 6 - Summaries by Theme Committed								
Gross Cost		11/12 £000	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
Get York Moving		395	2,135	21,674	2,440	250	0	26,894
Digital York		0	0	3,050	1,799	0	0	4,849
Reinvigorate York		0	326.5	1,908	3,014	0	0	5,248.5
Economic Inclusion York		0	0	588	250	0	0	838
Sustainable Economy York		0	195	2,292	3,450	50	50	6,037
Core Costs		0	0	86	86	86	172	430
TOTAL		395	2,656.5	29,512	10,953	300	50	44,296.5
TABLE 7 - EIF element summary by project								
Approved								
- Park & Ride	inc +£750k	0	0	3,050	200	0	0	3,250
- Better Bus Fund		0	0	1,052	418	0	0	1,470
- Reinvigorate York - All		0	292	1,708	1,500	0	0	3,500
- Newgate Market Refurbishment		0	0	100	1,514	0	0	1,614
- Targeting Growth in Key Sectors		40	0	40	0	0	0	80
- Tour de France - Campaign		50	0	500	0	0	0	550
- Growth Analysis		30	0	0	0	0	0	30
- Officer delivery team		0	0	86	86	86	172	430
- Financial Inclusion Policy and Action Plan		0	0	150	150	0	0	300
- Promoting York		50	0	50	50	50	50	250
- MIPIM 2013		25	0	0	0	0	0	25
- Xmas Stimulus Package		0	34.5	0	0	0	0	34.5
- Arts Barge Project		0	0	100	0	0	0	100
- Living Wage		0	0	338	0	0	0	338
- Transport Package		0	0	550	0	0	0	550
- LCR Revolving Investment Fund		0	0	1,672	0	0	0	1,672
- Economic Inclusion Programme		0	0	100	100	0	0	200
- Super Connected Cities		0	0	300	569	0	0	869
- Infrastructure Investment Plan		0	0	250	500	250	0	1,000
Total Approved		0	522	10,046	5,087	386	222	16,262.5
Subject to Business Case/ Cabinet Approval								
- Digital and Media Arts Hub		0	0	0	1,400	0	0	1,400
- Acomb Community Economic Development		0	0	30	0	0	0	30
Total STBC/for Apprval		0	0	30	1,400	0	0	1,430.0
Approved (All)	Total	0	521.5	10,076	6,487	386	222	17,692.5

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Annex C. Case studies of business supported through the EIF-supported High Growth Business Programme

Case Study 1

Aptamer Solutions, Heslington York - Micro Business (1-5 employees)

Relatively new business in early stages of growth, Aptamer provides the technology to process an alternative to antibodies in the form of synthetic antibodies. There is a large market for this and the technology has a wide range of applications. Having recently received investment the company is now ready to grow into a business with the potential to reach £1m turnover in 12 months.

Engaged with SCY initially through the business mentoring programme in October 2012, and then following a successful period of one to one coaching, signed up to receive further support through Growth Accelerator in April 2013. Across both programmes Aptamer received support in reviewing their cash flow and developing a key action plan for the next 12 months.

The company has now completed both schemes and received a total of 9.5 days of coaching and has since already moved into new premises on York Science Park in order to help meet the company's ambition and potential for growth.

Case Study 2

Chiropractic Plus, Haxby York - Small Business(6-50 employees)

Offering more than just acute care of pain management, Chiropractic Plus was established in 1997, has clinics in both Haxby and Pocklington, and has to date helped nearly 9000 clients with a wide range of conditions. As part of one of the fastest growing professions in the health sector, Chiropractic plus has already established a firm client base and has even further potential to grow and expand the business.

Engaged with SCY through GrowthAccelerator in August 2012 and then following the completion of the program were assisted further as part of

the business mentoring programme from July 2013. Main focus of support included developing a clear 3 year strategy, creating a sales and marketing culture with members of staff, and agreeing a performance criteria.

Chiropractic plus has received to date more than 5 days of support across both programmes, work with the company through the business mentoring scheme is ongoing. The company has also submitted an expression of interest in applying for the new RGF grant scheme launching in October 2013.

Case Study 3

Bowness & Bowness Ltd, Riccall, York - Micro business (1-5 employees)

Bowness & Bowness is a design company with great potential to exploit some unique and high end designs into wall coverings. The company was established in 2010, and is showing very high growth potential having already experienced a tremendous amount of interest and success at trade shows where they have exhibited.

Bowness & Bowness had already completed coaching through the business mentoring scheme in 2011 when they signed up to GrowthAccelerator in October 2012, in the past 12 months they have received 4 days of coaching through the programme. The support they received looked at creating a robust strategy for the next 3 years as well as developing a comprehensive marketing strategy.

