

**Notice of a public meeting of
Executive**

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

Date: Thursday, 23 July 2020

Time: 5.30pm

Venue: Remote Meeting

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democracy Support Group by **4:00 pm on Monday, 27 July 2020**.

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

1. Declarations of Interest

At this point, Members are asked to declare:

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

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

2. Minutes

(Pages 1 - 4)

To approve the minutes of the last Executive meeting, held on 25 June 2020.

3. Public Participation

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

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is 5:00pm on Tuesday, 21 July 2020.

To register to speak please contact Democratic Services, on the details at the foot of the agenda. You will then be advised on the procedures for dialling into the remote meeting.

Webcasting of Remote Public Meetings

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

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

4. Forward Plan (Pages 5 - 8)

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

5. York Central Update (Pages 9 - 28)

The Corporate Director of Economy & Place to present a report which provides an update on progress to deliver the scheme, and sets out proposals for proceeding with further development activity to maintain the positive momentum and ensure readiness for delivery whilst we await the confirmation of the conditions of the grant funding.

6. Outbreak Control Plan (Pages 29 - 108)

The Director of Public Health to present the Outbreak Control Plan that was approved at the Outbreak Management Advisory Board on 13th July 2020.

- 7. City of York Council Recovery and Renewal Strategy - Update** (Pages 109 - 190)
The Interim Head of Paid Service to present a report outlining further elements to York's Economic Recovery Plans following the coronavirus pandemic, and introducing a proposed 10-year plan for the city and how this might be taken forward.
- 8. Reporting of Agreeing of the 'asks' to submit to Government for consideration of a Devolution Deal for York and North Yorkshire** (Pages 191 - 374)
The Director of Governance & Monitoring Officer to present a report that seeks approval for the submission of the devolution proposal to Government for the City of York and North Yorkshire.
- 9. Library Lawn Lease** (Pages 375 - 384)
The Assistant Directors of Regeneration, Economic Development & Asset Management and Communities & Culture to present a report which seeks approval to grant Explore a lease of the Library Lawn and the 'Store' for exclusive use by Explore for cultural activities.
- 10. Finance and Performance Outturn 2019-20** (Pages 385 - 418)
The Interim Head of Paid Service to present a report that provides a year end analysis of the overall finance and performance position. This is the final report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.
- 11. Capital Programme Outturn 2019/20 and Revisions to the 2020/21- 2024/25 Programme** (Pages 419 - 450)
The Interim Head of Paid Service to present a report that sets out the capital programme outturn position including any under or over spends, overall funding of the programme and an update as to the impact on future years of the programme.
- 12. Treasury Management Annual Report and Review of Prudential Indicators 2019/20** (Pages 451 - 460)
The Interim Head of Paid Service to present a report that outlines the annual treasury management review of activities and the prudential and treasury indicators for 2019/20.

13. Reporting of Decisions Made using the Urgent Decision Making Guidance (Pages 461 - 464)

The Director of Governance & Monitoring Officer to present a report on decisions made using the Urgent Decision Making Guidance for the period 8 April 2020 to 8 July 2020.

14. Urgent Business

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

Democratic Services:

Contact details:

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

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

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

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

 (01904) 551550

City of York Council

Committee Minutes

Meeting	Executive
Date	25 June 2020
Present	Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Runciman, Smalley, Waller and Widdowson
In Attendance	Councillor Myers (as Leader of the Opposition)
Officers in Attendance	Ian Floyd (Deputy Chief Executive); (Amanda Hatton (Corporate Director of Children, Education & Communities Services); Neil Ferris (Corporate Director of Economy & Place); Sharon Houlden (Corporate Director of Health, Housing & Adult Social Care)

121. Declarations of Interest

Members were asked to declare at this point in the meeting any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, that they might have in the business on the agenda. No additional interests were declared.

122. Minutes

Resolved: That the minutes of the Executive meeting held on 7 May 2020 be approved and then signed by the Chair as a correct record.

123. Public Participation

It was reported that they had been 3 registrations to speak at the meeting under the Council's Public Participation Scheme, but that one of those public speakers, Ms Swinburn, had had to cancel her registration just prior to the meeting starting. The remaining 2 speakers were as follows:

- (i) Councillor Douglas: spoke in relation to minute No 125 below on the Council's proposed Renewal & Recovery Plan. She commented on the need help local businesses thrive for the economic benefit of visitors to and residents of York: referring specifically to improvements required to signage for Coney Street and to toilet facilities in the city; as well as to the role for the Council as landlord to many small businesses. She briefly outlined the Labour Group's alternative plans for approaching recovery;
- (ii) Mr Johnny Hayes: spoke in relation to minute no. 125 below also, as Chair of York's Independent Businesses Association. He emphasised the need for the Council and all stakeholders to work together, focussing on the potential long term impact of the pandemic on independent businesses in York. He urged the Council to take a lead role between landlords and tenants to get a sustainable balance between rent charged and income potential for those businesses.

124. Forward Plan

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

125. City of York Council Recovery and Renewal Strategy

Members considered a report outlining the proposed strategic approach to supporting York's recovery from the Covid 19 pandemic over the coming year, including, at Annex 1, a Recovery & Renewal Strategy. The report also set out the specific areas for investment required and where existing budgets would need to reprioritised.

In introducing the report, the Leader emphasised that the Plan was initially a one year plan, given the ongoing need to adapt to changing circumstances with Covid 19 and that, as we emerged from the current lockdown arrangements, supporting residents and small businesses would be imperative. He added that the Council would continue to lobby Government for financial support, wherever possible, given the predicted budget gap.

In highlighting key aspects of the report and Plan, the Deputy Chief Executive, stressed that the risks of the virus had still not gone away and set out the work done to date to provide community and business support. He referred to the key strands of the Recovery Plan and the key financial challenges and finally advised that developing a 10 year city plan with partners was under consideration.

A full debate then ensued on the proposed Plan, with Executive Members emphasising, in turn, key elements within their portfolio areas.

Resolved: That

- a. the overall Recovery and Renewal Strategy (Annex 1), and the underpinning plans outlined in Annexes 2-4, be approved;
- b. the recommendation in respect of parking incentives (paragraph 10 of Annex 2b) be approved;
- c. the work to expand the attendance of pupils in schools (Annex 5), be noted;
- d. the areas of priority investment and the reprioritisation of budgets, outlined in paragraphs 17-28 of the report, be noted;
- e. the development of a 10-year City Plan (paragraph 12 of the report) be noted;
- f. the ongoing consultation with residents and businesses throughout the recovery period (paragraph 29 of the report), be noted.

Reason: To enable measures to be put in place for the continuing recovery of York as it emerges from lockdown and the pandemic.

126. York Outer Ring Road Phase 1 Dualling - Procurement Strategy, Approach to Public Engagement and Landscaping

Further to the approval given by the Executive in February 2020, to merge proposals for junction upgrades and dualling of York Outer Ring Road (YORR) into one scheme, Members considered a further report seeking approval to the following delivery critical areas:

- (i) The proposed delivery and procurement strategy;
 - (ii) A proposed public engagement strategy for the scheme;
- and
- (iii) Commitment to a net gain in tree planting and woodland areas, in accordance with Environment Agency guidance.

Following debate, the Leader emphasised the need to proceed in order to achieve future improvements at the YORR.

Resolved: That

- 1) Approve the recommended procurement routes set out in Annex A for the required support and construction services, approve the carrying out of those recommended procurement processes and to delegate to the Director of Economy and Place (in consultation with the Director of Governance or her delegated officers) the authority to take such steps as are necessary to procure, award and enter into the resulting contracts.
- 2) Approve the recommendation for officers to develop and pursue a public engagement strategy which incorporates the provisions of physical distancing.
- 3) Approve the landscaping principles, specifically the commitment to provide a net gain in tree planting, biodiversity and habitats following the strategy developed by the Environment Agency.

Reason: To enable the project to move forward in an efficient and cost effective manner, providing for a quicker overall delivery programme for the scheme.

Cllr Aspden, Chair

[The meeting started at 5.30 pm and finished at 6.36 pm].

Forward Plan: Executive Meeting: 23 July 2020

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 27 August 2020

Title and Description	Author	Portfolio Holder
<p>Proposal for an article 4(1) direction for the Heslington conservation area and production of a strategy for article 4(1) directions for City of York conservation areas</p> <p>Purpose of Report To propose the service of an article 4(1) direction in the Heslington conservation area in response to local requests and produce a strategy for implementing article 4 directions in the city’s conservation areas.</p> <p>Executive will be asked to: consider and authorise the service of an article 4(1) direction in the Heslington conservation area and production of a strategy for implementing article 4 directions in the city’s conservation areas.</p>	Edward Freedman	Executive Member for Economy and Strategic Planning
<p>Huntington Neighbourhood Plan - Examiner’s Report and Decision Statement</p> <p>Purpose of Report: To inform Members of the recommendations made in the Examiner’s Report and to explain the Council’s response to these and to gain approval of the subsequent Decision Statement to allow the Neighbourhood Plan to proceed to Referendum.</p> <p>Executive will be asked to: approve the Proposed Modifications recommended in the Examiner’s Report and the Council’s Decision Statement to allow the Huntington Neighbourhood Plan to proceed to Referendum.</p>	Anna Pawson	Executive Member for Economy and Strategic Planning

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 1 October 2020

Title and Description	Author	Portfolio Holder
<p>Street Works – Changing from noticing to a permitting scheme Purpose of report: To seek approval to conduct a public consultation on proposals to introduce a permit scheme to govern all utility and highway works activities within the authority’s highway network.</p> <p>Executive will be asked to: approve a public consultation exercise to seek feedback from statutory consultees and other stakeholders on the proposals to introduce a permit scheme to govern all utility and highway works activities in York.</p>	<p>Helene Vergereau</p>	<p>Executive Member for Transport</p>

Table 3: Items Slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Proposal for an article 4(1) direction for the Heslington conservation area and production of a strategy for article 4(1) directions for City of York conservation areas</p> <p>See Table 1 for details</p>	Edward Freedman	Executive Member for Economy and Strategic Planning	23/7/20	27/8/20	To allow consideration by the LPWG and recommendations to be included in the final reports.
<p>Huntington Neighbourhood Plan - Examiner's Report and Decision Statement</p> <p>See Table 1 for details</p>	Anna Pawson	Executive Member for Economy and Strategic Planning	23/7/20	27/8/20	To allow consideration by the LPWG and recommendations to be included in the final reports.

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Executive**23 July 2020**

Report of the Director of Economy & Place
Portfolio of the Leader

York Central Update**Summary**

1. The delivery of York Central is a city wide priority. Regeneration of this brownfield site will bring significant economic growth space and new housing, in this central, sustainable location. The importance of York Central is highlighted in the Local Plan, and in the Strategic Economic Plans of both regional Local Enterprise Partnerships. York Central will also play a pivotal role in the city wide economic recovery from the Covid 19 pandemic.
2. The council has continued its commitment to York Central all through the Covid 19 lock down and response phase, and has maintained the level of resources allocated to the project due to its strategic importance to long term economic recovery. The delivery of York Central is still a priority objective within our economic strategy and will provide the location for new economic growth space and facilitate the future development of new sustainable business sectors to augment the existing economy.
3. In the March 2020 budget the council received the long awaited news that the Ministry of Housing Communities and Local Government (MHCLG) had agreed to award £77.1m to fund the enabling infrastructure for the site. This is a hugely positive breakthrough that will finally unlock the site.
4. After decades of stalled delivery, the crucial enabling infrastructure works can finally now commence. Ultimately York Central will become a thriving addition to the existing city centre with; new business space, new homes a re-modelled railway station and a transformed National Railway Museum. Movement through the site will benefit from pedestrian and cycle priority with dedicated / segregated routes along the main west to east axis. This route will be well served by Park and Ride / local bus services with an inbound priority Bus Lane. Encompassing all of this, and perhaps most important of all, the new park and urban realm will deliver high quality amenity space for the benefit of all our residents, workers and visitors. Designed to meet best practice standards the landscaping will deliver significant new tree planting and have Sustainable Urban Drainage (SUDs) and biodiversity considerations at its heart.

5. This report provides an update on progress to deliver the scheme, and sets out proposals for proceeding with further development activity to maintain the positive momentum and ensure readiness for delivery whilst we await the confirmation of the conditions of the grant funding.

Recommendations

6. Executive is asked :-
- i. To commit further funding of £1.96m to cover CYC project team and consultancy support costs, undertake further essential survey works, and to fund an early enabling infrastructure works contract to April / May 2021.
 - ii. To delegate to the Interim Head of Paid Service in consultation with the Leader the acceptance of the £1.53 million YNYER grant to deliver the package of early site enabling works and to delegate to the Director of Economy and Place, in consultation with the Director of Governance, the authority to take such steps as are necessary to enter into the resulting funding agreement.
 - iii. To delegate to the Interim Head of Paid Service in consultation with the Leader the authority to take such steps as are necessary to agree the grant terms with MHCLG for £77.1m of infrastructure funding and to enter into the resulting funding agreement.
 - iv. To approve the procurement of the further project support consultancy services necessary for the delivery phase, and to delegate to the Director of Economy and Place, in consultation with the Director of Governance, the authority to take such steps as are necessary to procure, award and enter into the resulting contracts.

Reason: To ensure that appropriate project development progress can be maintained, focussing on delivery readiness for the first phase of the York Central enabling infrastructure

- v. To agree to dispose of the land at Alliance House/Chancery Rise to Network Rail (NR) to facilitate the relocation of rail infrastructure maintenance facilities from the York Central site, with NR to reimburse the council for expenditure incurred by the council in connection with our ownership since 2016, totalling £426,967. The disposal price to be £1 (the same price as it was purchased by the council from NR in 2016) and to include a restrictive covenant to limit the future use of the land to the purpose agreed in this disposal.

Reason: To ensure that York Central is cleared of operational rail activity and made available for redevelopment.

Background

7. York Central is one of the largest brownfield sites in northern England, see plan at Annex 1. The 45ha development site will deliver: up to 2500 new homes; the potential for 6500 jobs, in grade A commercial office space; a transformation of the National Railway Museum with a new Central Gallery. The creation of new public spaces and community facilities directly linked to an improved Railway Station are also key project outcomes.
8. The council has been instrumental in the project development to date, securing and making funding available to break the deadlock of decades and bring York Central forward for development. The council has worked positively with partners to ensure that the development will deliver benefits to the people of York, and these will continue to be shaped by the commitments to future public engagement. As the principal conduit for infrastructure funding and through its statutory roles as Local Planning Authority (LPA) and Highways Authority (HA) the council has significant influence and control over key future decisions and will continue to represent the views of the people of York in all partnership discussions.
9. Extensive community engagement was undertaken ahead of the planning process which showed significant support for the scheme despite its many challenges. Previous attempts by the market to bring a scheme forward on this site have floundered and, given the unique risk profile of the site, it will require public sector leadership to bring the site forward for development.
10. The scheme is being promoted by the York Central Partnership (YCP) which is made up of Network Rail (NR) Homes England (formerly the Homes and Communities Agency or HCA), the National Railway Museum (NRM) and the City of York Council (CYC).
11. Over the last 4 years YCP have developed a comprehensive masterplan for the 45ha site and secured Outline planning consent which will deliver up to 112,000 sq. m of commercial space and up to 2500 homes as well as a large park, public squares and an expanded Railway Museum.
12. To support our aspiration for delivering high quality affordable homes on York Central, positive discussions have taken place between the council and Homes England. Together we are exploring options for early phase delivery where our adjoining land interests have the potential for council led delivery on part of the site. Partnership working and delivery can better secure the creation of a spatially coherent and high quality new neighbourhood. A further update will be provided on this approach as part of a Housing Delivery Programme paper this autumn.

13. We have also secured funding from the YNYER LEP to undertake a feasibility study to assess the potential for securing BREAM Outstanding office buildings on York Central.
14. The significant progress made to date is demonstrated by the key project milestones set out below :
 - In December 2018 Full Council agreed to create the £155m capital budget to fund the delivery of the enabling infrastructure.
 - The council also submitted an application for £77.1m of Housing Infrastructure Funding to MHCLG.
 - In January 2019 Executive agreed the Heads of Terms of the YCP Partnering Agreement – which is now being finalised for signature by the partners.
 - In February 2019 West Yorkshire Combined Authority (WYCA) Investment Committee approved the business case for West Yorkshire Transport Fund (WYTF+) funding (subject to conditions) and work towards a Full Business Case plus (FBC+) continues.
 - In March 2019 Planning Committee resolved to grant permission for the Outline Planning Application for the site – the s106 agreement was signed in December 2019.
 - John Sisk was appointed to provide Early Contractor Involvement (ECI) in September 2019 under a Pre-construction services contract to offer value engineering, buildability and programme advice to inform the final detailed design work.
 - On the 12th October 2019 the Department of Culture Media and Sport confirmed the award of £18.58m towards the £55m target budget for the delivery of the NRM Vision 2025 plans.
 - 23 October 2019 YNYER LEP agreed £1.58m LGF grant to support further design work on the first phase of infrastructure.
 - Over the autumn and winter we undertook detailed design of the first phase of infrastructure (Water End junction new Severus Pedestrian / Cycle Bridge, new ECML bridge and spine road)
 - In February YCP undertook pre-application engagement on the content of the Reserved Matters Application for the first phase infrastructure
 - In the March 2020 Budget, the Chancellor of the Exchequer announced the award of £77.1m grant to fund the York Central enabling infrastructure
 - In March 2020 Homes England, NR and NRM made an application to the Department for Transport (DfT) for the Stopping up of the part of Leeman Road where it bisects the museum. This has been consulted on by DfT.
 - In April 2020 CYC, Network Rail and Homes England submitted the RMA for the first phase of infrastructure to the Local Planning Authority
 - June 2020 – the detail design of the enabling works package has been completed and issued to the contractor for price confirmation.

- YNYER funding to deliver this package was confirmed on 18 June 2020.

15. The total cost of the enabling infrastructure necessary to bring the site forward for development was set out in the November 2018 Exec report as being £155m. The indicative breakdown of the key elements of the infrastructure scheme updated to June 2020 are as follows:

Table 1 Total Infrastructure Costs

Infrastructure Elements	£'000
Enabling Works including site clearance, early demolitions,	4,330
Phase 1 Infrastructure including bridge access onto site, new spine road, drainage	90,250
New Park	17,960
Museum Square and Boulevard	9,560
Southern Access to Site	6,290
Compliant Station Access	6,420
Full Western Station Entrance	9,840
Leeman Road Tunnel, Marble Arch Link	2,300
Leeman Road East	inc above
Utilities into site	7,840
Total Infrastructure	154,790

16. Full Council established the budget to fund this key site enabling infrastructure in Dec 2018 to allow viable development to proceed. The funding comprises a combination of external grants, previously agreed approvals, developer contributions and significant new Enterprise Zone backed borrowing of £35m. The works and funding options outlined in this report are part of this core budget.

Table 2 York Central Budget

Funding Source	Budget	Prior Approvals	Approvals Sought	Budget Remaining
	£'000	£'000	£'000	£'000
CYC	4,662	(1,110)	(1,960)*	1,592
CYC Borrowing – Enterprise Zone	35,000			35,000
MHCLG funding	77,100			77,100
YNYER LEP	3,110	(1,580)	(1,530)	0
WYTF Contribution	23,500			23,500

Balance – Developer Contributions, Land Values, Cost Control	11,628			11,628
Total Funding Available	155,000	(2,690)	(3,490)	148,820

17. The WYTF Full Business Case (FBC) was conditionally agreed in February 2019 (with £23.5m for the York Central component) and this will proceed to final sign off when the Stage 4 design is priced. It is also conditional upon confirmation of the conditions of the MHCLG grant funding following the budget announcement in March, which is still pending.

Current Progress

18. In October 2019 Executive made the commitment to undertake further project development activity, working with the York Central Partnership, to ensure the scheme maintained momentum and would be ready to progress into delivery phases when decisions on external grant funding were confirmed.
19. The £2.275m budget agreed by Executive, including YNYER grant, has funded significant activity to finalise and submit the Reserved Matters Application (RMA), following a comprehensive pre-application information exercise. The detailed (RIBA stage 4) design work will be completed imminently to enable confirmation of the construction costs and submission of the WYTF+ final business case.
20. The timescale for the determination of the RMA for the first phase infrastructure has been impacted by Covid 19. The finalisation of documentation and submission at the end of March was impacted by the shift to home working arrangements and the commencement of critical archaeological evaluation work on site was delayed due to the furloughing of the contractors staff. The overall delay is c3 months.
21. The Executive report of October 2019 released funding for the project through to May 2020 and determination of the RMA. Robust management of the project team and budget has enabled the funding to stretch to July. However, the remaining contingency would be completely exhausted by September.
22. A proposal for maintaining project momentum, by drawing down further funds from the previously approved York Central Budget is set out below:
23. **£3.49m to April / May 21.** This will deliver:
- i. Conclusion of the detailed design work and confirmation of the construction cost and programme for delivery of the infrastructure works.

- ii. Submission of the FBC+ to secure the WYCA funding for the construction phase.
- iii. Formalising the necessary pre-construction agreements between the partners and statutory authorities.
- iv. The ability to let an enabling works construction contract including: site clearance, demolitions and site preparations, infrastructure package 1. This would be funded by acceptance and draw down of the recently approved £1.53m YNYER grant funding, and a further drawdown of the CYC York Central Capital Budget of up to £1.96m

24. The table below provides a summary of the costs of the proposal :

Activity	£'000
Project Team	370
Project and programme Support	170
IP1 – enabling works including contract administration	4330
Less NR works	-1,200
Less existing committed	-180
Total	3,490

Analysis

25. Concluding the detailed design work and confirming the contractors priced proposals is necessary to submit the WYCA FBC+. If this is not undertaken it would lead to delays in the delivery of York Central, and could lead to difficulty in achieving grant spend within the currently understood funding windows. Any delivery delay will also result in a reduction in the amount of retained business rates likely to be generated as part of the Enterprise Zone to fund the proposed £35m of prudential borrowing to fund the further phases of enabling infrastructure. Any significant delay also introduces risk to the procured construction contract where the tendered rates were only valid for 12 months.
26. The ability to commit to site preparation works ahead of the main contract would allow the main contract for the first phase infrastructure works to commence in early 2021. If this is not possible the conditional contract with the Millennium Green Trust is also at risk.
27. Since last Oct CYC have progressed with project development to ensure delivery readiness. The March budget announcement of the £77m funding by MHCLG was hugely significant. Early Contractor Involvement (ECI) has been

extremely beneficial in refining the detail design and delivery programming. Our preferred construction partner Sisk is now confirming pricing for the works packages to enable the confirmation of the WYCA funding, through the FBC+ gateway.

28. The project programme has been updated to reflect some delay to the RMA determination, as a result of Covid 19 impacting archaeological works on site. However, the RMA determination is pending and undertaking a package of enabling works commencing in late 2020 will allow the main infrastructure works to commence in early 2021. This timing is important to take advantage of the existing Millennium Green conditional contract and to ensure that the infrastructure delivery is in line with the requirements of the NRM Masterplan.
29. The York Central Partnership has signed a Partnering Agreement, which commits the partners to work jointly to deliver the scheme. Partners have already made investments at risk and secured further commitments totalling over £50m for York Central.
30. Network Rail has spent £5.842m so far on land assembly, rail relocation works, rail design for enabling works/relocations, planning, legal and consultant's fees. Network Rail have also recently confirmed that they will fund the site clearance and rail infrastructure alteration elements of the enabling works to the value of £1.2m as part of the early enabling works. These works are necessary before the main infrastructure works contract can commence.
31. Homes England has committed £18.9m towards land assembly and contributed a further £355k towards the planning costs of the site, on top of a previous £200k contribution in 2018. Homes England have more recently confirmed a further budget of £7.6m subject to the MHCLG decision having invested in a dedicated delivery team working for the Project Director. Although some of this investment is backed by asset acquisitions these will not be realised unless the scheme is developed out so are "at risk" at this stage.
32. The NRM have spent £1.95m on their Vision 2025 masterplan for their museum development scheme and they have now secured a £18.58m DCMS grant to commence delivery of their £55m transformation scheme. The design team for the new Central Hall has now been appointed following the public exhibition of the shortlisted proposals in February. As an important cultural anchor they will continue to help shape the overall scheme and integrate their plans with the development of York Central, but their role differs from the major land owners NR and Homes England and from the Council as the custodians of a new part of the city and enablers of the future scheme. As a charitable organisation, NRM cannot undertake any development activity on non-Museum land, so NRM will not share in either the York Central development costs or receipts. The NRM have disposed of their surplus land assets to Homes

England in order to integrate the land into the overall scheme and facilitate the early phases of the Vision 2025 development plans.

Disposal of land at Alliance House/Chancery Rise to network Rail

33. The Chancery Rise land was acquired in 2016 from Network Rail as part of a larger property deal whereby CYC sold a 5 acre Holgate Rd site to Network Rail for £1.55m to enable them to relocate maintenance facilities off the York Central site. As part of the same deal CYC acquired a strip of land at the southern end of their Holgate Works depot at Chancery Rise for £1, to facilitate a technically feasible access route into the York Central site. However, at that time work was already underway to evaluate alternative access options.
34. This (southern) access route was discounted in the Nov 2017 access options report, subject to final agreement and approval of the planning permission for the western access at Water End. The Chancery Rise site is therefore no longer needed to facilitate access to York Central.
35. Network Rail have approached us to buy back the strip of land as their plans for the 5 acre site are compromised by the Holgate Beck Culvert, and they require the additional adjacent land at Chancery Rise to accommodate their depot needs.
36. Officers have negotiated a deal for Network Rail to refund all our ownership costs since 2016 (£427k) and sell for the same price we paid - £1
37. If this land is not transferred NR would not be able to easily vacate the whole of the YC site and operational rail maintenance activities may have to remain alongside the new residential and commercial uses. The Partnering Agreement requires all parties to endeavour to deliver the overall scheme and not to use our land assets as ransom strips. The sale of the land at the price paid is consistent with that commitment.

Council Plan

38. The project will assist in the creation of a Prosperous City for All, and being a Council that listens to residents particularly by ensuring that :
 - I. Everyone who lives in the city can enjoy its unique heritage and range of activities.
 - II. Residents can access affordable homes while the greenbelt and unique character of the city is protected.
 - III. Visitors, businesses and residents are impressed with the quality of our city.
 - IV. Local businesses can thrive.

- V. Efficient and affordable transport links enable residents and businesses to access key services and opportunities.
- VI. Environmental Sustainability underpins everything we do.
- VII. We are entrepreneurial, by making the most of commercial activities.
- VIII. We engage with our communities, listening to their views and taking them into account.

Implications

Financial –

39. In December 2013 Members agreed to earmark £10m towards the delivery of York Central. Currently £6,448k has been released to support technical work, masterplan development through to planning, land acquisition costs and site preparation works. There have also been other grant contributions from WYTF, Homes England, One Public Estate, LCR LEP, YNYER LEP and Department for Communities and Local Government (DCLG) EZ funding.
40. The proposed changes recommended in this report would increase the drawdown of CYC funds by £1.96m, also accepting a further grant of £1.53m. These proposals take total funding to a maximum of £16,924k.

	£'000	£'000
CYC – (£10m Allocation)		
Land purchase approval	1,014	
NRM Masterplan contribution	200	
Other Approvals	<u>7,194</u>	
Total CYC		8,408
YNYER LEP		6,000
WYTF Contribution		947
OPE Grant		250
Homes England Grants		1,084
LCR LEP Grant		200
DCLG EZ		35
Total Funding Available		16,924

Table 3 York Central Funding

41. Actual expenditure to June 2020 and current forecast

	Expenditure £'000
2015/16	112
2016/17	1,565
2017/18	2,197

2018/19	4,764
2019/20	910
2020/21 to June 2020	397
2020/21 Estimated Exp to May 2021	6,976
Total	16,924

Table 4 York Central Expenditure

42. Any CYC funding will be at risk until the scheme has sufficient funding for the scheme to progress into delivery. If the MHCLG funding is not forthcoming and if the scheme does not go ahead then an element of these costs may be classed as abortive and need to be written off back to revenue. There are also risks that should the scheme not progress funding partners could seek reimbursement of their contributions. Any expenditure incurred on land not in ownership of the council that proves to be abortive would also result in additional VAT charges.
43. The potential level of abortive costs is assessed at £6,394k based on expenditure to Dec 2020. This is a significant sum in the context of the overall council finances however this would be mitigated by EZ retained business rates already collected at the site (estimated at £0.9m to the end of 2019/20) as well as future more limited development on the site from the existing infrastructure. Executive has also agreed to set aside up to £3m of the Venture Fund to support the EZ borrowing which would not be required if the scheme were not to progress.
44. It should be noted, however, that the positive funding announcement in the March 2020 budget significantly increases the likelihood of development and therefore reduces the risk of there being abortive costs.

Human Resources (HR) – none

Equalities – Equalities impacts were considered in the OPA and will be considered in the RMA for the first phase infrastructure

Legal –

Infrastructure Contracts

45. The procurement of the construction partner for the phase 1 infrastructure works was carried out using the YORCivils2 Framework and was structured in such a way that ensures the resulting contractual arrangements will not expose the council to further risk should the MHCLG funding not be forthcoming. The council entered into the Pre-construction Services Contract (for ECI services in the first instance) with the successful bidder, John Sisk, without an obligation to enter into the further two contracts for the construction phase with that bidder, should funding not be available to do so. Similarly the council may enter into the enabling works contract (IP1) with John Sisk without an obligation to enter

into the further main construction contract (IP2) with John Sisk, should funding not be available to do so.