Bowness & Bowness have also created a new job as a result of SCY's intervention

Annex D. Acomb Community Economic Development Project**EIF Ambition**

Sustainable Economy and Economic Inclusion

Proposal Summary: Outline the proposal for investment from the Economic Infrastructure Fund. Please outline the intended investment and the economic growth and employment benefits that this will provide.

Proposal summary (up to 2 sides A4)**Background**

Front Street in Acomb is suffering the same challenges of many high streets throughout the United Kingdom – within the parade of shops there are empty units, some businesses are currently occupied by charitable organisations and other businesses are licensed betting premises rather than retail or other businesses.

The retail world has changed rapidly over the past thirty years – we have seen the rise of supermarkets, hypermarkets and out-of-town retail parks. Added to that more recently has been the phenomenon of the Internet – an unseen competitor whose businesses never close and where technology has provided ever-wider and easier means of accessing its goods 24-hours a day to suit every customer. Multi-channel shopping, click and collect, a ‘millennium generation’ which turns naturally to the internet whenever it seeks goods and services, are all challenges which must be met. The traditional high street retail model is being challenged and tested.

The Portas Report

Faced with firstly the ‘Credit Crunch’ and later full-blown Recession in the economy, the government commissioned Mary Portas to report on retailing in the UK, and Ms Portas reported her findings in late 2011. Within her 28 recommendations was a basic message, the high street must adapt to survive - and it must embrace alternative uses to thrive again.

The Acomb Front Street

Acomb Village has long been an area of under performance economically which has been linked in part to a decreasing catchment and attraction of consumers to the Acomb business base. Appendix 1 shows full detail of the economic situation/performance of the area.

The case of Acomb is ultimately one of missed opportunities as wards surrounding and near to it are relatively affluent, with most residents of these areas simply opting to shop elsewhere rather than frequenting the closer offer

of Acomb.

This underperformance has led to the development of a several initiatives, which have culminated in this EIF bid. The Acomb Alive network has been set up by Acomb businesses and traders with the aim of kickstarting activities in the high street to attract new and retain existing footfall in the area. The subsequent development of Acomb Business Team in February of 2013 has seen the Council come together with the traders in Acomb, along with community representatives to define a model and action plan for creating new dynamism in the village and to create a more sustainable footing for what otherwise might become a simple case of a one-off programme of activity. Instead, traders and Council have agreed that core infrastructure to the high street for the staging of events and the provision of a higher quality public realm are a basic starting point for this sustainable activity.

This infrastructure will then unlock a variety of events and activities intended to draw people to the centre of the area, to act as a focus and to increase footfall, as set out in the Annex to this proposal.

Strategic Need

The need for this project is based on the economic conditions of the area, and the challenges facing the high street in the form of vacancy rates on the rise and a structural shift in the local economy toward a rise in charity and betting shops.

Without intervention, there is likely to be a domino effect as vacancies lead more local residents to shopping elsewhere whilst the sustainability of maintaining local businesses in conditions of falling footfall becomes an increasing problem.

Strategic Fit

The project provides a strong strategic fit with the Council's priority for Creating Jobs Growing the Economy, as well as Building Stronger Communities.

Proposal

The model

The project will develop a model of community economic development whereby the public sector co-invests in generating demand for the economic outputs of an economically underperforming area. Specifically, the Council will use DIF funding to provide the **hard infrastructure** in the neighbourhood, which will consequently create the necessary environment for the area's private and third sectors to provide a new more active events and cultural programme, which in turn will **generate footfall in the village** – that will in turn generate the confidence and demand needed to stimulate new business investment in the area.

The model will enable a more sustainable model of development, whereby the

public sector agrees to invest in the “place” elements, and the traders invest in time and money to bring forward events that will generate footfall in the area.

The pilot

The model will be established in Acomb initially, with the aim of rolling out to other wards where economic underperformance is apparent. Since February 2013 City Councillors and officers from CYC Economic Development have joined *Acomb Alive!* (Acomb business owners) with church and community groups from the local area to identify ways of rejuvenating and developing the Acomb economy under the title of the *Acomb Business Team*. This team has developed a plan to increase footfall in the local area via a range of activities which will generate higher footfall and bring renewed life and vigour to the shopping and business area of Acomb. This plan is attached as Annex to this EOI. Within this plan, the proposed DIF investment is c. £24K; it is also proposed that an additional £6K is invested to help kickstart the events programme with traders – coming to a **total of £30K**.

However, as is the case in many similar neighbourhoods, these activities can be brought forward only if the necessary infrastructure can be provided within the pedestrianised section of Front Street to enable the staging of markets and other events. Currently, there is no provision for electricity supply for stalls, and the existing public realm (including seating, small trees, signage, salt bins and decorative flower tubs) has suffered significant deterioration without repair for a number of years. The generally poor condition of such street furniture is adding to the generally poor impression given by the area and is not conducive to generating higher footfall nor developing business confidence.

To match the Council’s investment, the Acomb traders of Acomb Alive! (see Annex 1) are developing a 12 month programme of events and activities that will attract increased levels of footfall to the area, making the most of the new hard infrastructure as and when it is installed. The programme will create a modern mixed retail/community focus for the High Street.

The result, should the DIF investment and subsequent traders’ activities come forward, will be a model in Acomb that could potentially be ‘rolled out’ to other neighbourhood shopping parades and local centres around the city

The measures of success will be increased footfall, the taking of some of the empty business units and an increased participation and interest shown in community events in the area. These are all indicators of increased economic activity, the retention of resources within the local economy and the greater potential for increased job numbers and business growth.

Outcomes/outputs: Outline the proposed outcomes and outputs, detailing contribution to CYC economic, social and environmental targets.

Outcomes	
<ul style="list-style-type: none"> • Maintenance and ideally growth in footfall over the 12 month programme of events • A fall in vacancy rates and an introduction of more diverse businesses 	
Contribution to economic targets	
Direct Economic Growth	Indirect economic growth
Indirect Economic Growth	
Direct jobs created	Jobs safeguarded in short term, and over medium term, jobs created
Indirect jobs created	
Contribution to social targets	
By contributing to the reinvigoration of one of York's areas most affected by issues of unemployment and a rise in business vacancies, the project will have an impact on the social health of the local area by contributing to the area's ability to sustain and ideally grow the number of jobs available, and connection of residents and shop owners/operators to economic opportunity.	
Contribution to environmental targets	
The project contributes directly to the creation of a healthier and more vibrant public realm in Acomb's Front Street.	

Timetable: Outline the proposed project timetable for the investment, including key milestones in the development, implementation and return stages.

Phase	Task	Timing
Planning	Development of Acomb Programme	Feb – Aug 2013
Implementation	Infrastructure installation	Oct – Dec 2013
	Roll out of events	Autumn 2013 – Autumn 2014
Evaluation	Monitoring reporting	Oct 2014

Financial Projection: Clarify the level of investment required along with the budget, per year, for the life of the proposal. Additional investment and income forecasts should be detailed, along with the amount of the investment that will be returned to the Fund.

Financial Projection	
Investment sought	£30,000
Additional investments/income/funding	In kind from traders and community organisations
Recycled return on investment if any	Maintenance and ideally growth of business rates locally
Breakdown of funding required	
Public realm infrastructure	£24,000
Kick-start funding for events	6,000
<p>Leverage: There is a keen interest from traders via the Acomb Alive! network to bring forward a series of events and a programme of activity, outlined in Appendix 2 to this report – this programme of activities will see traders and community groups investing in kind support and raising funding from the local community to support these activities, utilising the infrastructure invested by the Council.</p>	

Other funding sought: Outline other funding options explored and whether there is potential for matching EIF funding with other sources.

Other Funding sources

There are external pots of funding that would be available if the authority is to invest initially in kick-starting economic regeneration of the area. New European programme funding is likely to be available in the post-2014 round of European funding that could be brought forward by matching local investment of the kind proposed in this report. Pursuit of this European funding will be sought should the EIF funding above be approved by members.

Project Team: Please provide basic information about partner organisations and key project team members. Indicate whether partners are contributing investment, staffing or other resources to the proposal and how they will benefit from the investment (if at all) relating this back to the anticipated benefits of the proposal.

Project Team (up to 500 words)

The Project Team would be made up of the Acomb Business Team supported by Council officers from Economic Development Unit.

Lead project manager details: Please provide a named contact person for communication with regards to the proposal.

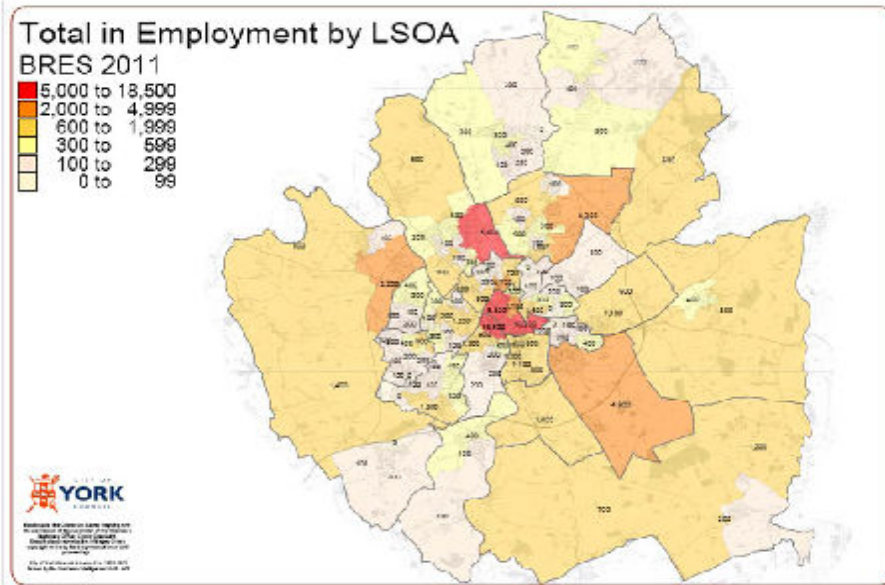
Name: Katie Stewart
Organisation: City of York Council
Position: Head of Economic Development
Phone Number: 01904 55 4418
Email address: katie.stewart@york.gov.uk
Postal address: West Offices, York YO1 6GA