YNYER Funding

46. The standard YNYER Funding Agreement requires CYC to carry out the Project Activities specified within the funding Application within the timescales set out in the Project Programme and achieve the Milestones and Project Outputs within the time limits set out in the Agreement. Not doing so would constitute an Event of Default, for which YNYER would be entitled to suspend payment, reduce payment, cease payment and require repayment of funds or terminate the agreement.
47. There is an absolute requirement for CYC to notify YNYER if it:
 - i. becomes aware that it will be unable to make a Grant Claim;
 - ii. there is an event which may adversely affect the carrying out and/or Completion of the Project Activities; or
 - iii. There is an event which may adversely affect the Delivery of the Project by the Agreed Project Completion Date.
48. CYC have the opportunity to agree Changes with YNYER in respect of the Milestones and Project Outputs, which should be pursued in order to avoid the risk of future issues in respect of the matters outlined above.

Disposal of land at Alliance House/Chancery Rise to Network Rail

49. If the council wishes to dispose of property for less than best consideration reasonably obtainable/full market value then specific consent must be obtained from the Secretary of State for Housing, Communities and Local Government unless the council is satisfied that:
 - (i) The difference between the price being obtained and best consideration/full market value is less than £2 million and
 - (ii) The purpose of the disposal will facilitate/contribute to the improvement of the environmental, economic or social well-being of its area
50. If the council does decide to dispose of this land to Network Rail for £1 (and in return for NR reimbursing the council for expenditure incurred by the council in connection with our ownership of the land since 2016), it is recommended by Legal Services that any Transfer Deed to NR should contain provisions restricting the purpose for which NR can use the land and requiring the council's consent if they wish to dispose of it to someone else (so that, for example, NR cannot use/sell the land for something other than which facilitates the development of the York Central site in accordance with the terms and principles of the YC Partnering Agreement).

Procurement of further project support consultancy services necessary for the delivery phase

51. In order to facilitate proper and appropriate contract and quality management for the IP1 and IP2 works contracts to ensure the successful management of the delivery phase a structured delivery support team needs to be established consisting of the following services:
- i. Ongoing Engineering support and review
 - ii. Ongoing Environmental support and review
 - iii. Contract Administration support including supervision, programme control, risk management and reporting functionality
52. Officers have worked with the procurement and legal teams to identify the most appropriate procurement route and have selected the Homes England 'Multi-disciplinary' Framework due to the following:
- i. Major organisations have been pre-selected through a robust and legally compliant procurement process by Homes England within the Framework enabling a quicker route to market than an open or restricted procurement process
 - ii. This Framework is the same as is currently being utilised to deliver the Stage 4 Design works
 - iii. Subcontract and sub consultant agility to be able to apply continuity of work to date as, and if, required by nomination.
 - iv. Familiar contractual terms with the ability to request for Upper Limiting Fee rather than Lump Sum to enable the council to have a level of commercial control throughout the duration of the contract
53. If the procurement is not undertaken there is a risk that the council would need to manage the works contracts with limited resources risking cost and quality or that the start on site of the IP1 works may be delayed due to the duration required of the procurement process

Information Technology (IT) - none

Crime and Disorder - none

Property – none

Risk Management

54. In September 2019 Audit and Governance Committee undertook a comprehensive review of risk management arrangements for the York Central project.
55. The previous report in July 2019 detailed the key risks of the project progressing and they are still considered to be relevant at this time

Contact Details

Author:

Tracey Carter - Assistant Director
for Regeneration and Asset
Management.
Tel No. 01904 553419

David Warburton
Head of Regeneration
Programmes

Chief Officer Responsible for the report:

Neil Ferris – Director of Economy and Place

Specialist Implications Officer(s)

Financial – Patrick Looker
Finance Manager
Tel No. 01904 551633

Legal – Cathryn Moore
Legal Manager – Projects and Governance
Tel No. 01904 552487

Wards Affected: Holgate, Micklegate

For further information please contact the author of the report

Background Papers:

Previous Executive Reports:

15 November 2017-	York Central – Preferred Access Route and Preparation for Planning
15 March 2018 -	York Central - York Central Access Construction
21 June 2018 -	York Central Master Plan and Partnership Agreement
30 August 2018 -	York Central Update - Western Access
29 th November 2018 -	York Central Enterprise Zone Investment Case
17 th January 2019 -	York Central Partnership Legal Agreement
18 th July 2019 -	York Central Partnership Update
24 th October 2019 -	York Central Partnership Update

Annexes

Annex 1 – Site plan

Annex 2 – Plan showing land at Chancery Rise for disposal

List of Abbreviations

CYC - City of York Council

DfT – Department for Transport

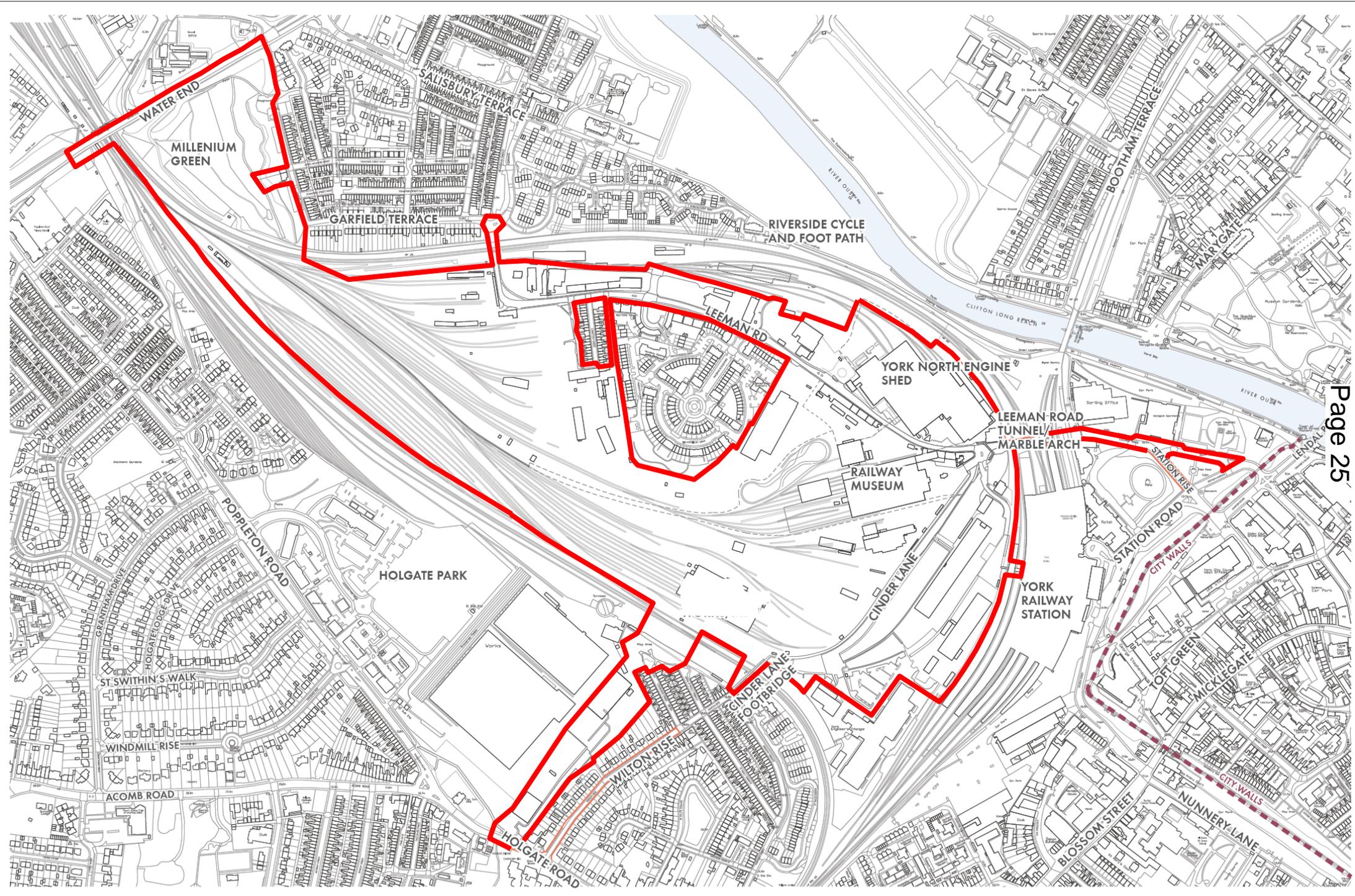
ECI - Early Contractor Involvement

EIF – Economic Infrastructure Fund

EZ – Enterprise Zone
FBC+ - Financial Business Case with full costings
HE – Homes England
HIF - Housing Infrastructure Fund
HA - Highways Authority
LCR - Leeds City Region
LEP - Local Economic Partnership
LGF – Local Growth Fund
LPA - Local Planning Authority
MHCLG –Ministry of Housing Communities and Local Government
NR – Network Rail
NRM - National Railway Museum
OPA – Outline Planning Application
PSC – Pre-Construction Services Contract
RIBA –Royal Institute of British Architects
RMA – Reserved Matters Application
WYCA – West Yorkshire Combined Authority
WYTF – West Yorkshire Transport Fund
YC - York Central
YCP - York Central Partnership
YNYER – York, North Yorkshire & East Riding

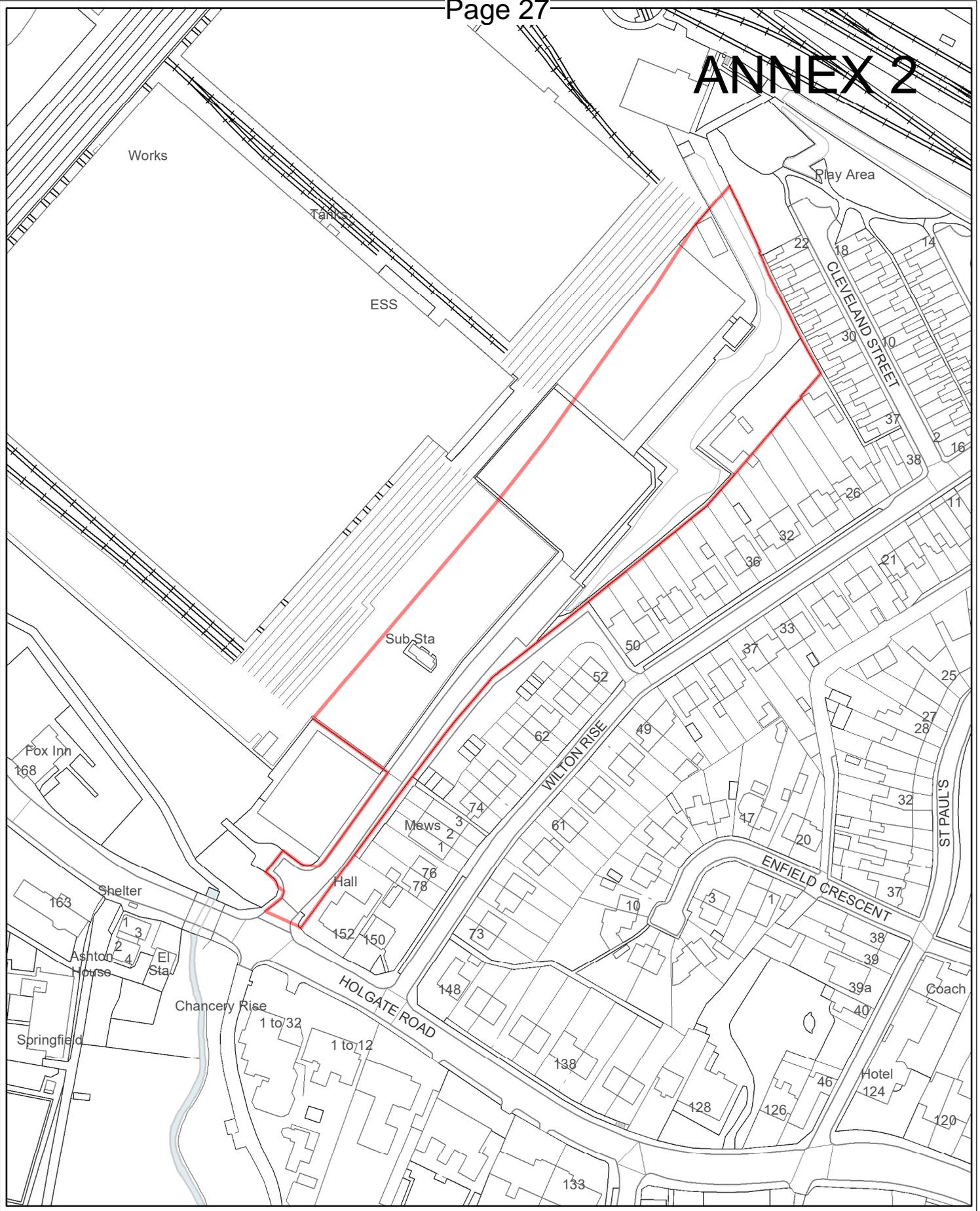
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Annex 1: Outline Planning Application Site Boundary



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ANNEX 2



Holgate Park Site



SCALE 1:1,750

DRAWN BY: KLM

DATE: 01/07/2020

Originating Group:

Asset & Property Management

Drawing No.

Asset & Property Management

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Executive**23 July 2020**

Report of the Director of Public Health
Portfolio of the Executive Member for Health and Adult Social Care

Outbreak Control Plan**Summary**

1. All local authorities with responsibilities for public health were required to develop and publish Covid-19 Outbreak Control Plans by 30th June 2020 to ensure local delivery of the NHS Test and Trace Service and an effective local outbreak response. This work to be led by the Director of Public Health as part of their statutory role.
2. Local authorities are also required to establish new member led Outbreak Management Boards with a key role around ensuring advocacy for local residents in the city's outbreak response and effective communication and engagement with residents, businesses etc. In York we have established an Outbreak Management Advisory Board, chaired by Cllr Aspden as Leader of the Council which met for the first time on 23 June and is scheduled to meet again on 13th July 2020. The terms of reference for the Board are attached as an Annex.
3. An initial draft Outbreak Control Plan was shared with key stakeholders on 25th June for comment and a further draft was published on 29th June. The final plan Outbreak Control Plan was approved at the Outbreak Management Advisory Board on 13th July 2020.

Recommendations

4. The Executive is asked to:
 - 1) Receive the York Outbreak Control Plan.

Reason: To enable the national requirement for producing and publishing a local Outbreak Control Plan to be met.

Background

5. A new (novel) coronavirus which came to be named SARS-CoV-2 was first identified in late 2019. This virus appeared to cause a respiratory-type illness of varying levels of severity now known as Covid-19. Over the last six months the virus has spread to cause a global pandemic, including in the UK.
6. The first pandemic wave in the UK occurred in March peaking in April. Since then the number of cases, hospital admissions and deaths from Covid-19 have all fallen steadily. It is anticipated that further pandemic waves will follow, therefore there is an urgent need to minimise and manage the spread of infection so the people of York feel safe to return to work, school and public places and restart the economy.
7. Achieving these objectives requires a co-ordinated effort from local and national government, the NHS, GPs, businesses and employers, voluntary organisations and other community partners, and the general public.
8. Our local Outbreak Control Plan sets out our planning and response centred on seven key themes as set out in Department of Health and Social Care guidance. More details against each of the themes are set out in the Plan:
 - a. Care homes and educational settings, including early years, schools, colleges and universities.
 - b. High risk places, locations and communities.
 - c. Local testing capacity.
 - d. Contact tracing in complex settings.
 - e. Data integration.
 - f. Supporting vulnerable people to get help to self-isolate.
 - g. Local Boards and governance structures.
9. Because disease does not contain itself within local authority boundaries, as far as possible the York Outbreak Control Plan is aligned with the North Yorkshire plan to facilitate joint working and ensure a single point of escalation via the North Yorkshire Local Resilience Forum. There are also established mechanisms in place to ensure cross border working with other local authorities in the region as necessary, for example in a situation where a person works, or attends a school in York but lives in another area.

Consultation

10. The draft plan has been shared for comment and feedback internally within the council, the Vale of York Clinical Commissioning Group and key partners through the North Yorkshire Local Resilience Forum.
11. The plan is intended to be a live document and will evolve as national guidance changes and as a result of learning from our local outbreak response and the learning from other areas such as the local down in Leicester.
12. Initial engagement with residents has taken place through “Our Big Conversation”. So far there have been over 500 responses. The key issues arising from the Covid-19 related health questions are summarised below:
 - a. 98% confident they know the symptoms (82% extremely or very confident)
 - b. 98% confident they know what to do if they have symptoms (86% very or extremely confident)
 - c. 95% confident of social distancing guidance (81% very or extremely)
 - d. There is less confidence in who and how many to socialise with, rules around returning to work and journeys you should make. We will look at what we can do to address these.
 - e. There is low confidence others will stick to rules
 - f. More people understand our advice than the governments
 - g. Slight challenge re shops and public transport which we can look to address.
 - h. Lower confidence re how safe York will be when visitors from UK or abroad come. Will need addressing.
 - i. 95% feel informed of what they can do to stop the spread of the virus (75% extremely or very).
13. The feedback from residents will be used to inform our communications and engagement plan will be regularly evaluated and updated.

Options

14. There are no alternative options to consider. There is a national requirement for all local authorities with public health responsibilities to produce and publish a local Covid-19 Outbreak Control Plan.

Analysis

15. Failure to produce and publish a local Covid-19 Outbreak Control Plan would mean that the council was not meeting a mandatory requirement but most importantly, not having an outbreak control plan would put the people living and working in the city at risk of infection, put lives at risk and harm the recovery of York.

Council Plan

16. The York Covid-19 Outbreak Control Plan relates to the Council's Plan 2019-23 by ensuring good health and wellbeing.

Implications

17. The following implications have been taken into consideration.

- **Financial**

The Minister of State for the Department of Health and Social Care allocated a ring-fenced grant of £300m to local authorities on 10 June 2020. The amount of grant received was decided upon using the 20/21 Public Health Grant allocations as a basis for proportionately distributing the funding. City of York Council received £733,896 to be used to fund the local outbreak response as determined by the Director of Public Health.

Initial estimates of how the budget will be spent are set out in the following table. As the pandemic unfolds these figures may be subject to further amendment.

	2020/21	2021/22	Total
Public Health Programme lead for covid outbreak prevention & response / test and trace	£43,500	£58,896	£102,386
Specialist Public Health Protection	£47,250	£63,000	£110,250
Environmental Health	£37,500	£50,000	£87,500
Contract tracing	£76,500	£102,000	£178,500
Data analysis / Business intelligence	£25,500	£34,000	£59,500
Dedicated communications support and engagement	£12,750	£17,000	£29,750
Infection control measures	£52,500	£68,000	£120,500
Business support	£19,500	£26,000	£45,500
Total	£315,000	£418,896	£733,896

It is unclear at this stage whether further funds will be available in future years. Therefore the activities funded from the grant will need to consider the longer term financial impact and may need to be funded from core Public Health budgets in future. Careful consideration is needed when committing the Council to ongoing costs from a one off funding source.

The release of funds will be in accordance with the corporate finance and governance regulations.

- **Human Resources (HR)**
Recruitment or redeployment of council staff to support delivery of the local outbreak control plan will be in accordance with corporate human resources policies and procedures.
- **One Planet Council / Equalities**
We know that there are stark inequalities in the burden of risk and outcomes of Covid-19. The Outbreak Control Plan identifies these inequalities and the delivery of the Plan will include measures to mitigate these.
- **Legal**
There is a statutory duty for the Council to prepare an Outbreak Management Plan. The Plan will need to be kept under review and may require amendment to respond to, and remain compliant with, emerging national guidance and legislative changes. As the Outbreak Management Advisory Board does not fall within the remit of the Constitution the Outbreak Management Plan requires the endorsement of the City of York Council's Executive.
- **Crime and Disorder**
There are no crime and disorder implications.
- **Information Technology (IT)**
There are no IT implications.
- **Property**
There are no property implications.

Risk Management

18. The risk to the residents of York from the Covid-19 pandemic is high. The York Outbreak Control Plan sets out the local planning and response which reduces the risk to medium.

Contact Details

Author:

Sharon Stoltz
Director of Public Health
Public Health

Email:

sharon.stoltz@york.gov.uk

Chief Officer Responsible for the report:

Sharon Stoltz
Director of Public Health

Report

Approved



Date

14/07/2020

Specialist Implications Officer(s)

Financial:-

Name Debbie Mitchell

Title: Head of Corporate Finance
And Commercial Procurement

Legal:-

Name Janie Berry

Title Director of Governance

Wards Affected:

All



For further information please contact the author of the report

Annexes

Annex A: Terms of Reference Outbreak Management Advisory Board

Annex B: City of York Council Outbreak Control Plan



City of York Council Outbreak Management Advisory Board Terms of Reference (TOR)

<p>Context</p>	<p>As the response to Covid-19 continues, the Government has announced the roll-out of the NHS Test and Trace programme across England, with equivalent programmes being developed across the UK.</p> <p>As part of this response, each council with responsibility for statutory Public Health functions has been asked to lead the local approach, based around an outbreak management plan.</p> <p>A key element of local outbreak management is the engagement of democratically elected councillors/politicians and the key partnership agencies that will contribute to Test and Trace development and delivery.</p> <p>This document sets out the Terms of Reference for the City of York Outbreak Management Advisory Board, which will bring together elected members and senior officers from the City of York Council, as well as key partners from statutory, private and voluntary sector organisations.</p>
<p>Purpose</p>	<p>To ensure public engagement with, multi-agency involvement in, and democratic oversight of, City of York's outbreak management planning as part of the national <i>Test and Trace</i> programme.</p> <p>To advise and inform the development of City of York Council's outbreak management plan and the local <i>Test and Trace</i> programme, reflecting the views of different communities and sectors across the city.</p> <p>To engage and communicate with the public about Covid-19, outbreak management and <i>Test and Trace</i></p> <p>To ensure that statutory bodies are able to make informed decisions in relation to outbreak management and <i>Test and Trace</i> within City of York and that such bodies retain their own decision making processes.</p> <p>The key role of the board is to support the effective communication of the test, trace and contain plan for the city and to ensure that the public and local businesses are effectively communicated with. It will support and strengthen</p>

	<p>the plan that will need to underpin every decision that is taken as we move through the next stage of managing the pandemic, helping to make sure that all communities and sectors are communicated with effectively. It will help ensure that the best routes to communicate with all key stakeholders have been identified and utilised.</p> <p>It will oversee the evaluation of the success of communications with the public, the public sector and businesses to ensure that they are effective. It will receive regular updates from the City of York Covid-19 Health Protection Board via the Director of Public Health or their nominated representative.</p> <p>Through these updates it will provide public oversight of progress on the implementation of the Test, Trace, Contain stages.</p> <p>It will also ensure that communications build on existing good practice and that lessons learned from other geographies are taken into account.</p> <p>It will identify any barriers to progress and delivery and make suggestions to help resolve them, making the most of any opportunities that may arise.</p>
<p>Decision maker</p>	<p>Decisions of the Board are purely advisory and its recommendations will be considered through the governance arrangements of the bodies represented which will retain their decision making sovereignty.</p>
<p>Frequency</p>	<p>The Board will meet, as and when required, initially the first two meetings will be held at three week intervals and thereafter revert to monthly, although the Chair has the right to change the frequency depending on local circumstances.</p>
<p>Quorum</p>	<p>To be quorate the meeting must include:</p> <ul style="list-style-type: none"> • The Leader of the Council, (Board Chair); or • Chair of the Health and Wellbeing Board (CYC Elected Member) (Deputy Board Chair); • AND • The interim Head of Paid Service of the Council or nominated deputy; and • Director of Public Health or nominated deputy; and • One other full member of the Board (not a CYC Elected Member)

Agenda management and secretariat	<p>The Council's Public Health team will support the agenda setting for, and minuting of, the Board. Meetings of the Board will be live-streamed by CYC unless there are exceptional reasons which prevent this.</p> <p>Any member of the Board may request an agenda item to be considered at the Chair's discretion and should do so within 48 hours of the next Board meeting.</p> <p>Given the potential emergency nature of the Board's business, final papers will be distributed 24 hours before each Board.</p> <p>Any emergency items may be agreed with the Chair within three hours of the next Board meeting.</p> <p>The Board will meet as a working group and will therefore be covered under the Access to Information Rules for committees. However, as communication is an essential role of the Group, it recommendations will be communicated widely as deemed appropriate.</p>
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Board membership			
Name	Title	Organisation	Role on the Board
Cllr Aspden	Leader of the Council	City of York Council	Board Chair
Cllr Runciman	Executive Member Adult Social Care & Health	City of York Council	Deputy Chair/Chair of CYC Health and Well Being Board
Cllr Myers	Labour Councillor	City of York Council	Leader of the Main Opposition CYC
Ian Floyd	Interim Head of Paid Service	City of York Council	Interim Head of Paid Service
Sharon Stoltz	Director of Public Health	City of York Council	Statutory Director of Public Health
Amanda Hatton	Corporate Director Children, Education & Communities	City of York Council	Statutory Director of Children's Services
Dr Andrew Lee	Executive Director Primary Care & Population Health	Vale of York Clinical Commissioning Group	Vale of York Clinical Commissioning Group Representative
Dr Sally Tyrer	Chair	North Yorkshire Local Medical Committee	General Practitioners Representative
Lucy Brown	Director of Communications	York Hospitals NHS Foundation Trust	York Hospital Representative
Phil Mettam	Accountable Officer	Vale of York Clinical Commissioning Group	Humber, Coast & Vale Integrated Care System Chief Executive Officer lead for testing

Dr Simon Padfield	Consultant in Communicable Disease Control	Public Health England	Health Protection Yorkshire & the Humber
Julia Mulligan	Police, Fire and Crime Commissioner	North Yorkshire Constabulary	Police, Fire and Crime Commissioner
Lisa Winward	Chief Constable	North Yorkshire Police	North Yorkshire Police
Professor Charlie Jeffery	Vice-Chancellor and President	University of York	Further / Higher Education
James Farrar	Chief Operating Officer	York, North Yorkshire & East Riding Local Enterprise Partnership	Business Representative
Marc Bichtemann	Managing Director	First Group	Transport Representative
Alison Semmence	Chief Executive	York CVS	Voluntary & Community Sector
Sian Balsom	Manager	Healthwatch York	Healthwatch York

In attendance			
Name	Title	Organisation	Role on the Board
Claire Foale	Head of Communications	City of York Council	Communications
Tracy Wallis	Health & Wellbeing Board Partnerships Co-ordinator	City of York Council / Vale of York Clinical Commissioning Group	Support to the Board
Sam Alexander	Public Health Technical Systems Support Officer	City of York Council	Minute taker
Democratic Services		City of York Council	Support to the Board
Other attendees (e.g. from the culture/events/sport, pharmacy sectors) to be invited as and when required			

Notes

1. The Board does not have any decision making powers, its main function is one of advice, support and challenge. This is because decision making is sovereign with the constituent bodies and they all operate under their own recognised delegated schemes of delegation.
2. Board members should make every effort to attend meetings, but they can delegate to named individuals as appropriate and must endeavour to ensure that the delegated person attends.
3. Others, as appropriate, may be invited by the chair to attend for specific items on the agenda and constituent bodies are free to choose who they nominate onto the Board.
4. The Board will receive appropriate documentation in order to form views and give advice to the decision makers.
5. Board members and attendees must manage any potential conflicts of interest in an appropriate way. Any conflicts should be declared at the start of the meeting. It is noted that this is an advisory group and individuals who represent retail, schools etc. have been chosen to reflect the views of those bodies and will not be considered as having a conflict in expressing their sectors views on proposals.
6. There will be a clear mechanism for comments and recommendations to reach the decision maker

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ANNEX B



CITY OF
YORK
COUNCIL

COVID-19 Outbreak Control Plan



Lead Directorate and service:

Department of Public Health
Health, Housing & Adult Social Care Directorate

Effective Date: 01 July 2020

Date Reviewed:

Date Due for Review: March 2021

Contact Officer: Sharon Stoltz

Contact: Sharon.stoltz@york.gov.uk

Approved By: Sharon Stoltz Director of Public Health

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I Introduction

Overview

A new (novel) coronavirus which came to be named SARS-CoV-2 was first identified in late 2019. This virus appeared to cause a respiratory-type illness of varying severity, now known as Covid-19. Over the last six months the virus has spread to cause a global pandemic, including in the UK. The first epidemic wave in the UK occurred in March, peaking in April. Since then the number of cases, hospital admissions and deaths from Covid-19 have all fallen steadily. It is anticipated that further epidemic waves will follow, therefore there is an urgent need for disease control measures to mitigate this.

The York Covid-19 Outbreak Control Plan sets out how local partners will work together to reduce transmission of Covid-19, prevent and manage outbreaks. This is a city wide plan and is being developed with our key partners, under the leadership of the Director of Public Health (DPH). The plan will cover the context and background to the development of local outbreak control plans, the principles that will guide our approach and how we will deliver this for the people of York. Although it is recognised that many of the council services have an important part to play the outbreak control plan will focus primarily on the public health response.

Our response has been developed in line with national guidance issued by the UK government and relevant UK Public Health agencies. This information is updated regularly to reflect the changing situation. As such the outbreak control plan is iterative and will be frequently reviewed and modified in order to ensure that the plan reflects the most up to date information.

Wherever possible the York outbreak control plan is aligned with the North Yorkshire outbreak control plan to facilitate joint working across local authority boundaries. Mechanisms are also in place through existing networks to work in partnership with other local authorities across the region as required to deliver a joint outbreak response that may cross geographical boundaries.

Context

York already has strong infection prevention and outbreak management arrangements in place with robust governance under the leadership of the Director of Public Health and approved by the Health and Wellbeing Board.