Confidentiality: Administration of the Fund will be carried out in an open and transparent fashion. Please indicate any aspects of your proposal that you believe to be commercially confidential.

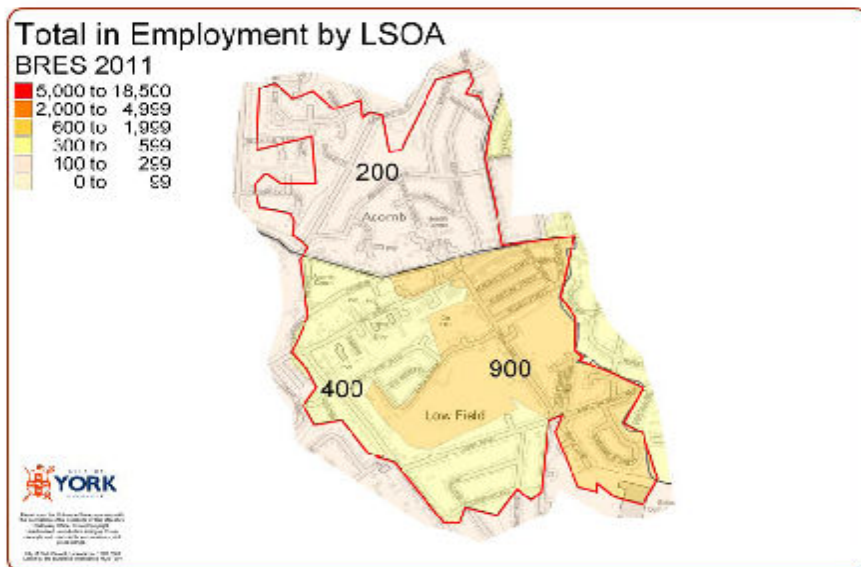
Confidentiality statement
N/A

“Acomb Area” Employment and Business Structure

- In 2011 businesses in the “Acomb Area” employed 1500 people (1.2% of total jobs in York UA)
- Main employers in Retail (27.5%), Health (22.8%) and Education (15.8%)



Acomb Area – Distribution of Jobs



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GOAD 2011

- A1 - Shops- incl Post Offices, Hair Dressers (86)
- A2 - Financial and Professional Services (19)
- A3 - Restaurants and Cafes (5)
- A4 - Drinking Establishments (2)
- A5 - Hot Food Takeaways (4)
- ASG - Sui Generis (1)
- B1 - Business (4)
- D1 - Non-Residential Institutions (11)
- D2 - Assemble and Leisure (2)
- UC - Not classified (3)

Vacant Properties

Acomb Shopping Area



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Cabinet

1st October 2013

Report of the Cabinet Member for Environment Services

Long Term Waste Service: First Long Stop Date

Summary

1. This report seeks Member approval to determine the next steps to be followed regarding the long term waste contract, following the passing of the First Long Stop date regarding a Satisfactory Planning Permission. Under the current contractual arrangements, a decision is required on the options available to both this Council and North Yorkshire County Council (NYCC).

Background

2. At its meeting on 30th November 2010, the Council's Executive resolved to support the award of a contract by NYCC to AmeyCespa in relation to a long term waste service and to delegate authority to officers to determine a waste management agreement between the City of York Council and NYCC in relation to this. The contract between NYCC and AmeyCespa was signed in August 2011 and is supported by a waste management agreement between the two local authorities.
3. The contract requires AmeyCespa to use 'All Reasonable Endeavours' (ARE) to secure a Satisfactory Planning Permission for a proposed residual waste treatment plant at Allerton Park, near Knaresborough. A planning application was submitted on 1st September 2011 and NYCC resolved at a meeting on 30th October 2012 to grant planning permission subject to conditions and the completion of legal agreements. The Secretary of State confirmed that he did not wish to "call-in" the application for his determination and the decision notice was subsequently issued on 14th February 2013. The decision to grant planning consent has been challenged through an application for Judicial Review

(JR). The application from Marton cum Grafton Parish Council for leave to apply for a JR was refused on two of the five grounds. Although leave was granted on the other three grounds, the Judge found in favour of NYCC and refused the automatic right of appeal. However, an application has subsequently been made by the Parish Council direct to the Court of Appeal. On 13th September 2013, the Court wrote to state that this appeal had been refused, although the Parish Council still have 7 days in which to renew their appeal. A verbal update on this will be given at the meeting.