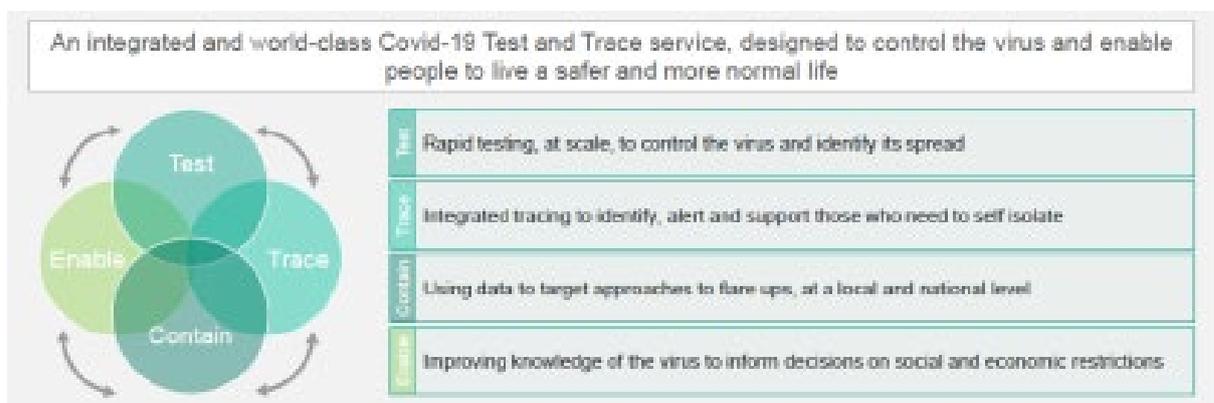
These well-established arrangements are robust, effective, timely and responsive outlining clear roles and responsibilities of health and care services to manage outbreaks within a wide range of settings and population groups. Specialist health protection skills and responsibilities sit within an already functioning system which includes local authority public health and environmental health functions and Public Health England (PHE).

The York Covid-19 Outbreak Control Plan will build on these foundations, working to scale up and further enhance the local existing arrangements and increase workforce capacity in environmental and public health to be able to deliver an effective outbreak prevention and response.

Contact tracing is only one component of the York Covid-19 outbreak plan and must link in with the full range of public health tools and techniques such as epidemiology and surveillance, infection control and evaluation.

Test and Trace

The UK Government launched the NHS Test and Trace service, which forms a central part of the government's Covid-19 recovery strategy, on 27th May 2020.



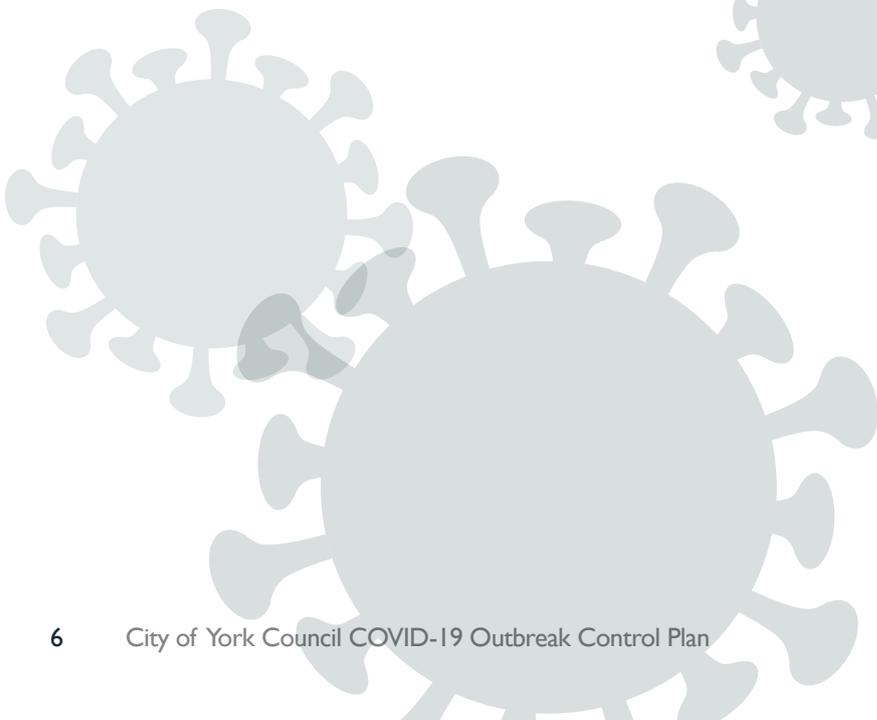
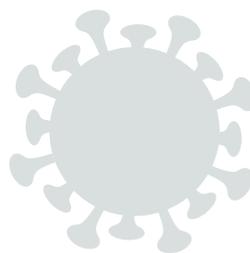
This is underpinned by effective planning and response strategies at a local level. The primary objectives of the Test and Trace service are to:

- Control the Covid-19 rate of reproduction (R),
- Reduce the spread of infection and
- Save lives.

Achieving these objectives requires a co-ordinated effort from local and national government, the NHS, GPs, businesses and employers, voluntary organisations and other community partners, and the general public.

Local planning and response is an essential part of the Test and Trace service, and local government has a central role to play in the identification and management of infection. This Outbreak Control Plan sets out the local response within City of York based around the seven key themes set out below:

- Care homes and educational settings, including schools, colleges and universities
- High risk places, locations and communities
- Local testing capacity
- Contact tracing in complex settings
- Data integration
- Supporting vulnerable people to get help to self-isolate
- Local Boards and governance structures
- Supporting vulnerable people to get help to self-isolate
- Local Boards and governance structures



2 Aims and Purpose

Aims

To provide a central framework for the City of York approach to preventing and controlling outbreaks of Covid-19 and reducing the spread of the virus across the City in order to:

- Reduce infections
- Save lives
- Support recovery

We need to minimise and manage the spread of coronavirus so the people of York feel safe to return to work, school and public places and restart the economy. Whilst Covid-19 can affect us all, some of us, due to our underlying health conditions or individual circumstances will be more vulnerable to its effects. We need to ensure we reach and support all the people in York and prioritise those facing the highest risk.

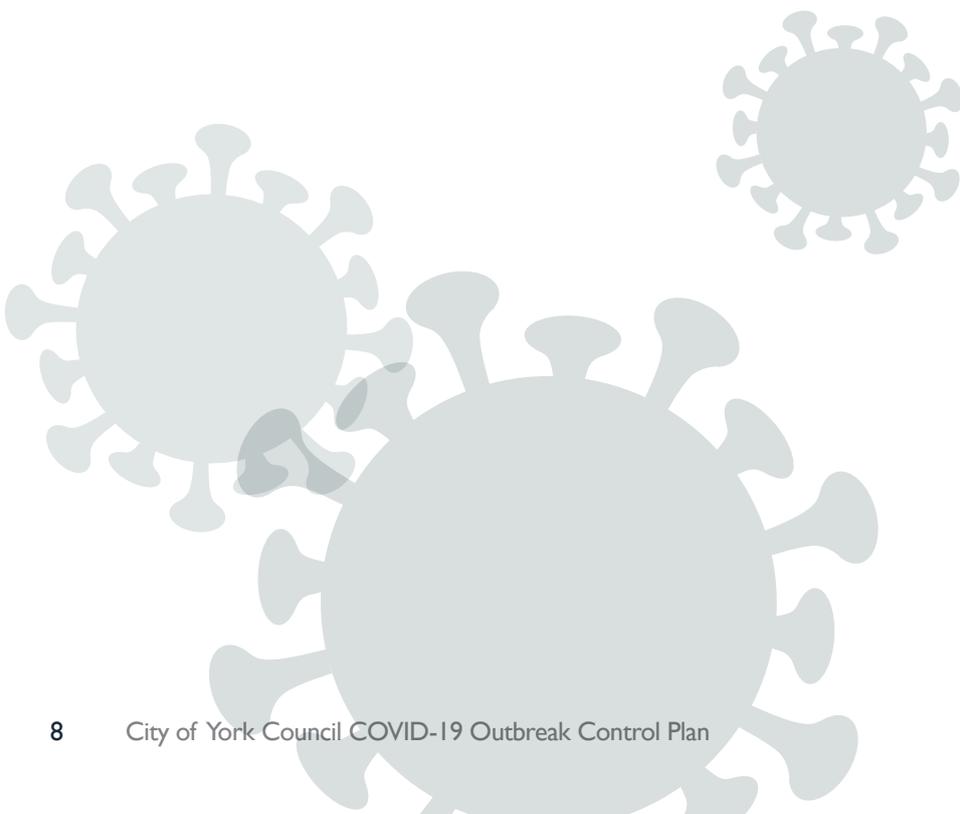
Our Principles and Approach

We will be guided by certain principles in our approach to the design and operationalisation of the York Covid-19 Outbreak Control Plan.

- We will take a proactive, preventative and positive approach, with an emphasis on what people can do to keep themselves safe and support others. We will work to engage communities, businesses and the third sector. Infection prevention is one of our key priorities.
- We will take an asset based approach, building on our strengths and enhancing our local system. We already have a strong infection prevention control team, delivered by the Harrogate and District NHS Foundation Trust, outbreak management expertise in our public health and environmental health teams and fantastic work going on in the third sector. We are expanding our capacity and capability in public health and environmental health to enable us to widen our scope with a focus on prevention as well as outbreak response.
- We will focus on equity and need taking a person-centred, community-centred approach. We know some people are more at risk from poor outcomes from Covid-19, including older people and those with long term conditions. We also know that there are clear inequalities in infection rates and outcomes for

different groups. In particular national work has highlighted how Black, Asian and Minority Ethnic (BAME) groups often face four key areas of risk:

- Long-standing social disadvantages
 - Occupational risk
 - Patterns of health-care access
 - Structural issues (racism and discrimination)
- We will ensure that action is tailored to need and that we reach and work with communities at greatest risk.
 - We will take a one system approach engaging and communicating widely across different sectors and stakeholders in an open and transparent way
 - We will take a co-production approach, working with people, communities and partners
 - We will communicate and engage widely with stakeholders across the city
 - We will share good practice building on our learning from outbreaks locally and in other areas and embed evaluation and learning to drive ongoing improvement
 - We will be guided by intelligence and data, evidence and best practice



3 Background

Outbreak Management

Health protection is one of the three key functions of the public health role, and outbreak management has always formed a significant part of this. Local authorities have worked with partners for many years to prevent, detect and manage outbreaks of disease. There are already a number of plans in place setting out how the system responds to outbreaks, and this Outbreak Control Plan draws and builds upon these existing arrangements:

- **Communicable Disease Outbreak Plan - North Yorkshire and York Operational Guidance**
Sets out the roles and responsibilities of key agencies and the agreed procedures during local and national outbreak investigations.
- **City of York Council Pandemic Influenza Plan**
Provides a framework to support City of York Council staff to respond to a declared influenza pandemic in a coordinated, timely and effective manner.
- **North Yorkshire County Council and City of York Council Mass Treatment and Vaccination Plan**
Outlines the approach for providing mass treatment or mass vaccination. Details the roles and responsibilities of each responding organisation, describes how the activation of a plan will be coordinated and gives a general guidance of what steps need to be taken to deliver mass treatment or vaccination in North Yorkshire and the City of York.
- **Yorkshire and Humber LRFs and LHRPs (Local Health Resilience Partnership) Pandemic Influenza Framework**
Provides a strategic level framework to ensure, where necessary, a co-ordinated multi-agency response to minimise the impact of an influenza pandemic on the health and welfare of the communities across Yorkshire and the Humber.
- **The North Yorkshire Local Resilience Forum (NYLRF) Response to Major and Critical Incidents (RMCI) Plan**
Sets out the protocol for information sharing and escalation process. The NYLRF provides a multi-agency approach to response, a common reporting structure, and a joint approach to information management, to achieve a shared situational awareness across North Yorkshire and the City of York.

Epidemiology

As a novel virus, research is still ongoing to understand the exact epidemiological features of SARS-CoV-2.

Incubation period

Current evidence suggests that the incubation period (i.e. the time between acquiring the infection and becoming infectious) of Covid-19 ranges from 1-14 days (median 5).

Infectious period

Originally, individuals were considered to be infectious for as long as their symptoms lasted. However, there is now evidence to suggest individuals can be infectious without showing symptoms, and that those who do become symptomatic can be infectious for up to 48 hours before symptom onset. People experiencing mild illness should no longer be infectious 7 days from the onset of symptoms. However, people who are admitted to hospital with more severe illness, or people living in care homes (who are likely to have weaker immune systems due to age and frailty) are being advised to isolate for 14 days from symptom onset as they may have greater difficulty clearing the virus.

Severity of disease

It is not yet clear what proportion of the people who are infected with Covid-19 remain asymptomatic. Of those who develop symptoms around 80% will experience mild illness, around 14% will experience severe disease (with complications such as pneumonia) and 5% will have critical disease requiring intensive care treatment.

Mortality from Covid-19 is estimated to be around 1% overall. However, this varies with age, being highest in people aged 80 or over (7.8%) and lowest in children 9 and under (0.0016%).

Methods of spread

The main methods of transmission of Covid-19 are directly via respiratory droplets from infected individuals (e.g. through coughing or sneezing), or indirectly through contamination of surfaces by these infected respiratory droplets.

Human coronaviruses have been found to survive on inanimate objects and can remain viable for up to 5 days at temperatures of 22 to 25°C and relative humidity of 40 to 50% (which is typical of air conditioned indoor environments). An experimental study using SARS-CoV-2 specifically reported viability on plastic for up to 72 hours, for 48 hours on stainless steel and up to 8 hours on copper.

Covid-19 can also be spread via respiratory aerosol. This method of transmission occurs as a result of health care intervention – specifically aerosol generating procedures.

Reproduction rate

The reproduction number (R) is the average number of secondary infections produced by one infected person. An R number of 1 means that on average every person who is infected will infect 1 other person, meaning the total number of new infections is stable. If R is 2, on average, each infected person infects 2 more people. If R is 0.5 then on average for each 2 infected people, there will be only 1 new infection. If R is greater than 1 the epidemic is generally seen to be growing, if R is less than 1 the epidemic is shrinking.

R can change over time. For example, it falls when there is a reduction in the number of contacts between people, which reduces transmission.

R is not the only important measure of the epidemic. R indicates whether the epidemic is getting bigger or smaller but not how large it is. Other measures are taken into account such as the number of people accessing testing with symptoms and testing positive; hospital admissions due to Covid-19 and the number of deaths due to suspected or confirmed Covid-19 recorded on death certificates.

At the time of writing the latest R number range for North East and Yorkshire was 0.8 to 1.0.

Inequalities

As identified in the recent PHE report *Disparities in the risk and outcomes of COVID-19*, Public Health England 2020, we now know there are stark inequalities in the burden of risk and outcomes of Covid-19.

Key findings of the report are:

- People aged 80 or older are 70 times more likely to die than those under 40
- Working-age men diagnosed with Covid-19 are twice as likely to die as women
- The risk of dying with the virus is higher among those living in more deprived parts of the UK. People living in more deprived areas have continued to experience Covid-19 mortality rates more than double those living in less deprived areas. General mortality rates are normally higher in more deprived areas, however Covid-19 appears to be increasing this effect.

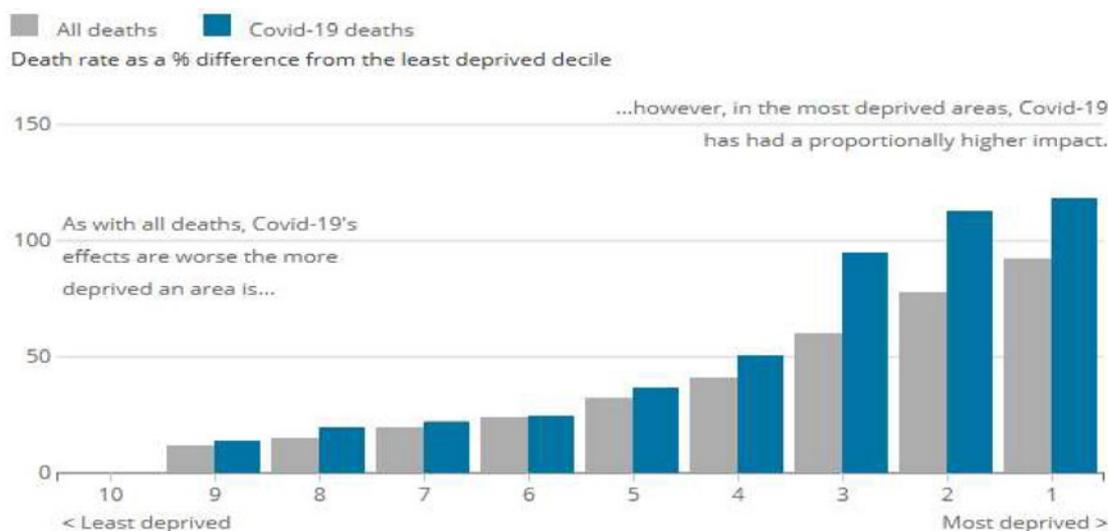
- Certain occupations - security guards, taxi or bus drivers and construction workers and social care staff - are at higher risk.
- Virus death rates were highest among people of Black and Asian ethnic groups when compared to white British ethnicity.
- People of Chinese, Indian, Pakistani, other Asian, Caribbean and other Black ethnicity had between a 10% and 50% higher risk of death when compared to white British people.

As more evidence emerges about how to prevent, and the impacts of Covid-19 we will need to adjust our approach accordingly.

Socio-Economic deprivation

Deaths from Covid-19 have fallen disproportionately on the most deprived communities in England. The chart below shows deaths in the most deprived tenth of areas were 128.3 deaths per 100,000 population compared with 58.8 in the least deprived tenth of areas. Mortality in the more deprived areas is more than double that seen in the least deprived areas.

Table 1: Deaths by deprivation in England, 1st March to 31st May 2020

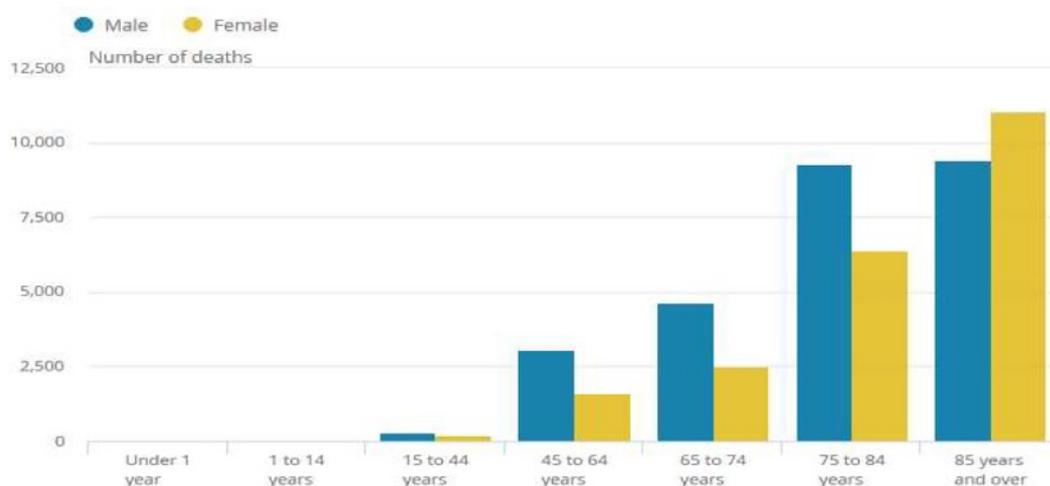


Source: Office for National Statistics - Deaths involving COVID-19

There is little information on Covid-19 inequalities in City of York because of the relatively low numbers of deaths. This section of the plan will be revised and updated as further information becomes available.

Table 2: Deaths by age group and sex, England & Wales, 1st March to 31st May 2020

Deaths involving COVID-19 registered between Week 1 and Week 24 of 2020 by sex and age group, England and Wales



Source: Office for National Statistics – Deaths registered weekly in England and Wales

The average age of the people who have died from suspected or confirmed Covid-19 in York is 82.4 years with an age range of between 53 and 104 which is a slightly older age profile than the national average.

Ethnicity

Nationally we know that many people from Black, Asian and Minority Ethnic (BAME) groups are significantly more likely to die from Covid-19 than their white counterparts. The reasons for this are likely to be multifactorial and are not currently well understood. In the 2011 census, 94% of residents in York describe themselves as 'White British'; this is substantially larger than the national average. The largest minority ethnic group in York is Chinese; this is partly due to the large number of international students. The majority (91%) of residents in York were born in the UK. Trends over the last two decades indicate that York is becoming more ethnically diverse and this trend is expected to continue.

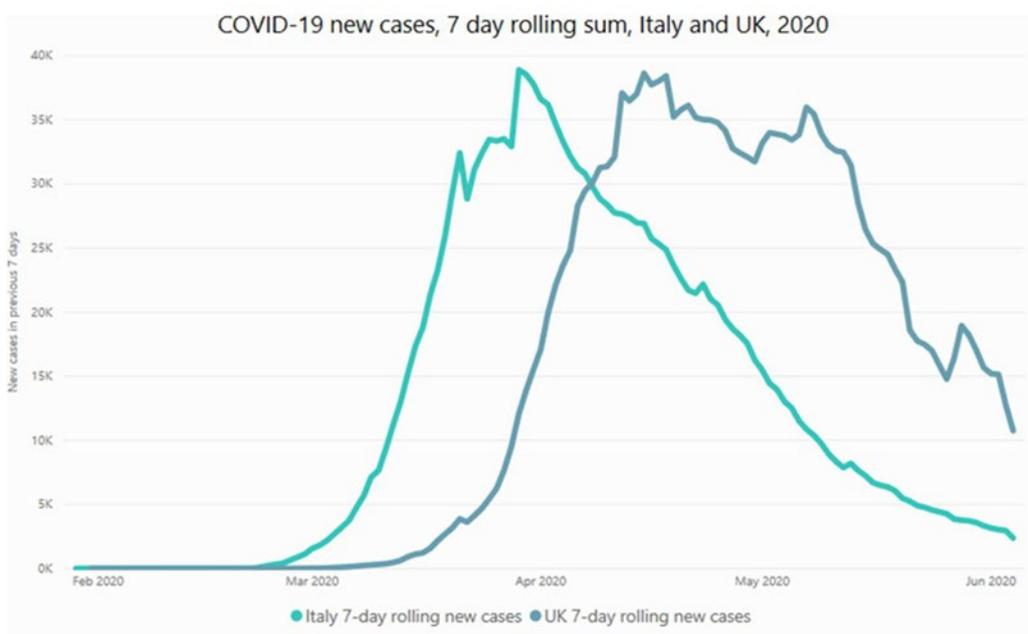
Disability

Nationally, those whose daily activities are limited or have pre-existing medical conditions such as diabetes and heart disease are significantly more likely to die from Covid-19 compared with those who are in generally good health. There is no information currently on the disability status of Covid-19 patients in City of York.

National context

At the time of writing this report, globally cases now exceed 8.9 million, with over 400,000 deaths. The UK has the 5th highest total cases globally and the 3rd highest number of deaths in the world. The UK is approximately 2-3 weeks behind Italy on the epidemic curve. The Italian outbreak took off in the last week of February and appeared to peak on 29 March. For the UK, the epidemic escalated in the second week of March, and the curve peaked on 15 April. Chart I below shows the COVID-19 new cases 7 day rolling sum for Italy and the UK over the period February 2020 to June 2020.

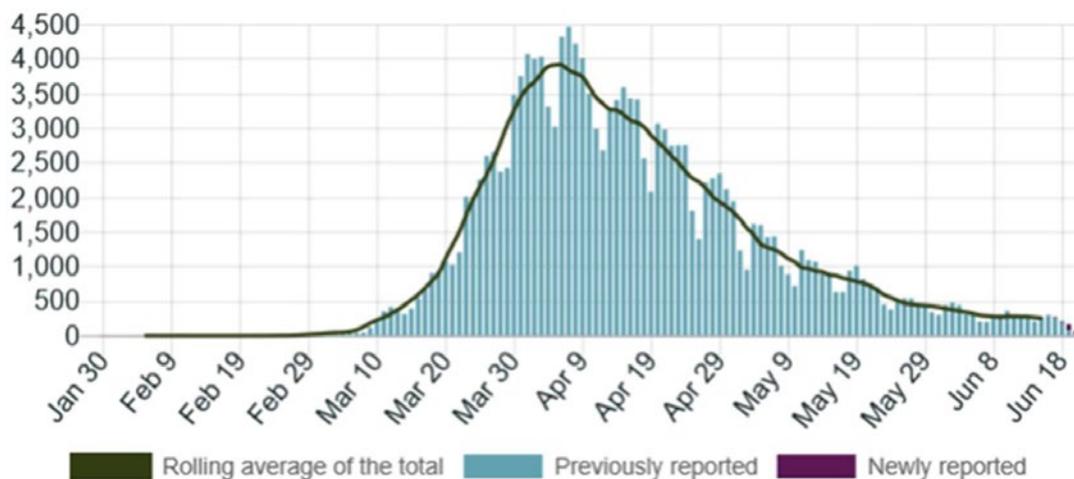
Chart I



Public Health England data shows there were 305,289 lab confirmed cases in the UK on 21 June, up by 958 from the previous day. The number of lab-confirmed cases in England on 21 June was 159,118.

Chart 2

Daily number of lab-confirmed cases in England by specimen date



Please note that this refers to data from Pillar 1 testing only.

City of York context

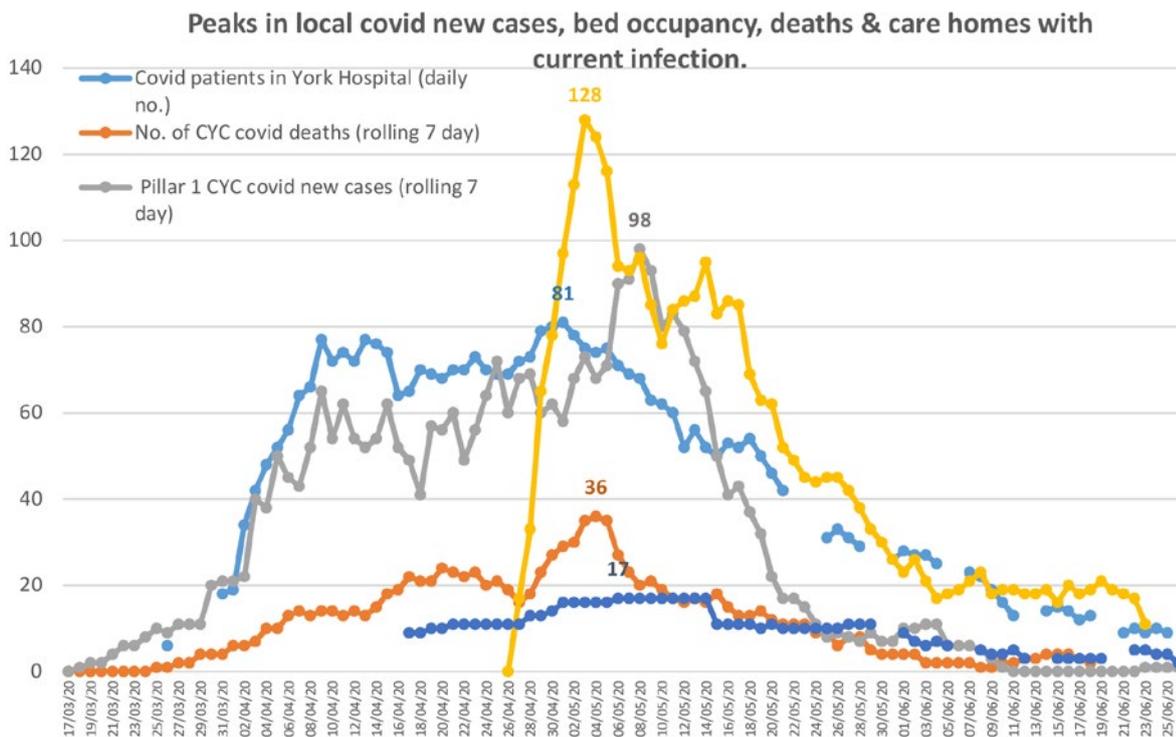
As at 26 June 2020, York has had 463 cases confirmed through the Pillar 1 (tests carried out in NHS and PHE laboratories) a rate of 220.6 per 100,000 population. This compares with an England rate of 285.8 and Yorkshire and Humber rate of 278.8.

City of York Council has recently been given access to Pillar 2 testing data (tests carried out through commercial providers). As at 24 June 2020, York has had 420 confirmed cases in total, a rate of 200.1 per 100,000 population. The England rate is 136.5 and the Yorkshire and Humber rate is 232.1.

When we look at Pillar 1 and Pillar 2 data combined as at 24 June 2020 York has had 883 confirmed cases of Covid-19, a rate of 420.7 per 100,000 population compared with an England rate of 421.3 and Yorkshire and Humber rate of 509.8.

Chart 3

Chart 3 looks at the peaks in Covid-19 new cases, hospital bed occupancy, deaths and care homes with current infections for the period 17 March 2020 to 25 June 2020. The yellow line indicates the rolling 7 day average of new cases through the pillar 2 resting programme. The dark blue line shows the number of care homes with current Covid-19 infection.



Responsibilities

National Responsibilities

Many of the responsibilities for outbreak management (including Covid-19) sit at national level these include:

- The Department for Health & Social Care (DHSC) is the lead UK government department with responsibility for responding to the risk posed by Covid-19.
- The four UK Chief Medical Officers (CMOs) provide public health advice to the whole system and government throughout the UK.
- SAGE is responsible for ensuring that a single source of co-ordinated scientific advice is provided to decision makers in Government (COBR).

- The NHS works in partnership with Local Resilience Forums on pandemic preparedness and response delivery in healthcare systems in England and Wales.
- Public Health England (PHE) provides specialist technical expertise on health protection issues and support both planning and delivery arrangements of a multi-agency response.
- The Department for Education (DfE) lead on the children's social care response.

These organisations have developed plans for co-ordinating the response at a national level and supporting local responders through their regional structures. DHSC, PHE and NHS England provides strategic oversight and direction for the health and adult social care responses to pandemics.