4. The contract between NYCC and AmeyCespa specifies actions that must be taken in the event that AmeyCespa have been unable to obtain a Satisfactory Planning Permission by the First Long Stop date which is defined as two years from the date the planning application was submitted. As a result of the application for leave to appeal for JR, the planning decision made by NYCC is still subject to statutory challenge. AmeyCespa has therefore been unable to secure a Satisfactory Planning Permission by the First Long Stop date.

Consultation

5. This report has been written in consultation with Council Management Team, specialist officers for finance and legal implications, and officers from NYCC.

Options

6. The contract provides a number of possible outcomes for the agreement, namely:
 - A. that the Planning Application continue to be prosecuted in the same or substantially the same form (Decision A);
 - B. that the Planning Application requires material amendment or to be withdrawn and a further Planning Application submitted and the Authority accordingly requires the Contractor to prepare a Revised Project Plan (Decision B);
 - C. that there is no reasonable prospect that the Contractor will obtain a Satisfactory Planning Permission and that this Agreement should terminate (Decision C).

Analysis of Options

7. There is no reason at this stage to believe that AmeyCespa will not obtain a Satisfactory Planning Permission in due course and therefore it is not appropriate to consider agreement based on Decision B. Decision C is the Default Outcomes in the event of a failure of the Parties to agree an alternative outcome. In the event that the contract is terminated under Decision C and provided that NYCC accepts that AmeyCespa have used ARE to secure a Satisfactory Planning Permission then both Councils become liable for a payment to AmeyCespa of £3million. It is understood that AmeyCespa wish to agree continuation in accordance with Decision A and that this course of action will also be recommended to the NYCC Executive at its meeting to take place on the morning of 1st October. It is therefore recommended that the City of York Council supports this option. A decision to agree to continue (Decision A) will mean that the project progresses as if the long stop had not occurred.

Corporate Priorities

8. This report will contribute to the Council's priority regarding the environment to be a top performing waste authority.

Financial Implications

9. There are no direct financial impacts from the recommendation based on Decision A being followed, although the implication of the Default Outcome (Decision C) in the absence of an agreement between NYCC and AmeyCespa would be a maximum payment of £3million shared between the two local authorities. The shared maximum liability for the Councils will increase to £5million if, following the achievement of a Satisfactory Planning Permission, the Councils then decide not to progress to Financial Close. If the contract is terminated as a consequence of a JR quashing of the planning permission or otherwise rendering it an unsatisfactory planning permission then the Council's shared maximum liability remains at £3million. At the present, work is continuing to move this project forward towards Financial Close when a final decision will be required by the Council as to whether to proceed or not with the project.

Legal Implications

- 10. The legal implications relate to the contractual obligations for the City of York Council and are set out in the body of this report.

Property Implications

- 11. There are no direct property implications for the Council at this time.

Human Resources Implications

- 12. There are no direct human resource implications for the Council at this time.

Risk Management Implications

- 13. There are financial risks to the Council if no decision is made as the Default Outcome (Decision C) would then apply. A full risk assessment will be undertaken at Financial Close if the Contract continues in accordance with Decision A.

Recommendations

- 14. That the Cabinet supports the continuation of the contract between North Yorkshire County Council and AmeyCespa regarding the long term waste service for York in accordance with Decision A as set out as Option 6A above.

Reason: To enable the existing contractual arrangements for a long term waste service to progress toward Financial Close.

Contact Details

Author:	Cabinet Member and Chief Officer Responsible for the report:
Roger Ranson Assistant Director	Cllr David Levene Cabinet Member, Environment Services Darren Richardson, Director of City and Environmental Services

	Report Approved	√	Date	<i>18 September 2013</i>
Specialist Implications Officers: Patrick Looker – Finance Manager (Financial Implications) Andrew Docherty – Head of Governance and IT (Legal Implications)				
Wards Affected: All				√
For further information please contact the authors of the report				

Background Papers: None

Annexes: None

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Cabinet**1 October 2013**

Report of the Cabinet Members for Leisure, Culture and Social Inclusion, and Transport, Planning and Sustainability

The Tour de France – Update**Summary**

1. This report provides a further update on the York element of the Tour de France (TDF) following the report to Cabinet on 12 February 2013. This report concentrates on the strategic objectives for delivering the event in York, project updates and seeks approval for funding the delivery of the programme.