Local/regional responsibilities

Local authorities have a key role in preventing, investigating and managing outbreaks of communicable disease. The specific statutory responsibilities, duties and powers available to them during the handling of an outbreak are set out in the following legislation:

- Public Health (Control of Disease) Act 1984
- Health Protection (Notification) Regulations 2010
- Health Protection (Local Authority Powers) Regulations 2010
- Health Protection (Part 2A Orders) 2010
- Health and Safety at Work Act 1974 and associated regulations
- Food Safety Act 1990 and associated regulations
- Food Safety and Hygiene Regulations 2013
- Food Law Code of Practice (England)
- International Health Regulations 2005
- Coronavirus Act 2020
- Civil Contingencies Act 2004

Local Resilience Forums (LRF) and Local Health Resilience Partnerships (LHRP) have the primary responsibility for planning for and responding to any major emergency, including pandemics. In North Yorkshire and York the multi-agency emergency response to the pandemic has been escalated to the North Yorkshire Local Resilience Partnership.

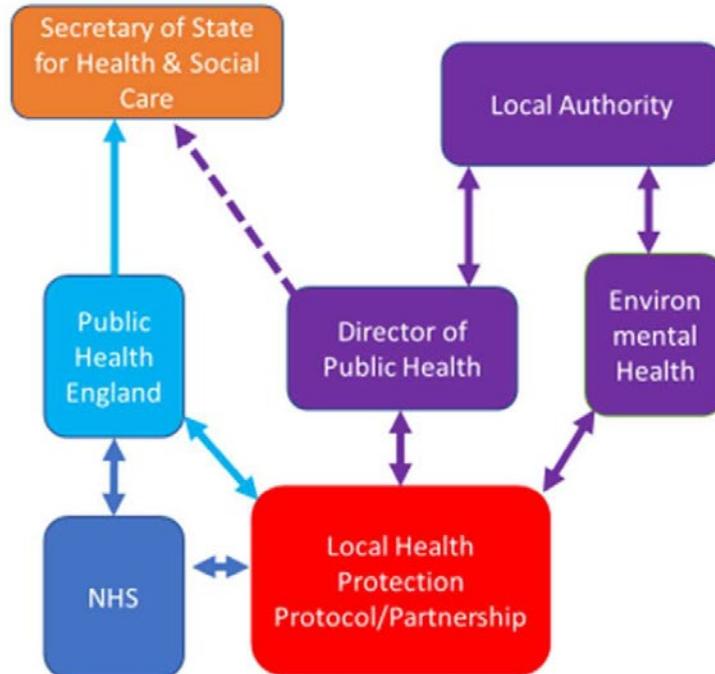
Public Health England (PHE) is the lead agency for Test and Trace at a regional level. City of York is covered by PHE North East and Yorkshire & Humber which works on two sub-regional footprints (North East and Yorkshire and Humber). PHE

Yorkshire and Humber Health Protection Team provide Tier 1 support to Test & Trace, managing outbreaks and cases linked to complex/high risk settings.

Multi-agency working at both a national and local level ensures joint planning between all organisations. A co-ordinated approach to ensure best use of resources to achieve the best outcome for the local area.

Figure 1 below shows a simplified diagram of the local health protection system.

Local Health Protection System simplified diagram



4 Mobilisation and delivery of the plan

At the national level, PHE runs the Contact Tracing and Advisory Service (CTAS). Where a person develops symptoms they should contact the national Test and Trace service to request a test. Where the test is positive the individual will be required to share their contacts via the NHS website or one of the contact tracing team will make contact via telephone. Based on the information provided the contact tracer will assess whether contacts need to be alerted. Complex cases will be referred to local Public Health experts.

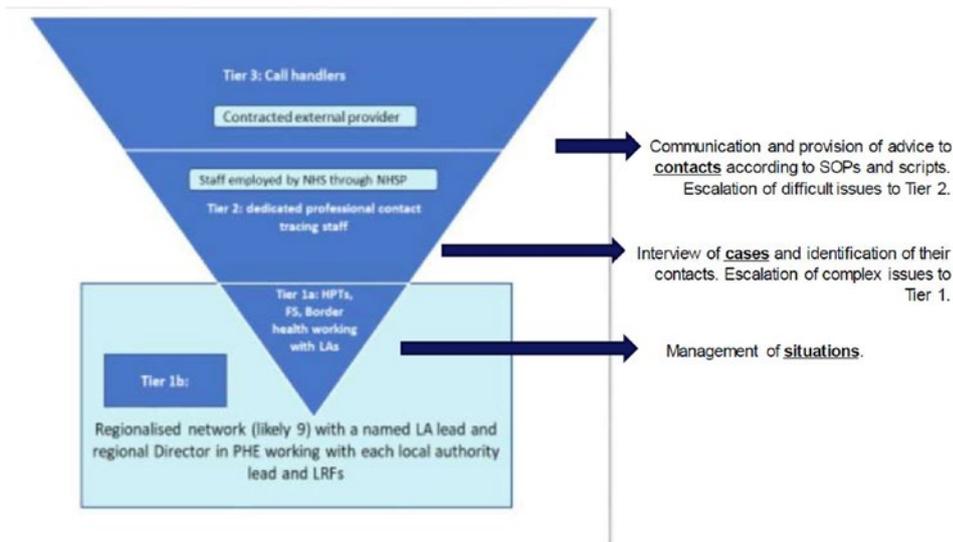
PHE are also responsible for producing training materials, reports and operating procedures. These operating procedures will be used in order to inform and develop the local response in specific settings.

At a regional level, the Association of Directors of Public Health (ADPH) regional networks will work with PHE regions on a footprint of nine areas across the country, City of York Council works with PHE North Yorkshire and the Humber Health Protection Team. Sharon Stoltz, Director of Public Health is the named contact responsible for linking in with the regional PHE team in relation to contact tracing for City of York.

At the local level, the Director of Public Health plays the key leadership role and is responsible for the development of the local Outbreak Control Plan. This includes linking across services into specific local Covid-19 response arrangements, ensuring the service is inclusive and meets the needs of diverse local communities, interfaces with the Local Resilience Forum (LRF) and Integrated Care Systems (ICS) and works with Public Health England in focusing on the most complex outbreaks, especially care homes.

The diagram below shows how the 3 tiers work together. It is anticipated that the majority of contact tracing will be completed by the national team, as described in tier 2 and tier 3. However in some case the local Health Protection Team will take the lead on contact tracing with support from the local authority, as described in Tier 1a. Where cases are extremely complex and require a local response these will be led by the local authority, alongside the PHE Director and the LRF, as described in Tier 1b.

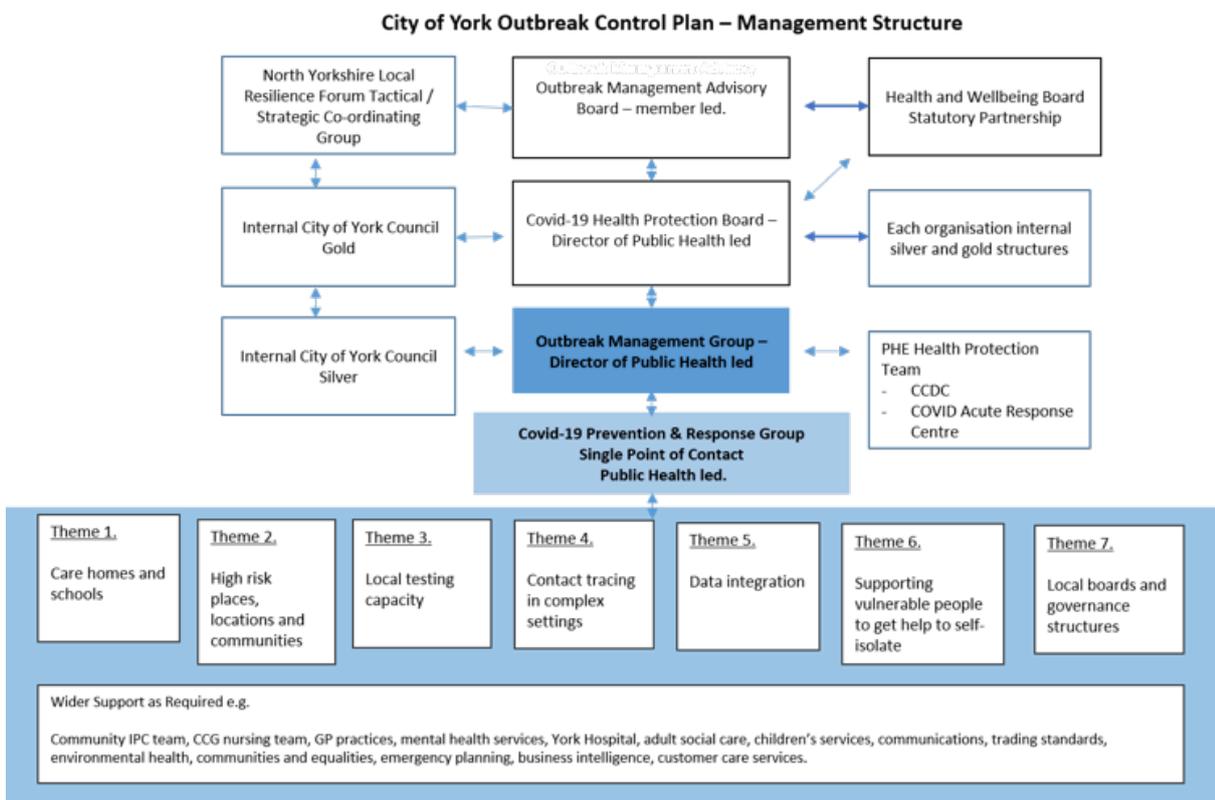
Figure 2



Governance & Management Structure

The diagram below describes the governance and management structure for the York Covid-19 Outbreak Control Plan.

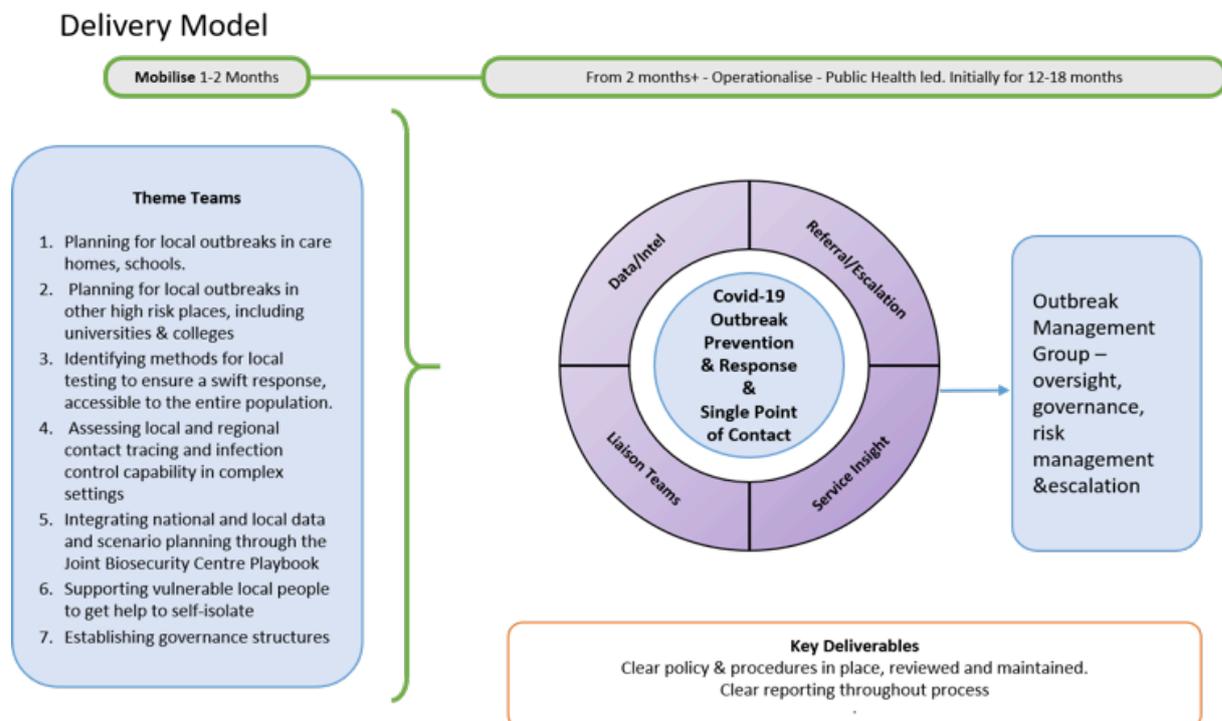
Figure 3. City of York Covid-19 Outbreak Control Plan Management Structure



Operationalising the Outbreak Control Plan – City of York

As Test and Trace embeds and becomes more established we will be able to step down the emergency response to the current pandemic. It remains unknown how long it will be before a vaccine or effective treatment is available. As a result there is a need to move the local test and trace capabilities and function into a business as usual service – Covid-19 outbreak prevention and response and Single Point of Contact. This group, chaired by the Assistant Director / Consultant in Public Health, will have the operational capability to manage the day to day organisation of Test and Trace within York and report into the Outbreak Management Group who will ensure linkages into appropriate onward referral routes / pathways whilst ensuring a continuous feedback cycle to check and review the response.

This group will be formally established from July 2020 onward and is currently expected to operate for 12-18 months. A key part of the governance for the group will be the ability to step up the response, as appropriate, for example in the scenario of a second wave.



Each of the seven themes has a Public Health Specialist lead. For each theme there will be a core team to support delivery; the exact make up of these teams will vary depending on who is most appropriate for each theme. Wherever possible we will use existing groups / mechanisms to make the most efficient use of limited capacity.

The Covid-19 outbreak prevention and response and Single Point of Contact will be responsible for taking forward the seven themes. The group will monitor information received through Test and Trace and other sources, identify any issues, complete an initial risk assessment and follow up as appropriate. This group will report to the Outbreak Management Group chaired by the Director of Public Health.

Should issues require a multi-agency response, an incident management team (IMT) will be convened by a public health consultant – either a Consultant in Communicable Disease Control (CCDC) at Public Health England, or the Director of Public Health. Membership will depend on the nature of the outbreak / incident. Should the outbreak require a wider response than an IMT, additional partners can be alerted through the North Yorkshire Local Resilience Forum (NYLRF) through the RCMI process.

An Outbreak Management Group consisting of the Director of Public Health, Assistant Director / Consultant in Public Health, Nurse Consultant in Public Health, theme leads and programme management team will be responsible for the overall delivery of the outbreak control plan during mobilisation.

The programme is expected to last for 12-18 months, and will need to have surge capacity built into the arrangements to be able to respond quickly to any localised spike in cases.

Escalation of response

Should it be necessary to invoke a wider council or multi-agency response, the Outbreak Management Group will be able to escalate through existing routes in place within the council. These include:

- CYC Silver emergency planning response group
- CYC Gold emergency planning response group
- Escalation to North Yorkshire Local Resilience Forum via RCMI process

Outbreak Management Advisory Board

This is a newly established member led group which has political ownership for public facing engagement and communication for the outbreak response. The group has been set-up in accordance with government guidance. A terms of reference and meeting schedule for the group has been agreed.

The Outbreak Management Advisory Board will act as an advisory committee with a critical role being to ensure relevant representation and a joined up response to Covid-19. If there are any local outbreaks this Board will play a crucial role in managing communications within and across our communities.

Any issues requiring escalation for political consideration will be escalated to the Outbreak Management Advisory Board, the criteria which would trigger the need to escalate a situation to the Board is still in development and will be approved by the Board in due course.

Data Sharing

Information relating to the Covid-19 outbreak should be shared as needed to support individual care and to help tackle the disease through research and planning during the Covid-19 situation. The focus should be to ensure the risk of damage, harm or distress being caused to individuals and service users is kept to a minimum and that data is only processed where it is necessary to do so and in an appropriate manner. The Council's privacy notice has been updated accordingly.

Test & Trace – locally

The local test and trace capacity will support the identification and management of the contacts of confirmed Covid-19 cases and ensure that individuals are rapidly identified in order to intervene and interrupt further onward transmission.

This is achieved through:

- The prompt identification of contacts of a probable or confirmed case of Covid-19
- Providing contacts with information on self-isolation, hand and respiratory hygiene as per the national guidance and advice around what to do if symptomatic
- Timely laboratory testing (all those with symptoms and, if resources allow, asymptomatic high-risk exposure contacts as defined below).

Further information about the Single Point of Contact to support the delivery of Test and Trace in York can be found in appendix 2.

Funding Allocation

The Minister of State for the Department of Health and Social Care has allocated a ring-fenced grant to Local Authorities on 10 June 2020. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred in the prevention and management of the outbreak response. The amount of grant received was decided upon using the 2020/21 Public Health Grant allocations as a basis for proportionately distributing the funding. City of York Council received £733,896.

National guidance requires local authorities with public health responsibilities to double their existing health protection capacity. The Outbreak Management Group have therefore developed initial proposals for investment to include:

- Infection prevention and control resource
- Enhance public health specialist capacity to support local prevention and outbreak response
- Enhance environmental health and trading standards capacity to support local prevention and outbreak response
- Support localised contact tracing resource
- Data and intelligence
- Communications

The allocation of the grant will be subject to the necessary approvals.

National Lockdown

The UK government imposed the lockdown on the evening of 23 March 2020 in order to prevent the spread of Covid-19. Significant restrictions were placed on the UK including the closure of schools, non-essential shops and businesses, restricting non-essential travel and requiring the majority of the UK population to remain at home.

Localised Lockdown

As part of the development and implementation of the local Outbreak Control Plan the Government has indicated the potential for local lockdowns. Under the plans, the new Joint Biosecurity Centre is expected to use data and analytics to identify risks in order to offer advice. Most interventions are expected to be at local level, with councils potentially called upon to close down towns or a few streets.

Currently, lockdown powers sit with ministers however there is a potential that responsibility may be passed to councils. Further details about how this might be implemented are awaited but we will use the experience of other areas such as Leicester who have recently had a local lockdown in order to develop our plans in the event that this is required in York at any point during the course of the pandemic.

5 Overview of Seven Core Themes

Detailed operational plans which sit below this Outbreak Management Plan are being developed and will be available on request by contacting enquiries.publichealth@york.gov.uk

The accountability structure for each theme is captured below and forms part of the wider governance and management structure.

THEME 1 – CARE HOMES & SCHOOLS	
Theme Lead	<ul style="list-style-type: none"> Designated senior public health officer.
Theme Team	<p>Support to care homes:</p> <ul style="list-style-type: none"> Public Health Officers Adult Social Care Vale of York CCG Community IPC team Care Home Gold & Silver Resilience plan structures supported by adult commissioning team <p>Support to schools:</p> <ul style="list-style-type: none"> Children Services Team – Education Advisors, Early Years, Inclusion, Adult Learning and Health & Safety, Public Health Officers
Theme Description	
Planning for local outbreaks in care homes and schools (e.g. defining monitoring arrangements, identifying potential scenarios and planning the required response).	
Theme Objective	
What are we going to achieve	
<ul style="list-style-type: none"> Effective local plans are in place which ensure a timely response to a suspected COVID-19 outbreak. Monitoring arrangements are robust to support proactive identification and management of suspected COVID-19 hotspots. Clear plans are in place to manage a localised response. Clear and timely communications are in place. 	

THEME I – CARE HOMES & SCHOOLS

Operating Scope

- 37 care homes in York with 1459 registered care beds,
- 57 supported households (all family types from parents with children, through single homeless)
- 9 Children’s Centres
- 63 -State maintained schools and academies
- 5 Independent schools
- 276 -Early Years and Childcare providers
- 988 -Children and young people with EHCPs
- 25,698 - School age children (5-18)

Plan

Provide key milestones to achieve the objectives

- Supporting people and settings to remain isolated by providing practical support and guidance on infection control.
- A KPI dashboard is being developed to enable daily monitoring of key data metrics
- Care homes – continuation of::
 - Daily calls to care homes from contact worker
 - Care home liaison through adult social care commissioning team
 - Monday to Friday gold care home meeting, weekends by exception
 - Escalation to Local Resilience Forum as required
 - Care home testing and prioritisation framework
 - Support on a range of issues including infection prevention and control, staffing, PPE.
 - Care market resilience plan – available on the CYC website <https://www.york.gov.uk/ShapingCare>
- Schools – School plans are in development in collaboration with CYC Education Colleagues.
 - Development of robust support system for schools and early year’s settings.
- Consistent and co-ordinated communications to ensure a co-ordinated outbreak response. This will include: what information is to be communicated, by whom, how, when and who the recipients should be.
 - Consider help lines, information bulletins, media updates and social media responses tailored for the care home/ education settings.
- Standard Operating Procedures (SOPs) from PHE will be followed and factored into our local response when a setting has a confirmed Covid-19 case in their setting.

THEME I – CARE HOMES & SCHOOLS

Measurement

Critical data which will be monitored

- Care homes data on categorisation (updated daily)
- No outbreak/new outbreak/ongoing outbreak/historical outbreak
- Daily updates on numbers of suspected/confirmed cases, hospitalisations, deaths from Covid-19 in each care home
- Proportion of care homes that have been able to access whole home testing
- Daily updates on numbers of suspected/confirmed cases in schools
- Number of outbreaks in schools.

Critical Risk/Issues/Mitigations

Critical risks/issue to successful delivery/ achievement of the theme objectives and plan

- Timely access to the national data dashboard
- Robust mechanism to access timely testing
- Clear operating procedures in relation to the “hand-off” of cases.
- Ensuring daily updates from all settings.
- Proactive follow up of suspected cases in educational settings.
- Resilience in Public Health Team.

Accountability Structure:

- Outbreak Management Group
- Care home Silver (internal) and Gold (multi-agency) meetings
- Linking into the wider Outbreak Control Plan governance & management Structure – City of York

THEME 2 – HIGH RISK PLACES, LOCATIONS AND

Theme Lead	<ul style="list-style-type: none"> • Designated senior public health officer
Theme Team	<p>Support to businesses / workplaces:</p> <ul style="list-style-type: none"> • Public Health Officers • Public Protection (EHO and Trading Standards) • Health & Safety • Federation of Small Businesses • York Business Improvement District (BID) • Local Enterprise Partnership (LEP) <p>Support to accommodation settings:</p> <ul style="list-style-type: none"> • Public Health Officers • Housing Officers • Others as appropriate <p>Support to Colleges and Universities:</p> <ul style="list-style-type: none"> • Public Health Officers • Vale of York CCG • Others as appropriate <p>Support to other High Risk settings such as Hospitality, Leisure and Tourism:</p> <ul style="list-style-type: none"> • Public Health Officers • CYC Officers in economy & place • Public Protection (EHO and Trading Standards) • LEP / BID / Make it York

Theme Description

Identifying and planning how to manage other high-risk places, locations and communities of interest including sheltered housing, dormitories for migrant workers, transport access points (e.g., ports, airports), detained settings, rough sleepers etc. (e.g. defining preventative measures and outbreak management strategies).

Theme Objective

What are we going to achieve

- Define complex, high risk settings, cohorts, scenarios of relevance to CYC
- Risk assess by likelihood of impact
- Ensure high risk settings have access to accurate, evidence based information relating to infection control and managing outbreaks
- Prevent spread of Coronavirus in these settings
- Supporting people and settings to remain isolated by providing practical support and guidance on infection control.
- Proactive approach to preventing outbreaks by identifying and supporting high risk settings and cohorts.

THEME 2 – HIGH RISK PLACES, LOCATIONS AND

- Effective local plans are in place which ensure a timely response to a suspected Covid-19 outbreak, these are tailored to the requirements of specific communities and high risk / vulnerable groups/ communities as appropriate.
- Preventative measures implemented.
- Monitoring arrangements are robust to support proactive identification and management of suspected Covid-19 hotspots.
- Clear plans are in place to manage a localised response.
- Clear and timely communications are in place

Operating Scope

Specific High risk / complex settings:

- **High risk Employer / businesses settings that are workplaces**
- **Complex higher education settings – colleges and universities**
- **High risk Accommodation settings** – Homeless shelters; Houses of Multiple Occupation
- **High risk other** e.g. Hospitality accommodation; Food and Beverage.
- **High risk communities – see theme 6 Vulnerable people**
Homelessness; Gypsy & traveller; Military; BAME; Substance misusers.

Plan

Provide key milestones to achieve the objectives

- A KPI dashboard is being developed to enable daily monitoring of key data metrics
- Tailored communications strategy for targeting specific group/cohorts and high risk / vulnerable groups/ communities is being developed to ensure effective engagement.
- Case studies based on responses to live suspected Covid will be collated and tracked to ensure a continual review of approach and ensure processes are kept up to date.
- Preventative measures are identified and implemented.
- PH team and LEP and Trading Standards work together to utilise existing relationships with workplaces within City of York to proactively manage infection control.
- Prevention approach – Work with high risk communities to proactively to prevent outbreaks and strengthen communication channels.
- Work with high risk workplaces/ business to prevent outbreaks and strengthen communication channels
 - Consistent and co-ordinated communications to ensure a co-ordinated outbreak response. This will include: what information is to be communicated, by whom, how, when and who the recipients should be.

THEME 2 – HIGH RISK PLACES, LOCATIONS AND

- Consider help lines, information bulletins, media updates and social media responses tailored for the care home/ education settings.

Standard Operating Procedures (SOPs) from PHE will be followed and factored into our local response when a setting has a confirmed Covid-19 case in their setting.

Measurement

Critical data which will be monitored (will add once these have been confirmed)

- High Risk workplace settings matrix categorisation
- No outbreak/new outbreak/ongoing outbreak/historical outbreak.
- Weekly updates on numbers of suspected/confirmed cases, hospitalisations, deaths from Covid-19 in each high risk setting (more frequently if required)
- Proportion of high risk settings that have been able to access whole site testing.
- Number of outbreaks in high risk settings.

Critical Risk/Issues/Mitigations

Critical risks/issue to successful delivery/ achievement of the theme objectives and plan

- Timely access to the national data dashboard.
- Robust mechanism to access timely testing.
- Clear operating procedures in relation to the “hand-off” of cases

Accountability Structure

Outbreak Management Group
Linking into the wider Outbreak Control Plan governance & management Structure – City of York

THEME 3 – LOCAL TESTING CAPACITY

Theme Lead	<ul style="list-style-type: none"> • Designated senior public health officer
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Theme Team	<ul style="list-style-type: none"> • Public Health Officers • Emergency Planning • LRF testing workstream
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Theme Description

Identifying methods for local testing to ensure a swift response that is accessible to the entire population. This could include delivering tests to isolated individuals, establishing local pop-up sites or hosting mobile testing units at high-risk locations (e.g. defining how to prioritise and manage deployment).

Theme Objective

What are we going to achieve

- Expansion of existing local testing to support test and trace
- Additional testing facilities which provide different access routes to people for testing.
- Ability to provide fast response testing in high risk location(s) e.g. outbreak in school/ care home/ workplace.
- Timely pathway from requesting; accessing and receiving results to ensure timely action.
- Clear and timely communications are in place.

Operating Scope

- Within City of York Council boundary
- Student population across four higher York institutions is 31,000 – York St. John, University of York, Askham Bryan and York College.
- Understand the scope around offer to Askham Grange open prison.

Plan

Provide key milestones to achieve the objectives

- Data dashboard developed which enables daily monitoring of key data metrics.
- Utilisation of York pseudo-satellite testing unit (PSTs)
- Access Amazon supply portal to enable nominated people to access bulk orders of supplies i.e. to support testing in care homes and home testing capacity.
- Monitor swabbing (and antibody testing) capacity in Pillar I
- Continuation of rotational mobile testing units across the city under the direction of the DPH.
- Understand and support roll out of antibody testing as appropriate
- Support national surveillance testing, including schools surveillance.

THEME 3 – LOCAL TESTING CAPACITY

Measurement

Critical data which will be monitored (will add once these have been confirmed)

Critical Risk/Issues/Mitigations

Critical risks/issue to successful delivery/ achievement of the theme objectives and plan

- Testing pathway currently not as timely as it needs to be (from requesting test through to receiving results) in order to enable effective public health action.
- Still issues with high numbers of void tests (although decreasing)
- No modelling data currently available – therefore an element of uncertainty in relation to resource which may be required to the local response.
- Developing local data metrics to ensure daily monitoring.

Accountability Structure

- Outbreak Management Group
- Linking into the wider Outbreak Control Plan Governance & Management Structure – City of York

THEME 4 – CONTACT TRACING IN COMPLEX SETTINGS

Theme Lead	<ul style="list-style-type: none"> • Dedicated senior public health officer
Theme Team	<ul style="list-style-type: none"> • Public Health Officers • Environmental Health Officers • Option to request support from IPC and TB service, sexual health if surge capacity needed

Theme Description

Assessing local and regional contact tracing and infection control capability in complex settings (Tier 1) and the need for mutual aid (e.g. identifying specific local complex communities of interest and settings, developing assumptions to estimate demand, developing options to scale capacity if needed).

Theme Objective

What are we going to achieve

- Early identification of outbreaks by responding to alerts to suspected cases based on symptoms and case finding through whole setting testing where feasible.
- Comprehensive outbreak management including instituting quarantine of setting based on suspicion and reviewing with test results.
- Providing support to PHE when required to undertake face to face contact tracing of individuals/communities where standard Tier 1 procedure not successful/appropriate.
- Community and employer engagement.
- Targeted approach to meet the needs of different communities and economies.
- Accessing and reaching different groups and communities.
- Meeting the humanitarian needs of those who need to self-isolate.