Introduction

2. The Tour is the largest annual sporting event in the world attracting a global audience. The opportunity is not just about bringing this spectacular sporting event to Yorkshire but also to demonstrate to the world the benefits of the region and to build a legacy for cycling and tourism. In 2007 it was estimated to have brought significant economic impact to London and the ambition for the 2014 event is to match if not exceed that in Yorkshire. Just before Christmas 2012 it was announced that Yorkshire had been successful in securing the Grand Depart of the Tour in Leeds, and in mid January it was announced that York had secured the second stage start.
3. The scale of the event is huge and attracts large audiences and is broadcast to the world. The delivery of such is complex and, challenging and with the Tour de France now less than a year away the focus is very much on delivering Yorkshire's Grand Depart and York's role in that. The regional and local delivery structure has been further developed and as the specifications and discussions with Amaury Sport Organisation (ASO) develop, a clearer picture of the impact and opportunity for the City is emerging.

Regional update

4. The regional structure for the national event has finally been agreed and the specialist staff for the new delivery company have been recruited. The Chief Executive and Events Director are now in post and further secondments are being requested via local authorities and other partners.
5. UK Sport are working with the delivery company to help support the overall coordination of the event and teams from Yorkshire and Cambridge were invited on a technical visit to Montpellier in early July. The City Council was represented in Montpellier and this learning has now been shared with the York delivery team.
6. There will be a visit from ASO and their technical teams in early October. The meeting will cover finalisation of the route, highways conditions, promenade and race start arrangements.

Strategic Objectives and Delivery

7. In York our local delivery structure has been established across the Council and Partners. It is shaped around five themes including the Event, the Local Legacy, Cultural Opportunity, Communications and Commercial Opportunity.
8. Strategic Objectives for delivery are simple as follows:-
 - To deliver a safe and enjoyable event in York, which enhances the reputation of our City
 - To maximise the economic benefit and opportunity in the short, medium and long term
 - To secure a long lasting legacy across our communities, culture, cycling infrastructure and health
9. The York programme is being project managed by a small team of dedicated resource with additional support from service delivery managers across the organisation. The role of Planning Coordinator will be taken by the Head of Culture, Tourism and City Centre. There will be back fill arrangements made to ensure business continuity in the Festival and Events area.

EVENT

10. The points below provide an update on delivery across the programme. Work is underway to develop plans, manage risk and deal with business continuity

Local Update

11. The Tour de France second day depart starts in York on Sunday 6 July. There will be 200 riders supported by a team of about 5000 staff and press. There will be an opportunity for the public to meet/see teams and riders in the city. Ahead of the racing peloton there will be a sponsors' parade, known as the caravan which could be up to 180 vehicles long. The tradition in France is that crowds gather to see this parade as well as the race itself. It is anticipated that the race will start before midday. Full timings will be confirmed in October. After York the race will take a route via Harrogate to the finish in Sheffield.
12. UK Sport has already commissioned an initial Crowd Management report from SDG consultants who worked on the crowd modelling solutions for London 2012. The initial report suggests that York could be expecting crowds of an additional 180,000 for the start day. They will be continuing to work with the regional delivery body to build a picture of crowd movements across the whole event and liaising with our traffic management. Metro has agreed to take the lead on travel plan arrangements across the whole of Yorkshire for the event, with Transport for London covering the third day.
13. It is vital that, whether wishing to attend or not, everyone has a chance to enjoy the day, so a strong communications plan is essential. Plans are underway to identify a range of spectator hubs in the city the route where people can congregate safely, watch the race, and be engaged in family focused activities.

Route and traffic management

14. After a thorough review of the ASO operational requirements we have established preferences on the route through the City, and this request has now been made. The route will be confirmed ahead of public announcement on the 23 October. There is a regional traffic management group which a member of the Council team attends. That officer is the reporting link between that group and our York operational group. It has been identified that additional dedicated

resource will be required for traffic management, and detailed travel and parking planning. We are working with regional traffic managers to ensure safety on the whole route.

Highways

15. Until the technical specification is received from ASO best assumptions are being made about the level of work required. This is the best assessment based on the current state of the roads and the knowledge about the road surface from the technical visit in July. However this is an area of risk in the current budget until further detail is received.

ECONOMIC BENEFIT

16. Based on figures from the 2007 Grand Depart London, the economic benefits estimate to the region are 87 million in commercial and multiplier effects and 30 million in press and promotional opportunity. The work ongoing aims to maximise this opportunity for the region but specifically in our planning for York. As part of the strand we will work closely with the York Business and Tourism sector.