Operating Scope

On 28th May 2020 the Government announced the start of the national NHS Test & Trace programme. The T&T programme has 3 tiers:

- Tier 1 – **Public Health England health protection team** will manage the most complex cases – and will be the interface with local authorities (Tier 1b)
- Tier 2 – **healthcare professionals** will contact cases and escalate complex cases
- Tier 3 – the commercial arm of **call handlers** will manage routine contacts

Whilst the core contact tracing elements will be managed by the regional and local T&T teams as above, there is a significant role for local authorities and partners to support the overall programme. This will focus on:

THEME 4 – CONTACT TRACING IN COMPLEX SETTINGS

- Providing support to PHE when required to undertake face to face contact tracing of individuals/communities where standard Tier 1 procedure not successful/appropriate e.g. high risk and hard to engage communities
- Meeting the humanitarian needs of those who are required to self-isolate and need additional support.
- Engaging with health/social care organisations, workplaces etc. to ensure they are aware of what the Test and Trace programme means to them e.g. operational impact (and how to mitigate), communications required etc.

Plan

Provide key milestones to achieve the objectives

- A KPI dashboard developed which enables daily monitoring of key data metrics.
- Develop a core team of people who will provide local support where there are complex cases who cannot be followed up over the phone or via the app.
- Developing proposals to increase capacity and provide training to contact tracers on Covid-19 specific contact tracing.
- Provide clarity on how/when contact tracers will be asked to work as part of Covid-19 outbreak response teams on contact tracing
- Mutual aid will continue to be sought from North Yorkshire and York partner organisations.

Measurement

Data will be monitored (will add once these have been confirmed)

- Log of all outbreaks/cases/incidents referred into outbreak management team

Critical Risk/Issues/Mitigations

Critical risks/issue to successful delivery/ achievement of the theme objectives and plan

- T&T alone will not keep case numbers low. Rising numbers of cases can quickly overwhelm capacity and may be an indication that other control measures are needed. Robust data metrics to monitor are crucial.
- The ring-fenced budget will be insufficient to cover the actual costs of management of prevention and response to the pandemic.
- Re-examine the mechanism for the outbreak management team to share confidential information directly with PHE (T&T Tier 1).

Accountability Structure

- Outbreak Management Group
- Linking into the wider Outbreak Control Plan Governance & Management Structure – City of York Council

THEME 5 – DATA INTEGRATION

Theme Lead	<ul style="list-style-type: none"> • Dedicated senior public health officer.
Theme Team	<ul style="list-style-type: none"> • Business Intelligence Hub • Outbreak Management Group • Test & Trace Hub • Information Governance

Theme Description

Integrating national and local data and scenario planning through the Joint Biosecurity Centre Playbook (e.g., data management planning including data security, data requirements including NHS linkages).

Theme Objective

What are we going to achieve

- Timely access to local data through CYC Business Intelligence Team which supports individual and multiple case management, informs prevention activities as well as allowing for reviewing performance.
- Monitoring arrangements are robust to support proactive identification and management of suspected Covid-19 outbreaks and outbreaks, including those cutting across multiple settings and capturing those needing support such as translation services or support to those self-isolating.
- Access to national data on test and trace
- Providing local intelligence to highlight growing or reducing risk settings so Public Health leads are able to make informed decisions.
- Ensure controls are in place to assure the quality of data captured through outbreak management themes.
- A Data Protection Impact Assessment (DPIA) has been completed for the processing activity, stating the lawful basis to enable the activity to occur, whilst identifying and mitigating potential risks in respect to the individuals and organisations concerned. Information Sharing Agreements (ISAs) will also be set up for each external organisation with whom data is being shared, ensuring a secure mechanism is in place for the transfer of data.

Operating Scope

Access to national datasets is an evolving area and the details are still unclear at this point.

Work is underway locally to utilise the existing datasets which are being monitored in relation to Covid to ensure visibility of key data metrics to ensure effective and timely management.

THEME 5 – DATA INTEGRATION

Where there is currently no formal system for capturing data, localised spreadsheets are being established to ensure timely monitoring. These new process will be reviewed on an ongoing basis through the data integration theme. Reconciling different data recording will be important in ensuring high quality data and avoiding duplicating data entry.

Plan

Provide key milestones to achieve the objectives

- Data dashboard developed which enables daily monitoring of key data metrics.
- Expect to be fed information from the Joint Biosecurity Centre about the local picture e.g. hotspots, local R rate.
- Standards around common data schema to inform recording across all themes.
- Locally need to look at potential developments for a secure database to hold all data and support reporting.

Measurement

Critical data which will be monitored

- A number of Covid-19 indicators are currently being monitored
- Although the initial peak has passed, covid-19 indicators are being monitored daily including new data on symptomatic patients, to help provide an early indication of a possible second wave.
- A number of Covid-19 public health indicators are published on York Open Data. These are
 - Daily and cumulative new Pillar 1 diagnosed cases in York.
 - Cases per 100,000 of population for York and England
 - Daily and cumulative deaths from covid-19 at York Hospital
 - Weekly number of covid-19 deaths for CYC residents from local registrar data.
 - Weekly number of covid-19 deaths for CYC residents from data supplied by the Office for National Statistics (ONS).
 - Narrative breakdown of deaths by age and gender and location.

Critical Risk/Issues/Mitigations

Critical risks/issue to successful delivery/ achievement of the theme objectives and plan

- Need for clarity about national data sets and data sharing agreements, which also work effectively in local contexts (e.g. workplaces).
- The dashboards / data intelligence products need to provide the key information that enables the outbreak management group to be quickly informed of the analysis to support timely and evidence based decision making.

THEME 5 – DATA INTEGRATION

- Timely access to accurate data is crucial. Failure to record accurate information could quickly result in the virus spreading.
- Appropriate use of language and terminology e.g. clusters and outbreaks.
- Failure to monitor the data will result in a delayed response to potential outbreaks. This is being mitigated through support by business intelligence.

**Accountability
Structure**

- Outbreak Management Group
- Linking into the wider Outbreak Control Plan Governance & Management Structure – City of York

THEME 6 – VULNERABLE PEOPLE

Theme Lead	<ul style="list-style-type: none"> • Designated senior public health officer
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Theme Team	<ul style="list-style-type: none"> • Communities and Equalities Team • Housing & Community Safety Team • Local Area Co-ordinators • Community & voluntary sector
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Theme Description

Supporting vulnerable local people, not in receipt of adult social care services, to get help to self-isolate (e.g. encouraging neighbours to offer support, identifying relevant community groups, planning how to co-ordinate and deploy) and ensuring services meet the needs of diverse communities.

Theme Objective

What are we going to achieve

- We will utilise the Councils existing community offer to support people who are contacted by Test and Trace. However we recognise that there may be residents who are not aware of the offer as they have not had the need to access it to date or lack the skills/confidence to access this service which will need to be addressed in the communication plan.
- We will work with local services, community and volunteering networks to utilise local experience of identifying and engaging with vulnerable groups or communities who may struggle to self-isolate (if identified through Test and Trace) as well as looking at how we can encourage and support vulnerable groups to get tested if symptomatic and participate in the tracking system.
- We will work with partners to identify the challenges/barriers different vulnerable groups may face to self-isolate (or participate in Test and Trace) and look to find solutions.
- We will ensure that communications (message and method) are tailored to meet the needs of vulnerable groups and address key behaviours that look to prevent, manage and control the spread of Covid-19.
- We will produce data intelligence on vulnerable groups (as identified below) where it is required to support more effective targeting of interventions.
- We will work with high risk settings who provide services or employment to vulnerable groups to support them to take action to prevent and manage outbreaks appropriately (links to Theme 2).

Operating Scope

In partnership with NHS and the Voluntary and Community Sector, City of York Council has established a dedicated programme of initiatives designed to ensure that anyone who is self-isolating has the help they need.

THEME 6 – VULNERABLE PEOPLE

Through existing relationships with the community and voluntary sector, swift mobilisation of a community response to Covid will be possible.

We have identified a number of vulnerable groups who due to their pre-existing physical and mental health conditions, their living or working environment and or chaotic lifestyle make them vulnerable to Covid-19 and may impact on their capability, opportunity and motivation to take action in response public health messages and advice. However, this is an emerging condition so those that are vulnerable are likely to include the following but should not be restricted to this list:

- People, including those aged 70 and over, those with specific chronic pre-existing conditions and pregnant women, are clinically vulnerable, meaning they are at higher risk of severe illness from coronavirus.
- People who are defined, also on medical grounds, as clinically extremely vulnerable to coronavirus
- BAME groups
- Gypsies and Travellers
- People at risk from domestic violence
- Homeless and rough sleepers
- Refugees and asylum seekers
- Migrant workers
- People with learning disabilities
- People/families on low income
- People living in more deprived areas - have continued to experience COVID-19 mortality rates more than double those living in less deprived areas. General mortality rates are normally higher in more deprived areas, but COVID-19 appears to be increasing this effect.”
- Substance misusers
- Digitally excluded.

Plan

Provide key milestones to achieve the objectives

- Data dashboard developed which enables daily monitoring of key data metrics.
- An effective process is in place via the councils customer service centre to support shielded or symptomatic people/households.
- The national test and trace team will inform those self-isolating to contact the local authority if they require:
 - Practical or social support for themselves;
 - Support for someone they care for
 - Financial support.

THEME 6 – VULNERABLE PEOPLE

- Develop a contact list of key agencies/ services that are linked with our vulnerable groups.
- Contact key agencies/agencies to discuss how they can support local vulnerable groups as part of the test and trace programme.

Measurement

Critical data which will be monitored (will add once these have been confirmed)

Critical Risk/Issues/Mitigations

Critical risks/issue to successful delivery/ achievement of the theme objectives and plan

- As the support is rolled out further and volunteers have to support people known to have tested positive with Covid this may lead to concerns about attending the premises (although no contact is required).
- If there are geographic clusters of affected people living in one locality requiring support during periods of self-isolating the local community support organisations may not have sufficient volunteer capacity to respond within required timescales. Mitigation – there are 3 tiers of volunteer support:
 - Tier 1 - The community support organisations
 - Tier 2 - CYC registered volunteers
 - Tier 3 – Members of CYC staff and / or other public sector staff

These tiers of volunteers would be called upon if the local community support organisation is unable to respond. If there is an identified gap in an area requiring volunteers, targeted media campaigns will be undertaken.

Accountability Structure

- Outbreak Management Group
- Linking into the wider Outbreak Control Plan Governance & Management Structure – City of York

THEME 7 – LOCAL BOARDS

Theme Lead	<ul style="list-style-type: none"> • Director of Public Health, City of York Council
Theme Team	<ul style="list-style-type: none"> • Democratic Services • Health and Wellbeing Board Partnerships Co-ordinator

Theme Description

Establishing governance structures led by existing Covid-19 Health Protection Boards and supported by Gold command forums and a new member-led Board to communicate with the general public.

Theme Objective

What are we going to achieve

- Appropriate and proportionate governance to implement public health measures with community engagement as relevant.
- Effective governance plans and structure in place with clearly defined roles and responsibilities.
- Terms of Reference agreed for the new member-led Board – the Outbreak Management Advisory Board.

Operating Scope

The key principles of how we work together in an outbreak situation were agreed by the North Yorkshire and Humber Directors of Public Health, Health Protection Assurance group, and later agreed by the North Yorkshire and York LHRP. These were updated in May 2019. Where appropriate and possible existing governance will be used to manage our response.

Plan

Provide key milestones to achieve the objectives

- Data dashboard developed which enables monitoring of key data metrics for the relevant governance groups.
- The established Outbreak Management Advisory Board will have political ownership and public facing engagement and communication for outbreak response.
- Evidence of widespread community transmission in any part of the City may require action to disrupt transmission by closing services down (i.e. mini lockdown). The Outbreak Management Advisory Board (OMAB) needs to have sufficient power and legitimacy to implement public health actions that may be required. These could include tightening lockdown around particular geographic areas, or advising on school closures etc.
- The frequency of meetings will be in line with data on active cases/outbreaks.

THEME 7 – LOCAL BOARDS

- **Public Health England and CYC Public Health/Health Protection Team** - co-ordinate and chair the Incident/Outbreak Control Team meeting. The Outbreak Control Team includes:
 - Director of Public Health / Assistant Director of Public Health (Chair)
 - Consultant in Communicable Disease Control (CCDC), PHE
 - Nurse Consultant in Public Health
 - CYC Emergency Planning
 - Vale of York CCG representative (s)
 - Administrative support
 - Media / communication representative
 - Other partners as required dependent on the nature and setting of the outbreak / incident

Measurement

Data which will be monitored (will add once these have been confirmed)

Critical Risk/Issues/Mitigations

Critical risks/issue to successful delivery/ achievement of the theme objectives and plan

- Public health workforce capacity

Accountability Structure

- Outbreak Management Group
- Linking into the wider Outbreak Control Plan Governance & Management Structure – City of York

6 Communications

We will communicate simple and clear preventative measures to our staff, residents, schools, local employers and businesses and ensure that these are updated as new guidance and information is developed.

We will link the communication into existing campaigns such as Our Big Conversation and make infection prevention and safety messages a core part of our recovery planning.



The core focus of communication will be to:

- Share public health infection control advice to prevent the spread
- Establish confidence in the response.
- Correct misinformation to build trust in our response.
- Promote and explain the Test and Trace system.
- Explain the outbreak – warn and inform without frightening.
- Help reduce the spread of infection and save lives.
- Support communities and the economy to return to business as usual safely through recovery.

A communications strategy is in the process of being developed. The strategy will encompass the following themes:

Build Advocacy

- Share key public health messages and updates on the current situation in York.
- Work closely with partners to ensure consistent messaging across the city.
- Share public health actions taken by city partners and public health.

Build Confidence

- Build confidence in the steps being taken and what they can do to support the city wide effort.
- Share more of what the city is doing to protect residents.
- Use data to update residents and businesses on the current position.
- Demonstrate the partnership approach being taken.

Build Engagement

- Engage residents through “Our Big Conversation” campaign.
- Work closely with partners to share messaging and ideas.

A detailed communication plan will be developed with all key partners which will be overseen by the Outbreak Management Advisory Board

ANNEX B



CITY OF
YORK
COUNCIL

Appendices



Appendix I

Outbreak Definitions

Outbreak definition for non-residential settings

1. Table I provides the definition of an outbreak in non-residential settings and also includes the criteria to measure recovery and declare the end of an outbreak. This definition is consistent with the World Health Organisation (WHO) outbreak definition.
2. A cluster definition is also provided to capture situations where there is less epidemiological evidence for transmission within the setting itself and there may be alternative sources of infection; however these clusters would trigger further investigations.

Table I: Declaring and ending an outbreak and cluster in a non-residential setting e.g. workplace, school etc.

	Criteria to declare	Criteria to end
Cluster	Two or more confirmed cases of Covid-19 among individuals associated with a specific setting with onset dates within 14 days. (In the absence of available information about exposure between the index case and other cases)	No confirmed cases with onset dates in the last 14 days.
Outbreak	Two or more confirmed cases of Covid-19 among individuals associated with a specific setting with onset dates within 14 days	No confirmed cases with onset dates in the last 28 days in that setting (higher threshold for outbreaks compared to clusters)

	Criteria to declare	Criteria to end
	<p>And one of:</p> <p>Identified direct exposure between at least two of the confirmed cases in that setting (e.g. within 2 metres for >15 minutes) during the infectious period of the putative index case</p> <p>Or</p> <p>(When there is no sustained community transmission or equivalent JBC risk level) – absence of alternative source of infection outside the setting for initially identified cases.</p>	

Outbreak definition for residential settings

3. Table 2 provides a broader definition of an outbreak in residential settings. This definition differs from the definition for non-residential settings because coronavirus is known to spread more readily in residential settings such as care homes therefore a cluster definition is not required.

Table 2: Declaring and ending an outbreak in an institutional setting such as a care home or place of detention.

	Criteria to declare	Criteria to end
Outbreak	<p>Two or more confirmed cases of Covid-19 OR clinically suspected cases of Covid-19 among individuals associated with a specific setting with onset dates within 14 days.</p> <p>NB. If there is a single laboratory confirmed cases, this would initiate further investigation and risk assessment.</p>	No confirmed cases with onset dates in the last 28 days in that setting.

4. Table 3 provides a broader definition of outbreaks in either in-patient and out-patient settings.

Table 3. Declaring and ending an outbreak in an inpatient setting such as a hospital ward or ambulatory healthcare services, including primary care.

	Criteria to declare	Criteria to end
Outbreak in an inpatient setting	<p>Two or more confirmed cases of Covid-19 OR clinically suspected cases of Covid-19 among individuals associated with a specific setting with onset dates 8-14 days after admission within the same ward or wing of a hospital.</p> <p>NB. If there is a single laboratory confirmed case, this would initiate further investigation and risk assessment.</p>	No confirmed cases with onset dates in the last 28 days.
Outbreak in an outpatient setting	<p>Two or more confirmed cases of Covid-19 among individuals associated with a specific setting with onset dates within 14 days.</p> <p>AND ONE OF:</p> <p>Identified direct exposure between at least two of the confirmed cases in that setting (e.g. within 2 metres for > 15mins)) during the infectious period of the putative index case</p> <p>OR</p> <p>(When there is no sustained community transmission or equivalent JBC risk level) – absence of alternative source of infection outside the setting for initially identified cases.</p>	No confirmed cases with onset dates in the last 28 days in that setting.

Other Definitions

Possible case	New persistent cough OR fever (over 37.8) OR change or lack of sense of smell or taste.
Confirmed case	Laboratory confirmed positive PCR test for SARS-CoV-2 (regardless of symptoms)
Outbreak	Two or more confirmed cases linked in space and time.
Incubation period	Range 4 to 6 days with the shortest recorded incubation of 1 day and longest of 11 days.
Infectious period	48 hours before onset of symptoms until 7 days after the onset of symptoms.
Exclusion period	Symptomatic confirmed cases – 7 days from onset of symptoms; 14 days for elderly care home residents. Asymptomatic confirmed cases – 7 days from date of test. Household contacts of cases – 14 days from onset of symptoms / (date of test if asymptomatic) in family member.

Appendix 2

Functions and details of York Single Point of Contact

Contract tracing is a tried and trusted approach to prevent the spread of infection and to contain and prevent outbreaks. Comprehensive contact tracing alongside mass testing are common features in countries that have so far succeeded in keeping the number of cases of Covid-19 relatively low, such as Germany and South Korea. There is now a recognition that in the absence of a vaccine or effective treatment a medium / long term approach to Test and Trace is needed over 18 months to 2 years.

City of York Covid-19 Single Point of Contact (SPOC)

As part of the preventative approach to the control and management of Covid-19 in York, a Single Point of Contact has been established to interface with the NHS Test and Trace service. This acts as a single point of contact for two way communication and to receive and escalate cases and situations where they are identified both by the national Test and Trace system and local intelligence.

York Covid-19 SPOC: covid.SPOC@york.gov.uk

Telephone: 01904 553005

Hours of operation: 09:00 to 17:00 7 days a week

Ownership: Public Health Team, City of York Council

Key Functions of the York SPOC:

- To provide a single point of contact (SPOC) for NHS Test and Trace and the PHE Health Protection Team.
- To act as a key point of contact for settings and service leads.
- Will receive cases from level 1 (PHE health protection team) for information and for action.
- To act as a key point of contact and co-ordination in the event of an outbreak situation.

- To work in partnership with the communications team to identify key communication messages around infection prevention and control and provide information as necessary to support elected member, partner, residents briefings and media statements.
- To escalate issues / cases identified locally to the level 1 (PHE health protection team) whether further contact tracing support is required (e.g. cross geographical borders) or highly specialist input is required.
- Using data and intelligence for:
 - New outbreak monitoring
 - Early warning / surveillance of increase in case activity
 - Hotspot analysis
- Vulnerable people monitoring and case management support (including those clinically shielded and support for self-isolation)
- Reporting regularly to outbreak management board including escalation of any issues of concern.

National Test and Trace Service

The York Single Point of Contact (SPOC) will work within the framework of the national test and trace service. The UK Government launched the NHS Test and Trace service on 28 May 2020 as part of an integrated test, trace, contain and enable (TTCE) approach to Covid-19. The National Test and Trace service has 3 levels:

Level 3: National call handlers contracted from external providers who are responsible for:

- Providing advice to contacts according to Standard Operation Procedures (SOPs) and scripts. This will include the household and community contexts of cases escalated to Level 1.
- Escalating difficult issues to the Level 2 staff.

Level 2: Professional contact tracers recruited through NHS Providers (mainly recently retired NHS staff and public health specialists) who are responsible for:

- Interviewing index cases (i.e those who test positive) and identifying their contacts using SOPs and scripts.
- Handling issues escalated from level 3 staff.
- Escalating complex issues and situations to Level 1.

Level 1: Regional arrangements via the PHE health protection team who are responsible for:

- Establishing a single point of contact
- Leading on complex contact tracing
- Collaborative working on a regional and sub-regional footprint
- Escalating complex issues to the local public health team that require a more bespoke response – the City of York Single Point of Contact (SPOC).

Appendix 3

City of York Council COVID-19 Health Protection Board

Terms of Reference (TOR)

Background	<p>Managing the current pandemic of COVID-19 presents considerable challenges in York as for the rest of the country. Many organisations have a role to play in protecting the people of York from COVID-19 and the overlapping roles and responsibilities of the main agencies for health protection can be complex.</p>
Purpose	<p>The primary role of the COVID-19 Health Protection Board is to provide strategic leadership to support the delivery of the City of York Council COVID-19 Outbreak Control Plan and the explicit connections to other organisations outbreak control plans across health and social care.</p> <p>The Board will also ensure appropriate connections are made to North Yorkshire County Council and Humber, Coast and Vale Integrated Care System for those issues that are best managed in collaboration.</p> <p>The Board will monitor outbreak management and epidemiological trends across York.</p> <p>The Board will establish appropriate communication and engagement with other groups focusing on COVID-19 response (e.g. Care Homes Gold Group) to avoid duplication and ensure consistency of approach in matters relating to infection prevention and control.</p> <p>The Board will provide assurance to the City of York Outbreak Management Advisory Board that there are robust plans and arrangements in place to protect the population from COVID-19. It will draw to the attention of that Board any matters of concern.</p>

Terms of Reference (TOR)

<p>Scope</p>	<p>Topics that are within the scope of the Board include, but are not restricted to:</p> <ul style="list-style-type: none"> • Personal Protective Equipment (PPE) • Test and Trace • Data management, analysis and interpretation • Infection prevention and control • Interpretation of guidance and development of policy • Training and staff development relating to infection prevention and control, contact tracing etc. • Dissemination of information as appropriate
<p>Key Responsibilities</p>	<p>To oversee the development of the local outbreak control plan</p> <ul style="list-style-type: none"> • To provide assurance to the York COVID-19 Outbreak Management Advisory Board as to the adequacy of arrangements for the prevention, surveillance, planning for, and response to, COVID-19 in York • To highlight concerns about significant COVID-19 related health protection issues and the appropriateness of health protection arrangements for York, raising any concerns with the relevant commissioner / provider or, as necessary, escalating concerns to the Outbreak Management Advisory Board • To provide an expert view on any health protection concerns on which the Outbreak Management Advisory Board request advice from the Board • To monitor a 'COVID-19 Health Protection Dashboard' in order to assess local performance in addressing the key health protection issues relating to COVID-19 in York, raising any concerns with the relevant commissioner / provider or, if necessary, escalating concerns to the Outbreak Management Advisory Board • To monitor significant areas of poor performance through the dashboard and to seek assurance that recovery plans are in place • To review the content of local plans relevant to COVID-19 • To seek assurance that any lessons learned e.g. from outbreaks locally or in other areas, are embedded in future working practices

Terms of Reference (TOR)

	<ul style="list-style-type: none"> In addition to reporting to the Outbreak Management Advisory Board, the COVID-19 Health Protection Board will report to the City of York Health and Wellbeing Board which will hold City of York Council, NHS England, Vale of York Clinical Commissioning Group, York NHS Teaching Hospitals NHS Trust and Tees, and Wear Valley Mental Health Trust to account in terms of their health protection responsibilities. 	
Meeting Arrangements	<ul style="list-style-type: none"> The Board will be chaired by the Director of Public Health or their deputy and will meet monthly. More frequent meetings can be arranged if necessary with the agreement of the Chair. The meetings will be convened by the York Public Health team who will provide secretarial support Items for inclusion on the agenda will be sought from all members in advance of each meeting. Draft minutes and action log will be sent electronically to members and then approved at the next meeting Meetings will not be open to the public and will not be recorded. Conflicts of interest must be declared by any member of the group at the start of each meeting Decisions of the Board are purely advisory and its recommendations will be considered through the governance arrangements of the bodies represented which will retain their decision making sovereignty. 	
Quorum	<p>To be quorate the meeting must include:</p> <ul style="list-style-type: none"> Director of Public Health (Chair) or his/her deputy Vale of York Clinical Commissioning Group representative Clinical representative Adult social care representative Children's services representative 	
Core Membership	Director of Public Health (Chair)	City of York Council
	Assistant Director / Consultant in Public Health (Vice Chair)	City of York Council
	Nurse Consultant in Public Health	City of York Council

Terms of Reference (TOR)

Consultant in Communicable Disease Control (CCDC)	Public Health England
Representative	Harrogate & District NHS Hospital Community Infection Prevention & Control Service
Representative	York Hospital NHS Trust Infection Prevention & Control Team
Clinical lead	Vale of York Clinical Commissioning Group
Emergency Planning Lead	Vale of York Clinical Commissioning Group
Senior Business Intelligence Officer	City of York Council
Emergency Planning Lead	City of York Council
Head of Public Protection / deputy	City of York Council
Health & Safety lead	City of York Council
Adult Social Care	City of York Council
Representative	Independent Care Group
Children's Services	City of York Council
Communications	City of York Council

Others will be invited to attend to present agenda items or participate in discussion on specific issues.

Appendix 4

City of York Council Outbreak Management Advisory Board Terms of Reference (TOR)

Terms of Reference (TOR)

<p>Context</p>	<p>NHS Test and Trace programme across England, with equivalent programmes being developed across the UK. As part of this response, each council with responsibility for statutory Public Health functions has been asked to lead the local approach, based around an outbreak management plan.</p> <p>A key element of local outbreak management is the engagement of democratically elected councillors/politicians and the key partnership agencies that will contribute to Test and Trace development and delivery.</p> <p>This document sets out the Terms of Reference for the City of York Outbreak Management Advisory Board, which will bring together elected members and senior officers from the City of York Council, as well as key partners from statutory, private and voluntary sector organisations.</p>
<p>Purpose</p>	<p>To ensure public engagement with, multi-agency involvement in, and democratic oversight of, City of York's outbreak management planning as part of the national Test and Trace programme.</p> <p>To advise and inform the development of City of York Council's outbreak management plan and the local Test and Trace programme, reflecting the views of different communities and sectors across the city.</p> <p>To engage and communicate with the public about Covid-19, outbreak management and Test and Trace</p>

Terms of Reference (TOR)

To ensure that statutory bodies are able to make informed decisions in relation to outbreak management and Test and Trace within City of York and that such bodies retain their own decision making processes.

The key role of the board is to support the effective communication of the test, trace and contain plan for the city and to ensure that the public and local businesses are effectively communicated with. It will support and strengthen the plan that will need to underpin every decision that is taken as we move through the next stage of managing the pandemic, helping to make sure that all communities and sectors are communicated with effectively. It will help ensure that the best routes to communicate with all key stakeholders have been identified and utilised.

It will oversee the evaluation of the success of communications with the public, the public sector and businesses to ensure that they are effective. It will receive regular updates from the City of York Covid-19 Health Protection Board via the Director of Public Health or their nominated representative.

Through these updates it will provide public oversight of progress on the implementation of the Test, Trace, Contain stages.

It will also ensure that communications build on existing good practice and that lessons learned from other geographies are taken into account.

It will identify any barriers to progress and delivery and make suggestions to help resolve them, making the most of any opportunities that may arise.

Decision maker	Decisions of the Board are purely advisory and its recommendations will be considered through the governance arrangements of the bodies represented which will retain their decision making sovereignty.
Frequency	The Board will meet, as and when required, initially the first two meetings will be held at three week intervals and thereafter revert to monthly, although the Chair has the right to change the frequency depending on local circumstances.

Terms of Reference (TOR)

Quorum

To be quorate the meeting must include:

- The Leader of the Council, (Board Chair); or
- Chair of the Health and Wellbeing Board (CYC Elected Member) (Deputy Board Chair);
- AND
- The interim Head of Paid Service of the Council or nominated deputy; and
- Director of Public Health or nominated deputy; and
- One other full member of the Board (not a CYC Elected Member)

Agenda management and secretariat

The Council's Public Health team will support the agenda setting for, and minuting of, the Board. Meetings of the Board will be live-streamed by CYC unless there are exceptional reasons which prevent this.

Any member of the Board may request an agenda item to be considered at the Chair's discretion and should do so within 48 hours of the next Board meeting.

Given the potential emergency nature of the Board's business, final papers will be distributed 24 hours before each Board. Any emergency items may be agreed with the Chair within three hours of the next Board meeting.

The Board will meet as a working group and will therefore be covered under the Access to Information Rules for committees. However, as communication is an essential role of the Group, its recommendations will be communicated widely as deemed appropriate.

Board membership			
Name	Title	Organisation	Role on the Board
Cllr Aspden	Leader of the Council	City of York Council	Board Chair
Cllr Runciman	Executive Member Adult Social Care & Health	City of York Council	Deputy Chair/Chair of CYC Health and Well Being Board
Cllr Myers	Labour Councillor	City of York Council	Leader of the Main Opposition CYC
Ian Floyd	Interim Head of Paid Service	City of York Council	Interim Head of Paid Service
Sharon Stoltz	Director of Public Health	City of York Council	Statutory Director of Public Health
Amanda Hatton	Corporate Director Children, Education & Communities	City of York Council	Statutory Director of Children's Services
Dr Andrew Lee	Executive Director Primary Care & Population Health	Vale of York Clinical Commissioning Group	Vale of York Clinical Commissioning Group Representative
Dr Sally Tyrer	Chair	North Yorkshire Local Medical Committee	General Practitioners Representative
Lucy Brown	Director of Communications	York Hospitals NHS Foundation Trust	York Hospital Representative
Phil Mettam	Accountable Officer	Vale of York Clinical Commissioning Group	Humber, Coast & Vale Integrated Care System Chief Executive Officer lead for testing
Dr Simon Padfield	Consultant in Communicable Disease Control	Public Health England	Health Protection Yorkshire & the Humber
Julia Mulligan	Police, Fire and Crime Commissioner	North Yorkshire Constabulary	Police, Fire and Crime Commissioner
Lisa Winward	Chief Constable	North Yorkshire Police	North Yorkshire Police

Board membership			
Professor Charlie Jeffery	Vice-Chancellor and President	University of York	Further / Higher Education
James Farrar	Chief Operating Officer	York, North Yorkshire & East Riding Local Enterprise Partnership	Business Representative
Marc Bichtemann	Managing Director	First Group	Transport Representative
Alison Semmence	Chief Executive	York CVS	Voluntary & Community Sector
Sian Balsom	Manager	Healthwatch York	Healthwatch York

In attendance			
Name	Title	Organisation	Role on the Board
Claire Foale	Head of Communications	City of York Council	Communications
Tracy Wallis	Health & Wellbeing Board Partnerships Co-ordinator	City of York Council / Vale of York Clinical Commissioning Group	Support to the Board
Sam Alexander	Public Health Technical Systems Support Officer	City of York Council	Minute taker
Democratic Services		City of York Council	Support to the Board

Other attendees (e.g. from the culture/events/sport, pharmacy sectors) to be invited as and when required

Notes

1. The Board does not have any decision making powers, its main function is one of advice, support and challenge. This is because decision making is sovereign with the constituent bodies and they all operate under their own recognised delegated schemes of delegation.
2. Board members should make every effort to attend meetings, but they can delegate to named individuals as appropriate and must endeavour to ensure that the delegated person attends.
3. Others, as appropriate, may be invited by the chair to attend for specific items on the agenda and constituent bodies are free to choose who they nominate onto the Board.
4. The Board will receive appropriate documentation in order to form views and give advice to the decision makers.
5. Board members and attendees must manage any potential conflicts of interest in an appropriate way. Any conflicts should be declared at the start of the meeting. It is noted that this is an advisory group and individuals who represent retail, schools etc. have been chosen to reflect the views of those bodies and will not be considered as having a conflict in expressing their sectors views on proposals.
6. There will be a clear mechanism for comments and recommendations to reach the decision maker



ANNEX B





Executive**23 July 2020**

Report of the Interim Head of Paid Service
Portfolio of the Leader of the Council

City of York Council Recovery and Renewal Strategy - Update**Summary**

1. This report outlines further elements to York's Economic Recovery Plans following the coronavirus pandemic, and builds on the response of the Council to date. The report also introduces the proposed 10-year plan for the city and how this might be taken forward, working with a range of city partners, to respond to the impacts of the pandemic over the long-term and build back better.
2. The report includes an annex outlining the work done throughout the crisis to keep York's children safe and supported.

Recommendations

3. Executive is asked to:
 - a. Note the development of a '10-year City Recovery Plan', which is being developed with city partners to build on the work outlined in the council's recent 1-year Recovery and Renewal Strategy.
 - b. Approve the recommendations in Annex A - COVID-19 Economic Recovery Plan, specifically:
 - i. Note the likely scale and range of impacts on the York economy
 - ii. Endorse the Economic Recovery Strategy set out in this report
 - iii. Make a long term commitment to facilitate the continuation of the business liaison activity that has been established in response to Covid-19, in order to coordinate the city's response to emerging economic challenges
 - iv. Approve the Councils Commitment to facilitate the establishment of a York City Skills Board, to oversee the development of the adult education and skills plan

- v. Request that the Executive Member for Economy and Strategic Planning engages with Corporate Scrutiny to seek views on the COVID-19 Economic Recovery Plan, as outlined in Annex A.
 - vi. In response to the scale of the emerging economic challenge and new financial context for the council, endorse a coordinated corporate lobbying effort, led by the Leader of the Council and working with partners in the region, to request additional funding to support local businesses, cultural institutions, residents facing financial hardship, invest in infrastructure and demonstrate what York can achieve in the 10-year strategy with funding support from central government.
- c. Note the actions outlined in Annex 5 to keep children safe.

Background

- 4. As a city, York has many strengths – an economy creating £6.4bn GVA, over 8 million visitors per year, 30,000 jobs in the tourism and hospitality sectors, nearly half our working age population qualified to level 4 or above, and regularly voted the best place to live in the country.
- 5. On 25th June, Executive received a report to outline the council's 1-year Recovery and Renewal Strategy. This highlighted the need for a revised set of strategies to address the very significant and immediate impacts of coronavirus across all aspects of life in our city.
- 6. The strategy set the following principles upon which we will build our response:
 - a. Prioritise the health and wellbeing of our residents, against the immediate threat of coronavirus and the consequences of changes to the way we live. Public Health guidance will be paramount in all the decisions we make.
 - b. Support the economic recovery of the City, helping to create a strong, sustainable and inclusive economy for the future. Learning lessons from the challenges of coronavirus, promote a system that utilises the strengths of our city and region to the benefit of all York's residents and businesses.
 - c. Protect and prioritise the City's environment and reinforce our work to mitigate and adapt to climate change.
 - d. Pursue improvements in service delivery where they have been identified as part of the Response phase, creating a more efficient and resilient system.

e. Reinforce and restore public confidence in the resilience of public agencies and resilience to future challenges and emergencies.

7. Included in June’s report was a One Year Transport and Place Strategy, as the first part of the economic recovery approach. This report now supplements this with a Business Support Plan, a Skills and Employment Plan and a Tourism Marketing Plan. The relationships of these plans are shown below, with those in bold included in this report:

CYC Recovery and Renewal Plan (1 year)				
Economic Recovery Plan – Annex 1			Communities	Corporate
Business Support Plan – Annex 2	One Year Transport and Place Plan	Skills and Employment Plan – Annex 3	Recovery from coronavirus: A community-based approach	Organisational Development Plan
Tourism Marketing Plan – Annex 4				

8. Additionally, at Annex 5, an update is provided on the work during the crisis to keep children safe in York.

10 Year Plan

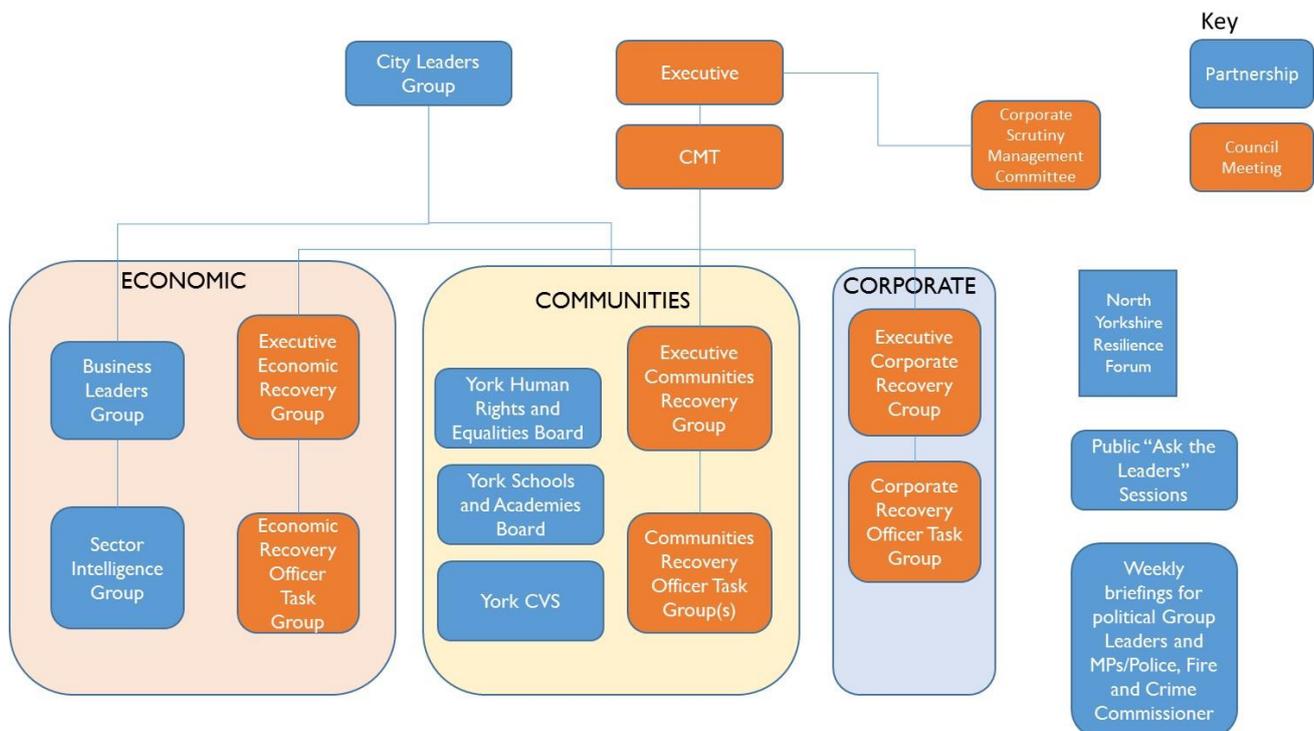
9. At a city level, a longer-term 10-year recovery plan will be developed with city partners to detail the broader transformational ambitions and direction for York, and identify the necessary priorities to achieve them.

10. From initial conversations, there is a desire for this plan to represent the unique qualities of York and to focus on a small number of key challenges that can best be addressed at a city level. These are likely to include the linking of our education, skills and innovation systems to support our key employment sectors, climate change, culture and international relations, and using these sectors to address wider determinants of good health.

11. To do so, the themes and activities would be discussed as part of Our Big Conversation to ensure the input of residents, communities and businesses. At the same time, it is proposed that the emerging plan be sent to the Corporate Scrutiny Management Committee to support its development.

12. The development of a 10-year City Plan can also be used to add value to the Council’s corporate lobbying efforts, in order to outline what York can achieve, particularly in recovery and renewal, with sufficient funding from central government.
13. It is intended that this plan is in place by March 2021, to follow on from the One year recovery and renewal strategy.
14. The strategy would be approved through partners’ own governance arrangements. As this would be a ‘city’ plan, the next update to the current Council Plan would have to take into account the development of the 10-year City Plan and link as appropriate.

Working in Partnership



15. Throughout the response and recovery phases to date, the council has drawn in support and collaboration across the city. To ensure the city is working together, this has included:
 - a. public discussions through “Ask the Leaders” sessions
 - b. weekly briefing of political Group Leaders and MPs/Police, Fire and Crime Commissioner
 - c. updates to both Scrutiny and Executive Meetings
 - d. an internal governance structure of meetings, led by Executive Members to work across the three themes of Economy, Communities and Corporate.

16. The map above provides a number of examples of where the Council has been engaging with partners to develop responses to the pandemic. This is not a complete list of partnerships, but demonstrates where some partnership work has taken place.
17. During the response to COVID-19, the council established a range of groups to quickly provide partners with the latest updates on Council services, best practice, insight and identify where collaboration can take place.
18. A City Leaders Group was established virtually by the Leader of the Council, which included representatives of both Universities, York College, Askham Bryan College, the Clinical Commissioning Group, York Hospital, North Yorkshire Police, the Police, Fire and Crime Commissioner's Office, York CVS, the Army, the Chamber of Commerce, and York and North Yorkshire LEP. Moving forward and to facilitate the development of a 10-year City Plan, work will take place to transition the City Leaders Group into a new 'York Partnership'.
19. The City Leaders are now considering how they can continue to work together in partnership, in support of the development of a 10-year plan for York. This will be subject to further updates and recommendations to Executive.
20. A Business Leaders group was also established virtually by the Leader of the Council, with representation across a wide range of sectors. Conversations are now underway to consider how this could evolve into an ongoing economic partnership, to be chaired by the Executive Member for the Economy, feeding into the wider partnership activity above. Executive Members have also previously set out plans for a parallel "people's panel" to complement groups of established leaders through adding a diverse range of voices, and the 12 sector roundtable groups established as part of our response have begun to get that broader range of voices heard. This will continue to feed into the Business Leaders group and the broader city leaders group.
21. Beyond this strategic partnership, there is a strong need to coordinate the work of partners across the city as we respond to the immediate impacts of the economic downturn. The Skills Board would report to the Economic Partnership, ensuring that strategic discussions are made in the light of practical experience of delivery from the full range of partners.

Recent Recovery Activity

22. Against each of the three themes within the Recovery and Renewal Strategy (Economy, Communities, Corporate), significant work has continued to drive forward a strong recovery in the city. This report does not list all activity, but some main examples are included below:

Communities

23. Annex 5 summarises the response, to date, to COVID-19 by children's services and wider partners. It outlines key actions that have been taken to keep children and young people safe during the unprecedented response to COVID-19 and identifies a number of positive changes to practice that should be sustained into the recovery phase.

24. Prior to COVID-19 York had been driving forward a broad range of improvement activity in relation to children's services. The Improvement Plan was well established at the onset of COVID-19 and as such improvement activity has rightly continued during this time with a relentless focus on getting it right for children and families. In some cases the creative responses required have produced solutions that we would want to build on in any return to "normal" arrangements. Annex 5 outlines how Children's Services have taken action to ensure effective help and protection to children during Covid-19 whilst continuing to shape service delivery in light of the improvements required.

25. Public Health teams have led on the development of the Outbreak Management Advisory Committee, which met most recently on 13 July. This group brings together elected members and senior officers from the Council, as well as key partners from statutory, private and voluntary sector organisations to support local outbreak management measures. Details of this group can be found here:
<https://democracy.york.gov.uk/ieListMeetings.aspx?CId=988&Year=0>

26. Adult Social Care teams have continued to focus on keeping people safe, with the appointment of link workers to all residential and nursing homes. The discharge command centre, preventative teams aligned with community hubs and provision of short stay residential recuperation and recovery facilities continues to ensure people can leave hospital in a safe and supported manner. Providers have been supported through *The Team Around The Home* as part of our Care Home Support Plan, with NHS clinical leads / GPs, including access to Infection Prevention and Control training.

Economy

27. Detailed updates are included in the Economic Recovery Section below. Significant work has been undertaken to facilitate the reopening of non-essential retail and the hospitality sector over the last month.
28. Since June's update to Executive and the approval of the Transport and Place strategy, a number of measures have already been put in place, firstly to prepare the city centre for the reopening of non-essential retail on the 15 June 2020:
- A first phase extension of the city centre footstreets, with staffed barriers to assist the public;
 - Identification of a second phase of city centre footstreet extensions;
 - Implementation of a Circulation Management Plan for pedestrians;
 - Increased disabled parking provided at Monk Bar car park;
 - Identification of constrained streets where queuing will be challenging, with a wraparound support service for businesses;
 - Guidance and support packs issued to businesses on how to reopen safely;
 - Public toilets reopened, with additional temporary toilets;
 - Launch of the Let's Be York campaign to provide information and support for all residents, visitors and businesses;
 - Bespoke city wide signage created, implemented and shared with all stakeholders and businesses to ensure a consistent, friendly and high quality standard.
29. As part of the reopening of hospitality on the 4 July, a second phase of priority implementation measures has been implemented, including:
- a. Further footstreet extensions;
 - b. Extended footstreet hours in to the evening;
 - c. Supporting businesses to secure pavement café licences to allow them to have outdoor seating;

- d. Managing and identifying public spaces to support businesses and encourage positive behaviour;
- e. Collaboration with NY Police, BID and Make it York to manage the city centre;
- f. Parking incentives in July and August.

30. The wider transport measures set out in the Transport and Place Strategy will be worked up and delivered at pace over the coming months, particularly as national guidance continues to evolve.

Corporate

31. The financial context of the council is discussed below in paragraph 43.

32. Work has continued to reopen, as far as possible, customer facing services. The first weddings were held at the Register Office on 4th July. Planning is continuing to facilitate the partial reopening of the Customer Centre at West Offices at the end of July. Libraries partially reopened on 7 July, and work is underway to support the reopening of leisure facilities from the end of July.

33. Staff continue to be supported through a changed and challenging working environment. Work is underway to ensure all staff have the right equipment and any revision to working hours to allow them to be fully productive over the medium term. Furthermore, the development of an Organisational Development Plan has been updated to address the challenges posed by the pandemic and to support staff in the delivery of services for residents, businesses and communities.

34. Further remote meetings are now being held including Corporate Scrutiny Management Committee, Licensing Committee, Member Decision Sessions, Planning and Executive.

Economic Recovery

35. The COVID-19 lock down has interrupted normal business life, leaving some sectors with reduced levels of trade and activity whilst others have struggled to do business at all. Global and national predictions are that there will be a pronounced and long-term economic downturn which may well continue until, and even if, a vaccine or a treatment are identified.

36. As retail expert Bill Grimsey made clear at a recent Indie York open meeting, there is a large and sudden decline in retail happening across the world, and York is not immune to these changes. He went on to highlight some of the ways that cities can adapt to this global decline. We are already seeing an acceleration of shop closures in York and we anticipate that there is more to come in the months ahead. These global structural changes in the way we all shop are beyond the control of individual cities and local authorities, and we must focus instead on how we support those who are left needing new work. Grimsey's core themes for Building Back Better of localism, leadership and a focus on people rather than cars are all reflected in our approach, and we remain confident that York's city centre has a vibrant future.
37. Despite this unique and significant set of challenges, there is real opportunity to use the recovery work to address pre-existing challenges with York's economy, and to improve outcomes for our residents through strengthening our key sectors, addressing inequality and creating a more resilient and inclusive economy for the future.
38. As set out in the City of York Council Recovery and Renewal Strategy, agreed by Executive on 25th June 2020, this economic recovery plan forms part of a broader approach, with public health driving the overall recovery. The overall strategy is clear on how this will influence economic recovery - *"Public health guidance will drive the decisions taken in respect of the economy. It must also be recognised that a strong economic recovery is necessary for the ongoing health and wellbeing of all residents, reflecting the wider determinants of health."*
39. This Economic Recovery Strategy will also align with the development of a 10 year recovery plan for the city.
40. Both our overall strategy and this economic recovery plan must be seen in the light of national and regional plans. The development of new York and North Yorkshire LEP arrangements are of key importance to our local economy. The LEP is also coordinating a broader economic recovery plan which builds on all the local authority work across the geography.
41. Previous Executive Member decisions have set out steps for the development of a new inclusive economic strategy. The short-term recovery strategy set out in this paper is a further step towards that new economic strategy, which seeks inclusive and sustainable growth leading to increases in household disposable income. The challenges that have been identified in our local economy remain, with low-paying employment

in retail, hospitality and social care representing a high proportion of jobs in York. Growing more better-paid work, including part-time and flexible roles which support parenting and informal care, continues to be our goal. The recently announced national Government programmes to support green jobs will also form part of the strategy.

Financial Context

42. Work continues on monitoring and understanding the financial impact of the pandemic and recovery. Since the June report to Executive there have been some further announcements of Government funding.
43. On the 2nd July a further round of funding for local government comprising a national pot of £500m (compared to £3.2bn allocated to date), additional support for income losses and the ability to spread Council Tax and Business Rate losses over a 3 year period were all announced. At the time of writing, we have not yet received details of our allocation from the £500m, nor have we received the technical guidance on in relation to the schemes announced for dealing with losses of income.
44. The Government has created a new formula for the distribution of the £500m funding that will reflect population, levels of deprivation and variations in service costs across the country and therefore it is difficult to estimate how much we might receive, although we anticipate it to be less than £1.5m.
45. Government is introducing a co-payment scheme to compensate councils for irrecoverable income losses in 2020/21. Under this scheme, we will bear the first 5% of losses compared to budgeted income (estimated at approx. £1m) but Government will cover 75p in the pound of losses beyond this. We are awaiting further guidance on the scheme, however early indications are that the scheme will not cover any commercial rent losses. It will also only cover losses from services directly provided by the Council, and as such will not therefore assist with losses of income experienced in libraries, leisure or museums as these are all delivered by external service providers. Our initial estimate is that York could potentially claim c£4.8m through this scheme, although we do need to await the technical guidance to confirm this.
46. Council Tax and Business Rate losses remain the most difficult area to estimate as we do not expect to see the true impact on businesses and residents until later in the year when the Government furloughing scheme

ends. Therefore whilst the ability to spread any losses of income in this area is welcome, in reality it only buys time to develop savings plans. It does not remove the need to make savings.

47. Due to the way in which the accounting arrangements work, these losses do not impact on the Council in this financial year and the Government has committed to consider the apportionment of these losses between central and local government and that this will be determined at the Spending Review which is currently expected sometime in the Autumn.
48. The following table outlines the latest forecast of the financial impact of the COVID-19 pandemic on the Council.

Estimated financial impact of COVID-19	Total £m
Latest forecast of additional expenditure	10.8
Latest forecast of lost income from sales, fees & charges	9.9
Net General Fund impact	20.7
Less Government funding to date	(10.4)
Less Council funding identified (contingency and YFAS reserve)	(0.9)
Latest net impact	9.4
Potential further Government Funding	(5.5)
Revised net General Fund impact in 2020/21	3.9
Estimated potential loss of council tax and business rate income	16
Total financial impact	20.4

49. The latest forecast budget gap in this financial year, taking into account the estimated impact of the new funding announcements, is c£4m. In addition, there are potential forecast shortfalls in Council Tax and Business Rates of £16m which would impact in the following financial year. This could reduce if the Government is minded to accept a proportion of these losses centrally.
50. The Council has an unallocated general reserve of £7.4m which could be used to offset the cost in this financial year. However, the use of this reserve would require growth in future years to replace any funds used and to ensure that the Council's financial stability was maintained. The scale of council tax and business rates income losses would potentially

require further savings to be identified over the next 3 to 5 years. A refreshed Medium Term Financial Strategy is being prepared to outline the scale of the financial challenge.

51. As outlined in previous reports, the financial impact on local government is a national issue and to date, the Council has actively supported various bodies, such as the Local Government Association, in lobbying Government to recognise the significant financial issues being faced by Councils across the country. Moving forward, the Council will continue to coordinate a corporate lobbying campaign, with city partners, to request additional funding for council services, business support, residents facing financial hardship, support for cultural institutions and investment in infrastructure.
52. The work to consider planned capital investment to ensure this is consistent with the recovery plan is ongoing and will be considered at a future meeting.

Council Plan

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

Implications

- **Financial** – Discussed above in paragraph 41-53.
- **Human Resources** – No specific impacts identified.
- **One Planet Council / Equalities** – A principle of recovery is to ensure climate change is considered in decisions taken. The economic recovery plans recognise and respond to the unequal impact of coronavirus and the risk of increasing levels of inequality as a result.
- **Legal** – No specific impacts identified.
- **Crime and Disorder** – No specific impacts identified.
- **Information Technology** – No specific impacts identified.

Risk Management

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

Contact Details

Authors:

Will Boardman

Head of Corporate Policy and
City Partnerships

will.boardman@york.gov.uk

Simon Brereton

Head of Economic Growth

Debbie Mitchell

Head of Corporate Finance &
Commercial Procurement

Chief Officer Responsible for the report:

Ian Floyd

Interim Head of Paid Service

Report
Approved

Date 15/07/20

Wards Affected:

All

For further information please contact the author of the report

Background Reports

Update on Coronavirus Response – 7 May 2020

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

City of York Council Recovery and Renewal Strategy

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

Annexes

Annex 1 - COVID-19 Economic Recovery Plan

Annex 2 – Business Support Strategy

Annex 3 – Skills and Employment Strategy

Annex 4 – Tourism Marketing Strategy

Annex 5 - Keeping children safe during Covid – 19

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Annex 1

COVID-19 Economic Recovery Plan

Summary

1. This report sets out the likely economic impacts on York's economy caused by the global COVID 19 pandemic and our proposed response as a city. We want to build back better, delivering the agreed objectives of the city's economic vision and council plan.
2. This report makes proposals for a short term one year economic recovery approach to work alongside the one Year Transport and Place plan and is one of the underpinning documents for the city's immediate Recovery and Renewal Strategy, as agreed by Executive on 25th June 2020.
3. The report also starts to explore the process of establishing a longer term Economic Strategy that reflects the Council's pre Covid commitments whilst recognising the necessity to reflect upon the significant challenges that Covid is posing for the York Economy.

Background

York's Economic Strengths

4. York has seen significant growth in key sectors over the last 20 years. Our bio-tech & life sciences, rail engineering, IT/tech and professional services sectors are identified in local and regional economic strategies as being key opportunities, and all are expected to remain broadly buoyant through this short term economic crisis.
5. Alongside a diverse business base, we have a strong local education sector with many high performing schools, a Russell-group research University, York St John as a regional teaching university and two strong FE colleges. We also have a highly qualified workforce, with 49.1% of the working age population qualified at level 4 or above. This is a

greater proportion than any other city in the north and highlights the potential of York for growth in knowledge intensive employment.

6. Our super- and hyper- fast Broadband infrastructure is unequalled – York is the UK’s first gigabit city – providing cable internet for thousands of homes across the city. This infrastructure makes York a great place to work from home, a model that all are predicting will continue beyond the necessities of lock-down.
7. Our transport connectivity through the rail and motorway networks puts much of the UK population within a three hour rail journey. The link to London in particular makes York an attractive business location, enabling the quality of life provided in York to be joined with the economic opportunities of a global market.
8. As York Central gets ready for work to start on site, we have a huge opportunity to shape its commercial offer around a new economy, one based on knowledge intensive industries, clean growth, and 21st century jobs. Indeed, if working from home is the new normal, can York be the “Work from home” capital of the north? The broader opportunities in the Council’s £500m capital programme are also a significant investment in our economy.
9. We were already consulting on our next 10 year economic strategy. This now needs to reflect the new economic challenges. It needs to develop current thinking to Build Back Better with a sustainable and inclusive economy sitting within the York and North Yorkshire region.
10. Work will continue to engage with businesses, communities and city leaders to develop this new long term strategy but the Covid crisis has created an urgency that requires a specific recovery strategy with urgent actions to help the city emerge from lock down, mitigate the impacts of the unavoidable recession and start to seize new opportunities for regrowth and transformation.

What impact is COVID 19 having on the York Economy?

11. York’s economy has developed significantly over the past 25 years, building a solid base in knowledge-intensive employment across a number of sectors, together with a vibrant city centre with a significant draw to visitors from heritage, culture, retail and hospitality assets. In recent years, York has increasingly been seen as both a great place to

visit and a strong university city with a significant number of high-tech businesses.

12. The impact of the COVID lock down has varied across sectors, but is most significant where serving customers face-to-face is at the heart of the business model – retail, hospitality, cultural attractions and personal services.
13. We have two sets of estimates for the impacts from YNY LEP and WYCA. YNY's approach is based on OBR forecasts for impacts on GVA at sector level, modelling employment change on the %age change in GVA. Their headline forecast is for a 13.3% drop in GVA across the York economy, which translates into an employment impact of 15.4%, or 17,500 jobs, including 6,500 in tourism and 2,400 in retail.
14. WYCA have engaged Oxford Economics (OE) to forecast COVID impacts for the LCR+ region (including York and North Yorkshire). Oxford Economics have used their econometric model to forecast GDP and employment impacts for 3 scenarios: a downside forecast which anticipates a second wave and renewed lockdowns in autumn 2020; a core forecast based on re-openings on the current timetable and gradual lifting of all restrictions; and an upside forecast assuming swift recovery following the development of a vaccine in 2020.
15. The OE core scenario forecast suggests an overall positive employment impact of 210 jobs, suggesting that employment will continue to grow in York despite the impact of the pandemic. Their downside forecast is for a loss of 3,900 jobs, while their upside would see an increase in employment of over 800 jobs.
16. The forecasts from our two LEPs thus suggest that unemployment in York could grow by as much as 17,500 in coming months, or may remain largely unaffected by the pandemic. The large divergence in these forecasts highlights that the true impact which is on its way is unknown. What we are already seeing is sharp increases in benefits claims, and we need to plan for at least a short-term spike in job losses.
17. Looking at our sector mix in York, there are nearly 30,000 people employed in retail, hospitality and tourism businesses, and it is these roles which are most at risk. Over half of those jobs are part-time, and the sectors play a vital role in providing flexible easy-entry work which gives a crucial income to many households across the city. York has a very high proportion of people in work compared to other nearby places. It is important to recognise that relatively low paid roles in tourism,

hospitality and retail are very important to many households across the city.

18. The health and social care response to COVID has demonstrated the importance of the sector in providing essential services in hospitals, care homes and domestic settings. Many commentators have remarked on the contrast between the high esteem in which these key workers are held and the relatively low pay that the sector provides. Around 15,000 people currently work in the sector in York, and developing that workforce has been, and remains, a key priority. The impact of the pandemic on public perception of health and social care as a career path is not yet clear.
19. In our foundation economy, many of the 12,000 self-employed people in York are also finding business very difficult in the current circumstances. We have seen through the Council's own micro-grants scheme and our work with the FSB that there are a large number of people delivering personal services such as hairdressing, therapy, dog-walking, and small-scale building work. These jobs are missing from overall employment statistics, which are based on registered companies and PAYE tax records. The importance of self-employment and foundation entrepreneurship as contributors to household incomes across York must not be ignored.
20. Through the pandemic we have been working with Make it York, York BID, York & North Yorkshire Chamber of Commerce and the Federation of Small Business to develop better intelligence from the business community through 12 sector roundtables. The first round has recently completed, and has given businesses an opportunity to discuss the challenges presented by the pandemic. At present, many businesses are reporting that they have furloughed the majority of their staff and are looking to keep costs to a minimum while they "weather the storm". As furloughing comes to an end, it is these staff that are deemed at risk in the YNY model, and we will continue to monitor business intelligence on redundancies.
21. As we develop our response, it is key that York speaks with one voice to make the strongest case for investment. To ensure that the plan has cross party support and reflects the full diversity of views and experiences, it is proposed that the Executive Member for Economy and Strategic Planning works with the Council's Scrutiny process to enable full consideration and agreement of our approach.