Commercial Opportunity

17. While the case for regional economic benefit has already been made as part of the bid for hosting the Grand Depart, we have also identified various strands of commercial activity that may directly benefit the council and businesses in the city. In order to have the capacity to secure this benefit we are working with Partners on a secondment opportunity for a Commercial Innovator. The Commercial Innovator will be responsible in ensuring that we maximise the benefits economically by the opportunity offered by the Tour de France.
18. As raised above, in order to retain the numbers of visitors (180,000) in the city and maximise the economic benefit we are looking at arranging Spectator Hubs in the city. Discussions with the Racecourse and MacArthur Glen have been initiated. Big Screen procurement work has been initiated at regional level. There are possibilities of income associated with the Spectator hubs and the events team are working with the economic development unit to further explore these possibilities.

LEGACY

19. As a well established Cycling City we are well ahead in terms of recognising the benefits that cycling brings to our communities, culture, infrastructure and health. This will secure strategic infrastructure across the region that we could not realise by working on our own.

Regional Legacy

20. York is taking the lead for the region on the legacy programme and we have appointed the Regional Director. For the regional legacy there is the ongoing focus on raising the profile of the legacy work (Get Yorkshire Cycling/Cycle Yorkshire). Actions include:
- (i) Development of the delivery plan and support documentation including a public version of the strategy that will be the core product used for the launch of the legacy work.
 - (ii) Linked to this is working with all LAs to get them to complete their audits that informs the development of regional and local delivery plans
 - (iii) Launching the legacy work and all that entails including communications plans scoping out the launch etc.
 - (iv) Encouraging the development of cycling related social enterprises/CICs (Community Interest Companies)

Local Legacy

21. Through our local legacy work our ambition is to improve our position in the UK league table as a Cycling City. We already have a strong local framework to support the legacy in York through the work of our Sports and Active Leisure team and the I-travel programme. Through hosting the Grand Depart further partnership opportunities have arisen with British Cycling and Skyrides. This has resulted already in the National Circuit championships being hosted in the city in July. Over the summer there has been a full programme of lead rides and club support activity and with our partners in Active York we plan to develop a 3 year programme of activities.
22. The York Sky Ride and Cycling Festival took place on the weekend of 14/15 September. Approximately 5,500 people took part in the Sky Ride, with volunteers assisting on the day and engagement from local businesses. This event gave an opportunity for teams to work

together and although on a completely different scale tested some of the linkages necessary to deliver a successful event in July 2014.

23. We want to help all communities in York celebrate this event and will be working to ensure that opportunities are put in place to support this activity.
24. Locally the event lead is working with the educational teams on the regional education pack. Draft packs will be available for trialling in September 2013 with the launch expected after October half term.

100 day Cultural Festival

25. Regionally a director for the 100 day cultural festival has been appointed. At the last regional meeting York was praised for their work with local cultural and community organisations. The Regional Director visited York to talk with the cultural community on the 9 September. Over 200 organisations and individuals have already registered to take part in the York element of the cultural festival, and work is underway to develop our programme for the festival.

Communications

26. The City of York Communications lead is also part of the regional communications group. A communications plan is being developed to take account of the opportunities available for community involvement in the cultural programme and legacy as well as what needs to occur to make the most of the event for the local resident and business community.

Council Plan

27. The successful delivery of the Tour de France event and legacy supports the council's priorities of Creating Jobs and Growing the Economy and Building Strong Communities. The long term ambition of improving York's position as a Cycling City will support the priority of Get York Moving and Protect the Environment.

Implications

Financial

28. The projected cost of staging the event and legacy events is £1,664k. This is shown in the table below by event costs, legacy costs and regional contributions. Members approved use of the

Economic Infrastructure Fund to fund the regional contributions (£500k) and the government is providing a contribution to the event of £291k. This leaves a net budget requirement of £873k.

29. This level is over and above resources funded from core budgets which will be required to deliver the event. It should be noted that the timing of the costs and expenditure between the years is indicative and subject to review.

	2013/14 £'000	2014/15 £'000	Total £'000
<u>Event Costs</u>			
Event Costs for 6 th July 2014		564	564
Highways		200	200
Project Management	73	148	221
Marketing and Communications	25	75	100
Cost of Event	98	987	1,085
<u>Legacy Costs</u>			
Local Legacy Events	20	45	65
Regional Legacy	20	14	34
Total Legacy Costs	40	59	99
Regional Contributions			
Regional Fee	430		430
Contribution to Welcome to Yorkshire	50		50
Total Regional Contributions	480	0	480
Total Costs	618	1,046	1,664
Budget Approved	-500		-500
Government Contribution		-291	-291
Net Budget Requirement	118	755	873

30. It is proposed to fund the Highways costs by use of Capital contingency (£200k). The balance of the outstanding budget requirement (£673k) can be met from a contribution from the Delivery and Innovation Fund (£200k) and an allocation from the Council contingency (£473k).

31. The Capital Contingency stands at £676k – an allocation of £200k towards the highways works will leave a balance of £476k
32. The balance on the Delivery and Innovation Fund currently stands at £550k therefore a contribution of £200k will leave a balance of £350k
33. There is a general revenue contingency of £450k and the two year budget agreed in February 2013 set out plans to both maintain this and look to increase it. These resources will be sufficient to fund the remaining £473k and it is proposed that the final split of funding from different financial years be agreed at the time of the budget setting in February 2014.
34. Potential economic benefits for the city are set out in detail at Annex 1. It is anticipated that additional revenues from parking and licensing will accrue to the council. No levels have currently been assumed however such income will be returned to fund council services.

Human Resources (HR)

35. While some of the work on the cultural and legacy elements of this delivery programme have been and can continue to be absorbed within the current staffing structure a successful delivery of the event and its associated legacy will require additional staffing support. Work is underway to establish how we can work with partners to support these requirements built on previous experience

Equalities

36. The Tour de France is a significant event and it is important that people are able to engage with the event even if it is not going past their house. Work is underway to look at access issues and create safe viewing opportunities. The legacy also has a strong focus on enabling all who want to have a go at cycling and skyrides and similar event including routes for adapted bikes.
37. An equality impact assessment has been completed and will be built on as more details around the event emerge. We will engage fully with our communities as this is progressed.

Legal

38. In February the Cabinet approved the delegation of authority to the Chief Executive to enter into agreement with Leeds City Council to deliver the event. Given the new Regional delivery body we will be seeking to refresh this authority for a new legal agreement. Under s1 Localism Act 2011, the Authority has a general power of competence, which enables it to enter into arrangements to deliver the Project. Legal Services will provide advice on the preparation of the contract.

Risk and Opportunity Management

39. A programme management process and system has being put in place to ensure that all identified and emerging threats are recorded and planned for as part of the overall planning framework. In addition opportunities have also been managed utilising the same process. This will enable CYC to produce an event plan for the Tour de France that maximises our ability to deliver strategic objectives at both a local and regional level.

Recommendations

Cabinet are asked to:

- (i) Note progress made with the Tour de France delivery project.
- (ii) Agree the strategic objectives for delivery.
- (iii) Delegate authority to Chief Executive to negotiate and enter into a contract with the new regional delivery body
- (iv) Agree the following budget allocations
 - a. £200k from capital contingency
 - b. £200k from Delivery and Innovation Fund
 - c. £473k from General ContingencyThe profile between years of allocations to be confirmed as part of the budget process in February 2014.

Reason: To report on project work to date and provide the necessary funding to deliver the event.

Contact Details

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Wards Affected: All	√		
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Background Papers – None**Annexes**

Annex 1 - Potential Economic Benefits

Potential Economic Benefits
Tour de France – York

6 July 2014

Economic Benefits

- The event offers significant potential economic benefit through the direct and indirect impacts of
 - (a) the additional footfall generated by the event through the city directly before, during and after the period of the Tour and
 - (b) the profile the event will provide more widely through the coverage of the event before, during and after the tour via media coverage
 - (c) through the establishment of a cycling tourism legacy associated with having hosted the event,
 - (d) establishment of additional large scale cycling or sporting events in the city calendar. These impacts will generate positive implications for the city's businesses, residents and the Council itself.
- It is estimated that there will be an additional 180,000 visitors to the city for the event itself, although the Council and partners will be promoting the potential for the city to offer a base to visitors for the full Grand Depart period of the race and encouraging visitors to arrive early and stay beyond the York stage to maximise the impact of the additional visitors.
- There is significant potential for the businesses of the city to turn this additional footfall to potential customers. The Council will be working to
 - (a) promote the ability of businesses to gain additional exposure through official sponsorship opportunities,
 - (b) identify locally organised opportunities to promote local business to the audience and additional visitors,

- (c) promote the city for visitors and business audiences through the coverage of the event in the media to the extent possible and
- (d) maximise its own opportunities for income generation.

The sum total of these impacts could lead to increased revenue for business on the days immediately before during and after the event, but through return visits from visitors to the event and new visits from those watching the event remotely through media coverage, there is a further potential for a step change in the number of annual visitor numbers. Such a step change would enable increases in overall business base, leading to increased business rates, and by extension, an increase in the number of jobs available in the city – thereby creating potential indirect effects for the Council as well through business rates and Council tax. .

For residents, the economic benefit derives from the potential step change in economic performance outlined above, and the increased economic opportunities available locally for local business and employment.

Finally, depending on the extent to which the Council is willing to explore innovative options the direct impacts on the Council's budgets will be felt through the potential for the Council to generate income.