Economic Recovery Strategy

22. Public health guidance will drive the decisions taken in respect of the immediate response to the economic impacts of Covid. It is however also recognised that a strong economic recovery is necessary for the ongoing health and wellbeing of all residents, reflecting the wider determinants of health.
23. The economic recovery will be undertaken primarily by businesses, and while the public sector as a whole can support and assist and facilitate, we cannot shield the city from a global recession and we cannot protect every business from the impacts of COVID 19. Many of the most acute impacts arise from the acceleration of trends that were already well underway such as the switch to online retail. York however has many strengths to Build Back Better and the Council can work with partners and businesses to seize new opportunities and make sure, the economy refreshes and renews to mitigate the negative impacts whilst ensuring that our recovery delivers the broader aspirations we have for the future of York in terms of sustainability, the green economy, and inclusivity.
24. Much of our initial economic response has focussed on business support, with finance as the key support mechanism. The aim has been to keep staff in jobs through the cash flow crisis that social distancing and the closedown of many businesses has brought about, and to help businesses adapt their operations to enable continuing trade in changed circumstances. Government has provided a range of grant schemes, together with loan funding through banks. The scale and speed of the distribution of grants and rates relief across the city (around £100m for local companies) was a significant challenge, but York was amongst the fastest authorities in the country in getting money to businesses. Alongside partners, the Council has also kept businesses informed about what is available to help them from other sources.
25. The Council also developed its own grant scheme for small and microenterprises, providing up to £1000 to those that were not eligible for national support, together with a free FSB membership offer. The latter is providing 500 or so businesses with access to a whole range of helplines and assistance on issues such as staffing, contracts, debt recovery, business planning and mental health and wellbeing. This scheme has been extended using subsequent funding from Government to support even more businesses.
26. Looking ahead, the Council will in the short term continue to work closely with the business community through 12 sector roundtables to

understand the changing needs of businesses and to develop provision and lobby for resources. In York, business support is provided through a wide range of organisations, including Make it York, the Universities, private sector consultants and the professional services industry. The priorities will be making sure that all businesses are aware of what support is available for them and filling gaps in provision as needs emerge, with the main objective being to support local employers to grow their revenues and staff teams, while helping businesses which are forced to scale down or close to minimise the impacts on customers, employees and the local supply chain. Support will focus on the themes of finance, people, business space and regulation.

27. To guide the development of the longer term Economic strategy as a city in the short term recovery progresses, it is proposed that as the intense activity around re opening diminishes that to ensure the burden on the private sector remains proportionate that the intelligence work will move into the City Business leaders group that will then be chaired by the Executive Member for Economy and Strategic Planning, to help develop the longer term Economic Recovery Strategy for the City..
28. The city's economy, particularly in the city centre, is very dependent on tourism which creates and sustains significant numbers of jobs in the hospitality, food and beverage, retail, leisure and cultural sectors. Creating places and an environment in which visitors can safely return to the city centre will be crucial in laying the foundations for the short and long term economic recovery, which is the focus of the One Year Transport and Place Strategy that was agreed in June.
29. In tandem with our work on Transport and Place, and as part of Business support activity a new immediate Tourism marketing plan has being produced and forms part of this report with the aim of attracting visitors back to the city. This is targeted at family friendly visitors, and maintains health and wellbeing as the key drivers of recovery.
30. Our current jobs and employment offer will need to adapt quickly to a very different set of circumstances. The Council will continue to work closely with the YNY LEP Employability Board to ensure that the skills needs of the city are reflected in LEP programmes and workstreams, while delivering support around apprenticeships and social inclusion through ESIF funding. The work of our schools in preparing children to be part of the future workforce through careers advice and guidance is very important as young people make the transition from learning to earning, and this will need to adapt to supporting new patterns of work in our changed world.

31. To underpin our longer term economic strategy for the city, we recognise that further work, beyond the scope of existing resources, is needed to develop the right skills and employment in our growth sectors. For some people, this will be about refreshing existing skills, while for others a more profound retraining may be needed. And in our growth sectors, we need to develop flexible approaches to employment which value part-time roles and enable parenting and informal social care alongside work. For many years, retail and hospitality has been the source of these flexible jobs – in the future, we need science, technology and professional services to provide more such opportunities. We must also recognise that there is a continued need for basic employment, heightened in the short term by the forecast loss of retail and tourism jobs, and we cannot look solely to our high growth sectors for job creation.
32. Our health and social care sector has responded heroically to the COVID-19 pandemic, and there is increasing recognition in York and beyond that there are many low paid jobs which are of great value to society. We join the call for greater recognition of our nurses, carers, cleaners, and all the other staff that we have relied on to protect our health and wellbeing. Ensuring that the sector attracts new recruits and continues to provide rewarding role for existing staff will be strong themes of our economic strategy and adult education and skills plan.
33. With additional resources, our city could transform its economy through retraining our people and supporting our businesses to develop. There are opportunities in the LEP recovery plan, and longer term funding through a future York and North Yorkshire devolution deal, and we will also seek national funding. What is needed for York is an additional £25m over 5 years, and that is what we will request.

One Year Economic Recovery Strategy

34. The one year Economic Recovery Strategy has three strands – Transport and Place, Business Support, and Skills and Employment. Each strand has a one-year approach to guide immediate recovery work. The Transport and Place one year strategy was agreed by Executive at its June 2020 meeting. The one-year plans for Business Support including an immediate Tourism response and Skills and Employment are set out in Annexes 2 and 3.
35. For both Business Support and Skills and Employment, it is important to recognise that the Council's key role is as convener and broker. The vast majority of direct support in both of these strands is delivered by our

private sector professional services firms and Further and Higher Education institutions.

36. To monitor the effectiveness of our approach, an appropriate set of key performance indicators is currently being established with the Council's Business Intelligence service, covering a range of outcomes including:
- The return of customers to our retail areas and hospitality businesses
 - Minimisation of unemployment levels
 - Increasing business confidence
 - Increased levels of Business start ups

Transport and Place

37. A one-year Transport and Place Strategy has been produced to underpin the city's economic recovery, respond to reduced capacity and confidence in the public transport network, and secure the active transport benefits that have been realised during the initial lockdown. This strategy compliments and is in addition to implementation of the government's Safer Public Places guidance, which was issued in May 2020, and follows five key strands:
- Create a people focused city centre
 - Prioritise active transport
 - Promote a complimentary park > walk > visit strategy using council car parks outside the people focused city centre
 - Maintain confidence in public transport
 - Support the city's secondary centres
38. Most of the interventions set out in the strategy will remain in place for the full year – or until such point as a vaccine or treatment for COVID_19 is in place - whereas others will only be applied as and when required by the current government COVID_19 alert level or guidance. This provides a simple and clear framework for stepping up or down the strategic response. Should the government announce a change in alert level or guidance then the appropriate measures can be immediately actioned and communicated to the public.

39. It is important to note that all elements of the strategy are designed to be flexible and pragmatic. Should guidance change; anticipated trends not emerge; measures prove ineffective; or funding not be available, then the strategy will be refined. Public and stakeholder feedback will be sought throughout as part of a supporting communication and engagement plan.
40. To date a number of measures have already been put in place, firstly to prepare the city centre for the reopening of non-essential retail on the 15 June 2020:
- A first phase extension of the city centre footstreets, with staffed barriers to assist the public
 - Identification of a second phase of city centre footstreet extensions
 - Implementation of a Circulation Management Plan for pedestrians
 - Increased disabled parking provided at Monk Bar car park,
 - Identification of constrained streets where queuing will be challenging, with a wraparound support service for businesses
 - Guidance and support packs issued to businesses on how to reopen safely
 - Public toilets reopened, with additional temporary toilets
 - Launch of the Let's Be York campaign to provide information and support for all residents, visitors and businesses
 - Bespoke city wide signage created, implemented and shared with all stakeholders and businesses to ensure a consistent, friendly and high quality standard
41. As part of the reopening of hospitality on the 4 July a second phase of priority implementation measures are being put in place, including:
- Further footstreet extensions
 - Extended footstreet hours in to the evening
 - Supporting businesses to secure pavement café licences to allow them to have outdoor seating
 - Managing and identifying public spaces to support businesses and encourage positive behaviour

Collaboration with NY Police, BID and Make it York to manage the city centre

- Parking incentives in July and August

42. The wider transport measures set out in the Transport and Place Strategy will be worked up and delivered at pace over the coming months.

Business Support

43. A significant level of support has been provided to businesses through the initial stages of the pandemic.

- 2,000 businesses have been provided with £48m in grants from central government, with York leading the way in terms of both speed and volume of delivery
- Using Council resources, a further 1,100 micro-businesses have been given grants of up to £1,000
- The current discretionary micro grant scheme has so far distributed a further £2.2m to over 400 businesses
- 500 small and micro businesses have taken up our offer of 1 year's free membership of the Federation of Small Businesses, giving access to a wide range of support
- Council commercial tenants have been given a rent holiday, with payments deferred over the coming 2 years
- In total, over 6,000 businesses have had direct financial support over the last 3 months. This represents a third of all businesses and self-employed people in York, an unprecedented level of financial support to our local economy.

44. Beyond financial support, the Council and Make it York have provided practical advice to over 500 businesses. This has included dedicated 1-2-1 advice around the various finance options made available and the distribution of printed business advice packs for retailers reopening in June 2020.

45. A further investment of £100k is being made to promote York as a destination for visitors and attract the customers needed by our city centre businesses. A Tourism Promotion Plan has been developed in

consultation with Make it York and industry representatives and is presented as Annex 4. It envisages a staged marketing campaign themed on monthly events, covering July to December 2020.

46. National work on economic recovery is focussed on infrastructure and construction investments, and we will seek both to maximise the amount of such investment in York and to ensure that those projects which are delivered provide local job opportunities. In keeping with our strong commitments as a city to the zero carbon agenda, we will focus on the opportunities that green construction and infrastructure can provide. Recent work by the Local Government Association suggests that green growth in York could create as many as 5,000 jobs in our economy.
47. As we move into the next phase of response, with significant job losses forecast, and with many businesses under severe pressure through loss of income and supply chain disruption and trading limitations created by social distancing, the Council's role will be to coordinate and facilitate the many sources of advice and support available to businesses. Our detailed one year business support plan is presented at Annex 2, and comprises:
 - Networks: strengthening links with public and private sector business support providers, and helping businesses to understand what is available
 - Targeted support: lobbying the LEP and Government for further targeted support, informed by genuine business need through our sector roundtables
 - Sector development: working with our established list of key sectors to formulate and implement sector specific plans
 - Workforce skills and training: helping both individuals at risk of redundancy and businesses needing to flex and adapt to take advantage of the help on offer
48. In practical terms, this short-term approach involves six priorities:
 - Develop network of business support providers to share intelligence and shape appropriate packages of support focussed around business need
 - Refocus MIY SLA on recovery tasks
 - Establish & promote York Business Hub

- Strengthen links with local networks, intermediaries and business membership groups Strong business engagement and partnership working with business organisations to respond to an evolving situation
 - Lobby for new start-up support and to extend public support to businesses that trade B2C through Government & LEP
 - Continue FSB membership scheme & explore a Chamber scheme for larger businesses
 - Develop and deliver a 12 month Tourism Marketing Strategy to restore confidence and attract visitors back to the city
49. The approach to business support is predicated solely on existing funding, which has seen a significant decline through 10 years of austerity. At its height, the Government-funded Business Link service alone was spending approximately £3m per annum in York. Today, we estimate the total public spend on business support in York to be just £500k.
50. Therefore whilst responding immediately and developing a longer term strategy ongoing government support is going to be necessary. Our proposed ask to government for business support is therefore to restore support to the levels seen during the 2007/8 recession to build confidence in our economy immediately and allow the development of a structured long term approach to business support. This would mean a £15m investment in York's businesses and their development over the next 5 years.
51. The one year strategy at Annex 2 also proposes longer term priorities, based on the existing Economic Strategy. As we emerge from lock-down, work to refresh that strategy will begin again, based on the principles set out in Executive Member decisions over the past 18 months. The work already undertaken on Inclusive Growth, with significant input from Scrutiny committees, will continue as a strong theme of this work.

Skills and Employment

52. Skills and employment support in York has been built around our strong economy, which has seen one of the lowest unemployment rates across the North. In these circumstances, support was targeted on those furthest from work, in particular young people not in employment, education or training. Within the Council we have teams focussing on

Apprenticeships as a route into work for both young people and adults, and on adult education, including basic and digital skills. The total Council budget for this skills work is in the order of £750k per annum.

- Apprenticeships: utilising European Social Fund resources, we are working with employers to promote the use of Apprenticeships as a route into work and progression, both for school leavers and for adult learners
- York Learning: our team provides a range of training and development, with a particular focus on community learning and basic numeracy and literacy. They also provide “train the trainer” support across many relevant areas including the provision of IAG (information, advice & guidance) to jobseekers
- Digital skills: with a focus on community settings, we provide basic level skills sessions on the use of digital technology

53. In the coming months, we will need to:

- promote and reshape York’s recruitment, skills and training offers to help build partnerships and provide information to employers and communities
- ensure we have a systemic approach that links vocational offers in schools to ensure we have the right pipeline skills
- continue our family learning to support parents to help disadvantaged children to re-engage in education and boost their own employability skills
- support entrepreneurs who want to develop new business opportunities
- put programmes in place to help those who need to change career as a consequence of Covid
- work with employers and sector skills councils to better understand the risk to employment sectors in the city
- work closely with the York, North Yorkshire LEP to ensure that skills programmes are meeting the needs of employers and the local workforce

- engage with workforce bodies such as sector skill councils to access any available funding and resources to support our skills development ambitions and to utilise their expertise.
 - explore existing funding to consider how it could be part of this offer going forward – in particular national initiatives such as Troubled Families which may support payment by results for those who are supported back into employment.
54. Employment support – helping people prepare for and find work – is delivered through a national and regional model, coordinated by DWP, JobCentre Plus and the LEPs. We are working closely with these partners to focus on the specific needs of York people and businesses. This mainstream response will be the first line of support for the many people who will lose their jobs in coming months. We will supplement this offer with our existing teams and help residents to access support through our community hubs.
55. Our immediate approach is presented in more detail at Annex 3, and focusses on:
- Support for individuals: lobbying the LEP and Government for skills and training provision which meets the needs of communities, and making our own provision as responsive as possible to ensure that individuals at risk of redundancy can take advantage of the help on offer
 - Support for businesses: helping businesses needing to flex and adapt to take advantage of the help on offer
 - Shaping provision: strengthening links with public and private sector skills and training providers locally and regionally, and helping people and businesses to understand what is available ensuring that the skills needs of our key sectors are well-understood
 - Pipeline: working with schools, colleges and universities to help them shape both the curriculum and their careers advice to fit the opportunities available in the York economy
56. This translates into three clear actions at this stage:
- Coordination of existing Council based activity – through the skills team and work in schools, York Learning, and the Apprenticeship Hub – to support those at immediate risk of losing their job

- Co-ordination of external providers and the creation of a Skills Board to reshape the future training offer around the needs of businesses and the objectives of the city's economic strategy
- Community outreach through the Community Hub network, including training staff and volunteers across partners to deliver initial information, advice and guidance to those who need new work

57. The funding of skills and training development is both complex and remote – these are national and European-funded programmes, accessed predominantly by Further and Higher Education institutions. Changing the focus of provision locally would require either much greater flexibility than is currently available or significant new funding targeted on local needs.
58. It is therefore proposed to address immediate priorities and develop a longer term response to establish a York Skills Board, comprising FE and HE providers, the Executive Members for Economy and Strategic Planning and Culture, Leisure and Communities, employer bodies including FSB and the Chamber of Commerce, relevant sector skills councils and trade unions. This would be formed subject to agreement by partners by expanding the Higher York partnership, which is currently chaired by the Principal of York College.
59. It is anticipated that the Skills Boards short-term approach will need to lobby both regionally and nationally for such flexibility and funding, with the forthcoming devolution deal providing the main opportunity to change the Adult Education landscape. Our business intelligence work is helping to build a more fine-grained understanding of the needs of business, while building our partnership of local providers is also helping us to speak with one voice.
60. A skills and employment offer which could truly help accelerate growth in our knowledge-based economy would require very substantial funding. The quantum needed will become clearer as we progress our intelligence and partnership work, however we estimate at this stage that as many as 5,000 people may need to develop their potential to work in our science and technology-based sectors, and that this could equate to around £10m as a funding ask. It is therefore proposed that the Council starts this lobbying process with a £10 million skills funding ask of Government to sit alongside the £10 million Business support request.

61. As discussed in the York Recovery and Renewal Strategy, it is time to develop a new longer term Adult Education and Skills Plan to help our residents get access to well paid jobs, and to help our businesses find the talent they need to succeed. It is proposed that this would also be a key document for the Skill Board to take forward and develop.

Consultation

62. This strategy has been developed through conversations with

- Business Leaders Group
- Sector Roundtables
- Higher York
- FSB/Chamber/University/BID/MIY
- Indi York/ Retail Forum
- Regional YNY LEP and LRF and sub groups

63. It is proposed that this strategy is referred to scrutiny for cross party input to ensure that there is cross party input and ownership of the city wide response to the Covid economic crisis.

Council Plan

64. The impacts of coronavirus are broad and relate to all aspects of life in our city. Against our Council Plan, each outcome area is predicted to be impacted:

65. **Well-paid jobs and an inclusive economy** - the lockdown requirements mean that many businesses are not operating as normal, revenue is reducing and people may be losing their jobs. The long-term outlook for many sectors is uncertain and many businesses may not survive (despite measures already taken nationally and locally). The impacts will be felt for a prolonged period. Across the city, initial estimates suggest an £847m drop in GVA (13.7%), between 4500 and 17,500 reduction in jobs (between 6 -15.4%)
66. **A greener and cleaner city** – reduced transport use has seen levels of most pollutants and emissions reduce. However, without intervention, the recovery could see increased use of private vehicles to reverse this trend and increase carbon emissions. The increased cleaning of city spaces

and infrastructure is required to ensure safety of people and reduce the spread of infection.

67. **Getting around sustainably** – use of public transport has dramatically reduced and is likely to remain low. Putting in place greater support for sustainable options such as walking and cycling is necessary to mitigate the likely growth in private car journeys.
68. **Good health and wellbeing** – reducing the likelihood of infection is of primary importance to restoring economic activity and a safe environment will promote economic regrowth. The stresses of financial and employment uncertainty and subsequent unemployment, will negatively impact on physical and mental wellbeing for years to come
69. **Safe communities and culture for all** – communities have pulled together with levels of social action and volunteering significantly increased. Harnessing that capacity as a foundation for more resilient and self-supporting communities is a real opportunity, building upon the successful network of hubs to support food and supplies distribution. The lock down has meant many economic and cultural activities have ceased, and may be limited by a challenging economic outlook.
70. **Creating homes and world-class infrastructure** – the delivery of new homes has been impacted by restrictions but must be prioritised in recovery to support the housing needs of the city. Delivery of significant infrastructure projects across the city has also been impacted but these are more important than ever to support the city's economic recovery.
71. **A better start for children and young people** –. Whilst schools and early years settings have stayed open to support vulnerable people and the children of keyworkers, unprecedented changes are required to school arrangements to allow the safe return of pupils to classrooms. There is significant opportunity to look at new and innovative ways of delivering a curriculum to support learning whilst social distancing is necessary. This will require all families to be digitally included.
72. **An open and effective council** – All services have adapted and changed to the circumstances of the pandemic. The learning of what has worked creates opportunity to retain new practices which are more effective or efficient.

Contact Details**Author:**

Tracey Carter
AD Regeneration Economic
Development Asset
Management

Simon Brereton
Head of Economic
Development

Chief Officer Responsible for the report:

Chief Officer's name: Neil Ferris
Title: Corporate Director, Economy and
Place

Report **Date** Insert Date
Approved

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers:

Recovery Strategy
Transport and Place Strategy

Appendices

Appendix A –

Appendix B –

Appendix C -

List of Abbreviations Used in this Report

B2B – Business to business
B2C – Business to the consumer
LEP – Local Enterprise Partnership

Annex 2

City of York Council's One Year Business Support Strategy – Recovery Response

Economic Growth Team

Covid-19: Impacts

- Acceleration of existing trends – retailers moving online, growth in online shopping, increased home working;
- Economic impacts of the pandemic being disproportionately felt by B2C businesses;
- Widespread disruption to supply chains, customers and markets, and business models;
- Businesses looking to the public sector for support and place leadership;
- Growing support amongst businesses for a green economic recovery.

Guiding Principles

- Engage with, and support, as many businesses as possible;
- The private sector and business membership groups also fill this space – collaboration essential;
- Acknowledgement that not all businesses will survive – insolvency and start-up support is important.

Recovery Response: Business Support

Networks

- Ensuring that York's business support offer is well understood
- Strengthening links with local networks, intermediaries and business membership groups

Targeted Support

- Lobbying the LEPs and Government for further business support to deal with Covid-19 impacts

Sector Development

- Understand the needs of York's business community and implement appropriate responses

Workforce Skills & Training

- That workers at risk of redundancy have the support they need to find alternative employment
- Ensuring that skills interventions are business-led to meet local needs

Networks

- Establish & promote a York Business Hub;
- Strengthen links with local networks, intermediaries and business membership groups;
- Continue FSB membership scheme & explore a Chamber scheme for large businesses;
- Work with York BID to further develop its business support offer for levy-payers;
- Facilitate better partnership working between CYC's Communities team and local employers to support community initiatives across York.

Targeted Support

- Lobby for new start-up support through Government & LEPs;
- Lobby to extend public support to businesses that trade B2C;
- Develop new business start-up accommodation in the historic Guildhall building with complementary support services.

Sector Development

- Produce sector development plans for York's economy, as defined by the 12 business intelligence sector groups;
- Work with local employers to encourage supply chain collaboration through the LEPs' regional supply chain network projects;
- In conjunction with the LEPs, promote help for businesses to reduce their environmental impact, supporting the city's climate ambitions;

Workforce Skills and Training

- Work with local employers to identify staff at risk of or facing redundancy, and support them to find alternative employment;
- Promote York's skills and training offer to local employers, to link jobs to communities;
- Work with our universities and colleges to develop training that supports local businesses to prosper.

Longer-term economic recovery

- Capitalise on York's innovation strengths – bio-economy, AI, digital and rail;
- Continued focus on inclusive growth and increasing household incomes across York
- Trade and investment – working with the LEPs and DIT to widen international trade links and support more businesses to export;
- Inward investment - identify high-value occupiers for the York Central site that will benefit the wider economic health of the city;
- Develop a bold marketing campaign that promotes York's visitor economy, and attracts visitors (domestic and international) back to the city.

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Annex 3

City of York Council's One Year Skills and Employment Strategy – Recovery Response

Economic Growth and Skills teams

Covid-19: Impacts

- Acceleration of existing trends – need for transferable softer skills and improved digital skills, as well as technical skills in growth areas;
- Economic impacts of the pandemic being disproportionately felt by young people and women - predominantly working in B2C businesses;
- Recruitment and investment in workforce training is low priority – many SMEs are just trying to survive;
- Residents and businesses looking to the public sector for support.

Guiding Principles

- CYC's role is leadership, brokerage and communication;
- DWP and LEPs leading on unemployment and redundancy response – promotion and outreach into communities is vital;
- FE, HE, independent, private and community sector providers fill the skills space – collaboration essential;
- No wrong door – clear and strong referral processes for individuals and businesses.

Recovery Response: Skills and Employment

Shaping provision

- Ensuring that York's skills and employment landscape is well understood and interventions respond
- Influencing local, regional and national skills and employment programmes

Support for individuals

- Building capacity through collaboration – offering a responsive frontline service
- Stepping in, only where others can't, to ensure support for those hardest hit by Covid-19

Skills pipeline

- Ensuring that the industry skills needs of key sectors are well understood
- Making the most of our role as an anchor institution to create local skills and employment opportunities

Support for businesses

- Identifying and supporting businesses with significant workforce challenges
- Ensuring that skills interventions are business-led to meet local needs

Shaping provision

- Strengthen links between local providers and regional networks;
- Establish a city skills Board to drive forward collaboration between industry and education in the short and long term;
- Work with the LEP to help shape improved public support of employability and skills programmes to meet local needs – Apprenticeship Levy flexibilities, Digital Skills, Devolved Adult Education Budget, ESiF Reserve Fund, National Skills Fund and UK Shared Prosperity Fund.

Support for individuals

- Coordination of existing Council based activity (Community Hubs, York Learning and Apprenticeship Hub) and Job Centre Plus initiatives to support those who are unemployed / at immediate risk of losing their job;
- Develop an outreach model that builds capability amongst staff and volunteers to deliver IAG, wellbeing support and digital skills training through community hubs;
- Continued delivery of ESF and Big Lottery Funded programmes to support those furthest from the labour market (including CYC Employment Hub 15-24 years);
- Targeting new apprenticeships and work placements to maximise the local impact of new Government funding and Kickstart programme;
- Focused collaboration under the STEP into STEM programme to actively support people (especially young people and women) into STEM roles

Skills pipeline

- Map local, regional and national skills offers that support reskilling and upskilling in growth sectors;
- Support the work of the YHIoT to map industry skills needs and identify gaps;
- Review the framework used by CYC for employment and skills plans in capital projects to better support local/supply chain skills development;
- Develop York Apprenticeship Hub offer as a spoke of the wider Y&NY Hub
- Work with LEP and partners to provide up to date and consistent labour market information as defined by the 12 business intelligence sectors.

Support for businesses

- Work with local employers to identify staff at risk of redundancy and support them to find alternative employment [JC+/FUSE];
- Promote York's recruitment, skills and training offers to local employers, to help them pivot and link jobs to communities through [MIY employment and skills hub pages, York Apprenticeship Hub];
- Bring providers together to develop complementary training that responds to the needs of local businesses and helps them to prosper

Annex 4

York Tourism Marketing Strategy – Recovery

June – December 2020

Background

- **York's tourist market (pre-covid) – noting February 2020 floods had affected numbers**
 - 8.4 m visitors p.a – 6.7m day visitors, 1.6m overnight visitors
 - 7.2m domestic – 26% Yorkshire (1.87m), 15% North East, 12% North West
 - 1 in 8 groups with children / 60% with partner/spouse
 - Typical age is 45-64years old, 65yo+ growing
 - 15% of York's visitors fall into the two most affluent Audience Spectrum segments (2% Metroculturals, 13% Commuterland Culturebuffs <https://www.theaudienceagency.org/audience-spectrum>)
- **York's tourist market (during covid)**
 - -65% hotel rooms sold, -58% visits to attractions, -69% visits to Visitor centre
Source: April Monthly Tourism KPIs tracked by Visit York (a part of MIY)
 - -84% (9 May) -68% (21 May) – 73% (22 June) drop in retail and recreation footfall
source: CYC coronavirus datatracker/

Estimated market post-Covid

- 36% of English adults are confident of a UK short break/holiday in July or August, 56% confident by September and 71% by the end of the year
 - Main audiences will be older couples (if safe to visit), families and millenials
 - Preferred English destinations for the summer are the South West, North West and Yorkshire.
 - Yorkshire has increased in desirability and is now ranked 3rd, ahead of London – whereas 2019 data shows that it was only the 6th most visited region by domestic overnight visitors last year
source: VisitEngland visitbritain.org/covid-19-consumer-sentiment-tracker
-

Assumptions

- We have started with the below assumptions:
 - Risk of infection: Concerns about the risk of infection will dramatically affect visitors' behaviour, initially leading to less people returning to the city
 - The product: York's attraction, retail and leisure offer provide the complete day-trip experience. For attractions to be successful, the retail and leisure offer needs to be strong and vice versa. Delaying opening of attractions could delay footfall numbers and as a result negatively impact on the retail and leisure market revenue positions.
 - Visitor location: Initially audiences will be hyper-local, those who can travel to the centre for an hour or two (regional) extending to their families and our neighbours over the first few months as confidence grows. This assumption is evidenced by Visit Britain data. We don't anticipate international visitors in significant numbers for at least 12 months.
 - Strong community ethos: Businesses, particularly the independents, have shown their support over the response period. Now as we move to recovery, there is an opportunity for the city to show its thanks.
 - A history of recovery: as a predominately people and place business, the tourist/attraction market is adaptable and has in the past changed operating models to weather different challenges.
 - Current consumer need: We need to find out what our audiences think about visiting the centre. We assume they are keen for fresh experiences after 12 weeks in lockdown, but this is assumptive. At present we are using Liverpool data, with York data to follow from MIY.
 - Resident pride: Residents are proud of their city, its beauty and heritage and want to support local businesses.
 - Experiential marketing: The cityscape with its different vistas and trails lends itself to unique cultural experiences that cannot be repeated in other cities (regardless of social distancing)

Principles

- York remains a welcoming city for all, with an offer that appeals to everyone. Whilst work takes place on a tourism strategy, over the next few months we will target those audiences who are most likely to return, uncovering and revealing some of the less known aspects that have a greater emotional resonance.
- We will work in collaboration, locally, regionally and nationally (with organisations, brands and the sector, eg Visit Britain, NP11, LEP)
- We will respond to the government advice and alert system and capitalise on government opportunities (eg. eat out).
- We will work in harmony with others to promote a rounded offer (within and outside of York).
- Our recovery marketing will influence, inform and support the wider vision for the sector.

Our approach

- City centre capacity – aim for daily target of c30% footfall, rising gradually up to Christmas to give opportunity to build confidence
- Balance capacity with revenue – recognising to be viable we need increased revenue with less capacity.
- Consumer choice – aggressively target those audiences who already enjoy York most and are most likely to return whilst showcasing the wider offer for different age groups.
- Consumer attitude – appeal to the consumer's by providing content that builds an emotional connection, this means over time interests and influences will be more important than demographics.
- Phase marketing to target audiences (as confidence builds)
- Prioritise high impact / low marketing cost – use budget effectively to minimise risk

<https://www.theaudienceagency.org/audience-spectrum>

Marketing strategy

- **Build confidence in the city as a safe and welcoming place to visit to attract a loyal and ever-increasing visitor base that are higher value and/or repeat visitors.**
- **Focus on promoting local experiences and local businesses to promote the city as a safe place to visit**
- **Use consumer sentiment and create case studies that emotionally connect the audience to promote safe and responsible tourism, as part of storytelling around how the city is adapting to the new age.**
- Use the marketing strategy model (Ansoff) to ensure the least amount of cost and risk to meet the aim.
- We will delay diversification into new markets until in a more stable position.

A safe place to visit

Throughout July we will test and adapt city centre safety measures, continuing to raise visibility of the below via the Visit York Feel at Home page: <https://www.visityork.org/explore/feel-at-home-in-york> and signposting, eg. via advertising in the local media or *Our City*, to encourage shop local

Know before you go: VisitBritain have launched a new industry standard quality mark to provide confidence for tourism businesses, and reassure visitors that businesses have clear safety processes in place. www.visitbritain.org/new-industry-standard-development-response-covid-19

Let's be York, safe, welcoming and considerate has been developed with visitor marketing in mind – visibly showing how the city is putting in place measures to keep visitors safe.

York Kind/reopen with care case studies show the steps independent businesses have taken to keep consumers safe during and after restrictions are lifted.

Outbreak Control Management Advisory Group communications demonstrate the steps being taken across the city, including sharing weekly case data



Marketing strategy

Visit Britain data suggests those who will travel first are:

families made up of intergenerational groups (a declining market, 16-12%, with least spend per head)

millennials (currently our smallest market, 9%)

couples 55yo+ if they have the confidence to do so (largest market, 45%, with most spend per head)

Promoted offer	Audience	Audience priority in terms of anticipated spend per head
Shop local /proud of our independent heritage: explore what's on your doorstep	Residents	5
Enjoy the cultural and high-end hospitality offer	1-2 hours drive couples age 55yo+	2
Evening cultural experiences for overnight stays	NE/NW couples age 55yo+	1
“York and beyond” short break for up to 2-3 days stay in York	NE/NW/national Intergenerational families	3
Explore the unique pioneering social history / green value of York	National millennials	4

Revenue and footfall percentages based on the assumption that day trippers continue to spend around half of overnight stays – there is no available insight onto the spend per audience group

Spend: Leisure visitors to the city spend £625m in the city per annum. The average spend per day is £54.16 for day visitors and £96.26 for staying visitors. Day visitor spend is the fastest increase in expenditure, with 40% increase in the past five years, and visitor spend has grown 8% in this time. Families spend less than those without children.

Source: York Visitor Survey and the Economic Impact Model for Tourism in York, both by Visit York (a part of MIY)

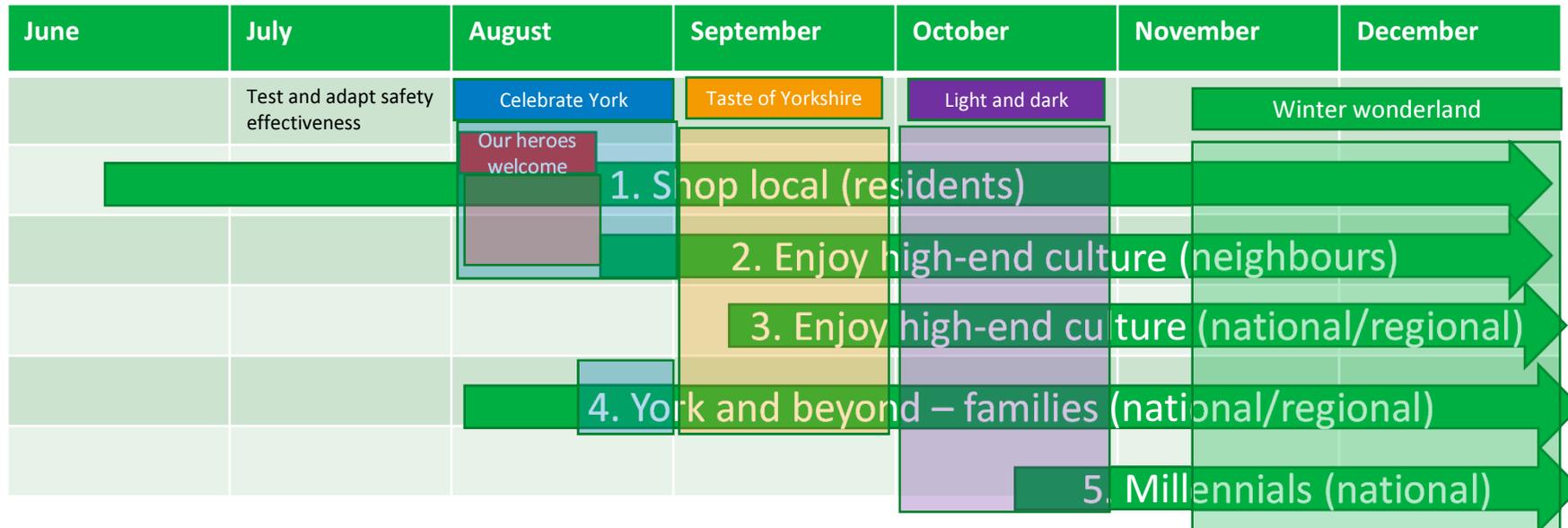
A themed programme (draft proposal)

	Our heroes welcome	Celebrating York	Taste of Yorkshire	Light and dark	Winter wonderland
When	1-7 August Yorkshire Day	1 – 31 August Yorkshire Day	18-27 September Festival of Food	October half term (2 weeks)	(14 Nov – 24 Dec?) St Nicks
What	Equivalent of the resident festival retailers offers exclusively for keyworkers (experience safety measures with safe audience)	Harness civic pride – celebrate all York has introduced to the world/UK/region Celebrate Yorkshire	Showcase the great food and drink extension/replacement for food festival) National affinity marketing partner (Yorkshire tea?)	Blend history and art to light up our built heritage and explore the shadows	Local business market and Christmas experiences Resident discounts at twilight hours

Phased targeted marketing

15/6 retail

4/7 hospitality (some attractions, phased openings over summer)



The safety of the city is of paramount importance.

We will need to continually assess impact of marketing on footfall and adjust if it attracts too many visitors.

If we cannot manage volume, targeting higher spend consumers will become even more important.

This means knowing how much each of our audiences are spending and creating a city experience that is of sufficient quality it attracts those who are used to and expect the best.

CYC investment (initial budget) **DRAFT**

Item	Cost
Visual content to showcase our unique beauty and heritage	£12,500
Advertising campaign inc. social, magazine and radio	£30,000
Celebrating the best of York	£37,500
Listings / what's on	£10,000
Monitoring visitor profile and anticipated spend (to adapt marketing to try and maintain balance of capacity and revenue)	£10,000
In addition, marketing in kind and support from local, regional and national supporters	
TOTAL	£100,000

Challenges

- Audience understanding
 - Insufficient insight about audiences preferences post covid, or what attracts them to York now (especially higher spend / repeat visitor)
 - Its not clear how regular audiences will respond post-covid, eg. Student families
- Partners support
 - Key headline events are now a significant risk for partners post covid (eg. Northern lights, festival of food)
- Unsustainable demand
 - If footfall increases rapidly, this could negatively impact on the reputation we are building as a “safe, welcoming, considerate” city. We will adapt marketing activities and carefully monitor footfall.
- A second wave
 - Spend is profiled for Qtr2 and Qtr3, rather than Qtr4. If there is a second wave, this investment may need re-profiling quickly.
- Competition
 - Pace of marketing is crucial to secure loyal and repeat visitors – all heritage towns/cities will be marketing to the same audiences, in addition, the speed at which the economy returns will have a direct impact on protecting livelihoods

Keeping children safe during Covid – 19
Report from: Group Managers/ Sophie Wales



Executive summary

This paper summarises the response, to date, to COVID-19 by children's services and wider partners. The paper outlines key actions that have been taken to keep children and young people safe during the unprecedented response to COVID-19. In addition, the paper identifies a number of positive changes to practice that should be sustained into the recovery phase of COVID-19.

- Key messages of action to keep children and young people safe
- Management of risk
- Key challenges
- Key successes
- What recovery phase(s) could look like

Nationally and locally the response required to COVID-19 has been unprecedented. The situation continues to be dynamic with an ever changing picture. It is certain that children's services and partners will look to further strengthen contingency arrangements alongside national guidance continuing to develop at pace. The national landscape is far from settled and will continue to change. York's response to the virus can be characterised at each stage by the requirements to:

- Keep children safe
- Keep staff safe
- Play our part in following national guidance to tackle the spread and impact of COVID-19

Background

Prior to COVID-19 York had been driving forward a broad range of improvement activity in relation to children's services. This improvement plan was well established at the onset of COVID-19 and as such improvement activity has rightly continued during this time with a relentless focus on getting it right for children and families. In some cases the creative responses required have produced solutions that we would want to build on in any return to "normal" arrangements.

As the international and national picture developed existing Business Continuity Plans were reviewed and updated. The pace of the changes required has meant often local authorities have had to make key decisions in relation to changes in practice. Throughout its response York has worked on the basis of working to pre-existing guidance and standards and adapting these where essential.

Overview

Management Coordination

Throughout COVID-19 there has been visible, strong and coordinated leadership and management. Linking with emergency command structures of City of York Council and statutory partners, a coordinated transition to alternative working arrangements was achieved at great pace. This included providing clear guidance to staff on working remotely and establishing a COVID-19 plan for each child on caseload.

There have been strong and regular links between senior managers within children's services and CYC Public Health. This has meant that throughout each week children's services have been able to plan their response with access to the latest health information available and discuss directly any changes to working arrangements and clarify any changes in guidance to ensure practice remained up to date and current.

Managers have ensured that changes to statutory guidance as a result of COVID-19 is reviewed and implemented within the service. The service has taken the clear decision to work to pre-existing standards and adapt to any relaxation of statutory requirements where necessary to do so. Any deviation from guidance has been agreed with partner agencies where appropriate and signed off by the Director of Children's Services.

Very regular video and tele conferencing meetings between statutory safeguarding partners have been able to share information on the changing picture, share challenges, develop solutions and share best practice. This has ensured a coordinated response between statutory safeguarding partners.

Additional equipment requirements including ICT, communication and Personal Protective Equipment were quickly identified and prioritised through command structures.

Although clearly a challenging time the feedback from staff has been that they have valued the regular and clear communication from

managers. Feedback suggests this has not only helped staff in the delivery of their work but also in supporting the emotional and physical well-being of staff.

Multi-Agency Safeguarding Hub

York introduced a Multi-Agency Safeguarding Hub in 2019 as part of its wider improvement journey. Contingency plans have now been implemented to allow the Multi-Agency Safeguarding Hub to continue to operate remotely. Practically this can be seen through:

- Equipment to allow phone calls to be managed remotely and ensure continuity of access to the Multi-Agency Hub.
- Coordination with multi-agency partners within the hub to ensure continued information sharing to inform timely decision making.
- Holding strategy meetings virtually has proved to be very effective.
- A review of staffing arrangements to ensure appropriate cover is in place.
- Consolidated advice and support on partner lead Family Early Help Assessments through the MASH. This replaces previous link arrangements in localities which would be vulnerable to staffing coverage being compromised. This change has had three positive effects. The first of which is to provide greater consistency to the advice and support to partners leading early help cases. The second benefit is the ability to more closely track progress of partner led FEHAs and identify more quickly any drift and delay. Finally this change has also enabled early help practitioners within Local Area Teams to focus more clearly on casework as opposed to also providing advice to other lead practitioners. Given these positive changes it would be sensible to sustain this new approach into any phase of recovery.
- Weekly meetings have been held with EDT to ensure continuity of service and to manage any anticipated increase in demand out of hours. The service has been able to flex to meet this demand.

Data has shown a reduction in referrals to the MASH following the onset of COVID-19. Additional communications continue to be shared through the safeguarding partnership to promote the identification of need and where required referrals for early help or social care. Statutory partners are reviewing the changes in demand and activity across agencies twice weekly.

COVID Response on open cases

The response to COVID-19 on open cases has been guided by the principles of *keeping children safe, keeping staff safe* and *following national guidance*. The reviewing of all cases open to early help and children's social care has been amended to reflect this. Key features of this include:

- All early help cases have moved to being worked remotely and with remote reviews and engagement with families. Resources have been developed using local, regional and national materials to ensure remote work with families continues to be purposeful and supports families to make progress. Staff have fed back that have valued the support they have received and are clear on how to work with families. All early help cases have been RAG rated in relation to the level of risk associated with them. This provides a more granular understanding of presenting risk and those that may need differing levels of support at this time. This more detailed understanding of risk supports the regular discussions that happen with children's social care and supports any cases where a referral is required.
- All cases open to children's social care were quickly RAG rated to establish a safe and proportionate approach to visiting. This means that as far as possible statutory visits are still undertaken and recorded as such. In cases where a statutory visit may not be possible alternative models of visiting are being undertaken through the use of phone calls and video calls / FaceTime. A number of creative examples of remote visits has been drawn together and good practice shared back to the service, with council leaders and partners.
- We have moved past the initial phase of responding to COVID-19 and are now strengthening remote working arrangements. A key next step as we move to "recovery" will be to review the current RAG rating and visiting plans for children to maximise face to face visits carried out in line with guidance. This will include moving to children only rag rated as red or green.
- Initial and review child protection conferences have continued to take place, during Covid this has been virtually. Processes have been reviewed for the distribution of reports and children and young people being able to take engage. Feedback from partners and families has been positive.

- Provision of overnight short breaks to the most vulnerable children have continued to take place to prevent family breakdown where possible. Community short breaks have been suspended as they cannot be safely delivered in line with government guidance and families offered remote support. The reintroduction of community short breaks will be considered as part of our recovery planning as will the learning from what different models of support have been effective during this period.
- Supervisions are taking place remotely making use of Skype. This allows for managers and staff to share screens and carry out reflective supervision remotely. Group reflective supervision have also been introduced remotely using Skype and has been well attended and received by staff.
- Schools are able to discuss any issues or concerns on open cases with social workers. Work to strengthen the overall reporting of attendance information is underway with colleagues within education.
- New minimum standards have been established for information to be recorded on all open cases. This has been shared by managers with all staff.
- Dip sampling of open cases is checking compliance with new arrangements outlined above and is showing a good level of compliance. Where any non-compliance is identified this is shared with the social worker and their manager to correct.
- A new dedicated team focused on addressing exploitation was due to go live when Covid broke. This team has still gone live in acknowledgement of children's heightened vulnerability during this time. This has brought together social workers into a small team that are able to take a more specialist lead on cases where exploitation is identified as a factor.
- The children in care council (Show Me That I Matter) is now meeting virtually using video conferencing. Consultation has also been undertaken with young people to provide advice to social workers about how to engage with them during this time.
- Pressures in the court team have continued to build in the absence of contested hearings taking place where we expect to see plans being developed to create certainty for children We have recruited additional capacity into this team.

- There have been highly creative examples of foster carers supporting non face to face contact with birth families.
- There has been a significant improvement in young people's engagement in their CYPIC reviews as they have preferred to engage in the process using social media.

Community response

There is a wealth of pre-existing community development and volunteer programmes aligned with early help and children's social care. Organisations commissioned by the Local Area Teams have adapted delivery in order to continue to operate and meet need in line with government guidance. Existing volunteer programmes such as young people's mentors, Trusted Relationships and Independent Visitors all continue to be delivered. In many cases work has been adapted in order to deliver these volunteer interventions remotely.

There has been a significant development of a range of community solutions in response to COVID-19. In many cases this has been developed within the community and by voluntary and community partners. A key feature of the response has been the development of community hubs that are being coordinated by the council. These hubs are supporting with the distribution of food and linking to support in the community. There has also been a significant number of people in the city that have registered with the council to act as volunteers (in excess of 4000). This increase in community action and volunteering has the potential to be sustained into any phase of recovery. In order to build on this momentum it would be necessary to understand more about those reached by community hubs and volunteers and what impact this has had.

Statutory Guidance through Covid-19

On 22nd March the DfE published comprehensive guidance to support vulnerable children and young people during the coronavirus (COVID-19) outbreak:

<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-vulnerable-children-and-young-people>

On 3rd April 2020 further DfE guidance was published specifically in relation to children's social care:

<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-for-childrens-social-care-services>

Of particular note was the guidance in relation to vulnerable children attending educational settings unless they have underlying health conditions that put them at severe risk.

Within the guidance vulnerable children and young people are defined as those who:

- are assessed as being in need under section 17 of the Children Act 1989, including children who have a child in need plan, a child protection plan or who are a looked-after child
- have an education, health and care (EHC) plan whose needs cannot be met safely in the home environment

The local authority have ensured compliance with DfE guidance to ensure risks to children, staff and partners are effectively overseen and managed (see Covid Guidance checklist below).

On the 24th April the Adoption and Children (Coronavirus) (Amendment) Regulations 2020 were enacted. These regulations saw some relaxation of existing statutory guidance until 25th September when it is anticipated the Coronavirus Act 2020 will be reviewed.

The majority of the amendments are designed to relax strict timescales and replace them, where appropriate, by a requirement that if the timescales cannot be met, they should be met as soon as reasonably practicable. Other major amendments are the removal of the obligation to refer cases to adoption or fostering panels, the removal of the definition of connected persons from the temporary approval of foster carers, and the extension of emergency placement of children with foster carers outside their terms of approval from six days to 24 weeks.

City of York Council is clear however that we will continue to operate in line with usual legal practices. Relaxation of existing statutory processes will only take place in exceptional circumstances. In these circumstances this would be a decision taken on an individual case basis and formally recorded as a senior management decision with an outline of why doing so would be in the best interests of the child.

Coronavirus (Covid-19): checklist against guidance

Ensuring Risk management Covid 19	Action	Evidence
Protection of work force	<p>Overall risk assessment to minimise physical contact between social workers and children and families where it is safe to do so</p> <p>Reduce contact in the work place</p>	<p>PPE is provided to all workers having direct contact with children and families</p> <p>Overarching risk assessment has been done to rag rate against children in order to both ensure the most vulnerable children are seen and to reduce risk to the workforce where possible</p> <p>Workforce are agile working</p> <p>Business continuity plans updated and activated</p>
Managerial Guidance	Put system in place to ensure social workers and managers have access to	All Social workers have access to Managerial Guidance through cell phones and emails, recording on files
Social Work Supervision	Put in place provision for remote supervision to take place	Skype is in place and all workers have access to an account
Changes to Statutory guidance regulations	Ensure process in place to keep workforce informed of changes to Statutory Guidance	<p>Changes of all Statutory Guidance has been distributed and implemented where appropriate by Group Managers - The Adoption and Children (Coronavirus) (Amendment) Regulations 2020.</p> <p>Coronavirus Act 2020 – notices to temporarily remove or relax statutory requirements in education and child care.</p> <p>All guidance on social distance etc shared and implemented in practice where possible.</p>

Ensuring Risk management Covid 19	Action	Evidence
<p>How do we know children are safe?</p> <p>Visits</p>	<p>All Children have been reviewed and have been rag rated Ensure updated Case Summary on each file explaining visiting rule for the specific child</p>	<p>Rag Rated excel sheet that has AD oversight Case Summary on all children's files that shows rag rating and these are being reviewed and updated continuously</p>
	<p>Ensure Children who are more at risk are visited/contacted more frequently</p>	<p>Rag Rated Spread sheet implemented cross referencing with KPI report on stat visits</p>
	<p>Statutory Visit taking place where possible</p>	<p>KPI Machine – stat visit report Child's individual record</p>
	<p>Ensure recording on non-statutory visits are taking place social work satisfies themselves that child is safe by undertaking other form of contact.</p>	<p>Recorded as Covid 19 Visit KPI Machine QA Process Clarification on recording visits to CIN, CY and CYPIC cases disseminated.</p>  <p>1. Clarification on recording Visits to o</p>
<p>Children and young people assessed as being in need under section 17 of the Children Act 1989, including children who have a child in need plan, a child protection plan or who are a looked-after child.</p>	<p>Ensure these children and young people are encouraged to attend provision, unless their social worker decides that they are at less risk at home or in their placement, for example, due to underlying health conditions.</p> <p>Complete fuller assessment on all children, consistently revisit: Balance Risk to child or others against Social Work contact with child. Child in/out of school Parenting capacity Risk to breakdown within the family home or placement.</p>	<p>Confirmation from managers that they are satisfied that all children in their teams have been assessed and there are processes in place to review</p> <p>Template/guidance sent to Social Workers checks via QA process</p> <p>Children are safe, escalation is taking place where required</p> <p>Dip sampling of files</p>
<p>Children on EHCP</p>	<p>Social Worker to work with educational providers, families and the child or young person to carry out a risk assessment to judge</p>	<p>All children with an EHCP who are open to a social workers have been rag rated for visiting.</p>

Ensuring Risk management Covid 19	Action	Evidence
Completion and reviews of EHCP	<p>whether the child or young person's needs cannot be met safely at home</p> <p>Where the risk assessment determines a child or young person with an EHC plan will be safer at home, they stay at home. Where the risk assessment determines a child or young person with an EHC plan will be as safe or safer at an education setting, our recommendation is that they attend the education setting</p> <p>Flexibility has been provided – read the changes to regulations during Covid 19</p>	<p>Confirmation from managers that they are satisfied that all children in their teams have been assessed and there are processes in place to review.</p> <p>Template/guidance sent to Social Workers checks via QA process</p> <p>Children are safe, escalation is taking place where required.</p> <p>Dip sampling of files</p>
	<p>Put a system in place with schools to ensure that there is strategic oversight of any vulnerable children who should be in school and not attending.</p> <p>Provide flow chart and procedure to social workers and school colleagues; explaining what they need to do</p> <p>If access to child denied, ensure there are processes in place to escalate concerns</p>	<p>Information provided to DfE</p> <p>This is the flow chart and procedure is in place and agreed with education</p> <p>Usual processes are in place albeit not always face to face</p>
	Information sharing process in place with all schools and children social care to monitor school attendance	
Children with EHCP	Highlight on strategic oversight report	Process in place with school
Personal Budget child with EHCP	Continue to provide respite and short breaks where possible and make alternative arrangements with family if not possible	Process in place with H&D team that has been adapted to accommodate the Covid 19 guidance
Diverting from standard practice	If there is a needs to divert from standard practice ensure there is a clear and concise record on the child's file	Managerial rationale required on child's file – check via audit/dip sample

Ensuring Risk management Covid 19	Action	Evidence
MASH	Ensure process in place to allow Multiagency assessments to take place	Daily conference calls with partners A.M which considers all new referrals and information received. Remote working arrangements in place using technology. New information sharing tool implemented that is fit for purpose.
Assessments	Ensure Statutory assessments are taking place and children are safe	Child been seen and rag rated to prioritise. Technology used to adapted visit where appropriate Increased managerial oversight. Remote working in place regarding partner agencies
Strategy Discussion	Ensure Strategy discussions are taking place.	Conference calls in place – improved attendance. Child Protection Medicals taking place and planning completed in Strategy discussion in line with Covid Guidance
S47 Investigation	Ensure measures are in place to ensure safety of child/ren	We have not diverted from usual practice regarding initial visit. Risk assessment completed, regarding further visits to gather information.
ICPC	Ensure remote working arrangements in place; Skype	Skype meetings taking place and process in place for distribution of reports and feedback children's views etc. Auditory audits to take place to ensure safe practice
CIN Plan	Ensure process are in place to allow remote working arrangements in place	Meetings held via Skype Minutes on children's file QA process
CP Plan		
CYPIC Plan		
Pathway Plan		
Conference Reviews	Ensure remote working arrangements and process are in place	Conference reviews are being done remotely via Skype.

Ensuring Risk management Covid 19	Action	Evidence
		Process in place regarding distribution of reports and feedback Auditory audits to take place to ensure safe and effective practice
CYPIC Reviews	Ensure remote working arrangements and process in place	Children in Care Reviews are being done remotely via Skype. Process in place regarding distribution of reports and feedback Auditory audits to take place to ensure safe and effective practice
Contact arrangements for children in care – expectation is contact goes ahead in the spirit of any order	Each child’s contact arrangements to be assessed individually and contact plan to be put in place and shared with parents and carers. Contact to take place as usual with social distancing guidance being adhered to	Guidance on contact is amended to read the following <ul style="list-style-type: none"> • Contact should be reviewed on a case by case basis depended on the needs of the child and plan, i.e. ensuring contact is undertaken in the spirit of any order in place whilst applying social distancing • Managers direction and oversight must be recorded on each child’s file in relation to contact plans
Health Assessments and Health Reviews	to continue to the best of our ability	Health have sent out guidance to social workers regarding verbal consent
Personal Educational Plans	Virtual Head to put system in place to ensure PEPS are taking place	PEP under Covid-19, Guidance distributed  2. PEP guidance for COVID 19.pdf
Placing children in care when they are symptomatic of Covid 19	Ensure a process is in place to manage the accommodation of a child who is symptomatic of Covid-19	Each child assessed under its own merit

Ensuring Risk management Covid 19	Action	Evidence
Unaccompanied asylum seeking child arrives in England and is symptomatic of coronavirus (COVID-19)	Local Authority is still responsible for the child Place in provision where they are isolate from others in line with PHE self-isolation guidance	Each child assessed under its own merit Provision in place through S.A.S.H
Care Leavers	Treat as all other vulnerable children	Confirmation from managers that they are satisfied that all children in their teams have been assessed and there are processes in place to review. Template/guidance sent to social work manager and PA's Checks via QA process Children are safe, escalation is taking place where required. Dip sampling of files
Care Leavers, moving out of current placements	Additional Funding has been provided for Care Leavers to remain with their current provider.	Local arrangements are in place to ensure no care leaver has had to move placement or leave care during this time. Local arrangements are in place to draw down funding that has been made available to support care leavers.
Care Leavers Transitioning into independent living	A decision to move a child is at the discretion of the LA and in the best interest of the young person	
Care Leavers extra provision for essentials	Government funding need to know how to access this	Local arrangements are in place to draw down funding that has been made available to support care leavers.

Ensuring Risk management Covid 19	Action	Evidence
Private Fostering	Changes to legislation for Covid period	DfE guidance distributed to all service areas - The Adoption and Children (Coronavirus) (Amendment) Regulations 2020.
placement of children in unregistered settings	No change – all children must be placed in registered children’s homes, unregulated can continue as usual practice. If a child is placed in an unregistered setting follow usual procedure for escalation to DCS and notifying Ofsted.	Usual process
Information Sharing	Ensure Data is shared securely: The General Data Protection Regulation (GDPR) and the Data Protection Act 2018 do not prevent, or limit, the sharing of information for the purposes of keeping children safe.	Legal advice sought if unsure about sharing data.
Ensuring Multiagency support continues	Remote working is in place across all agencies	CAMHS: Ongoing arrangements in place to support contact remotely with video conferencing with families. Education: welfare staff are visiting vulnerable children at home in discussion with early help and children’s social care
Alternative Education provision	Plans to wrap service around any children who attend this provision where provision is closed – same as school holiday provision	Danesgate continues to provide education for children A selection of children are receiving targeted support in the setting to support education
Child Safeguarding Practice Review Panel notification	LA Continue to notify within 5 working days – portal is open 24 hours	As normal
Safeguarding Partnership Rapid Reviews	Requires local decision	
In depth Practice Review	Accepted may take longer than 6 month – inform mailbox.cpod@education.gov.uk mailbox.NationalReviewPanel@education.gov.uk	

Ensuring Risk management Covid 19	Action	Evidence
Courts	Guidance on moving towards delivering remote hearings Contact Legal department for Local arrangements	Contact legal for local arrangements
Fostering	Regulations have been relaxed	The Adoption and Children (Coronavirus) (Amendment) Regulations 2020. Distributed and implemented where required Sufficiency Strategy reviewed and additional foster placements secured
Foster carers in the vulnerable group and children attending education		In discussion between Virtual Head, social worker, Foster carer and child - agree how child's educational needs can be best met and implemented
Adoption	Regulations have been relaxed COVID 19	Each case to be assessed individually and action taken – case by case risk decision to be made
Introductions between children and prospective adopters		Each child's plan is assessed individually and decisions made accordingly in the best interest of the child
Regional Adoption Agencies	Put plans in place to use technology to allow adoption process to continue	
Adoption Panels	Put in place remote panels and use technology to allow adoption process to continue – there is an acceptance that there will be delays	
DBS and medicals for perspective adopters	Common Sense, risk based approach to move to stage 2 as long as LA, and carers wish to do so; checks must be completed by the end of stage 2	
Transport	Review arrangements for those children who are transported to school and put in place appropriate measures to allow children	Children are being transported to school by taxi as required, with a risk assessment and adherence to social distancing as appropriate

Ensuring Risk management Covid 19	Action	Evidence
	to be transported to school safely. There is an expectation that children where necessarily will still be transported.	
OFSTED	Routine inspections suspended	Business as usual
	OFSTED will respond to immediate concerns raised regarding the safety of children	
DFE support advisors and Commissioners available	Director will request support from DFE if required.	

Other useful information:

- [Guidance for schools about temporarily closing](#)
- [Coronavirus \(COVID-19\) guidance on vulnerable children and young people](#)
- [Information for social workers from Social Work England](#)
- [Social distancing](#)
- [Public Health England \(PHE\) guidance](#)
- [Working together to safeguard children](#). Escalate as previously CP concerns
- [Social distancing for everyone in the UK and protecting older people and vulnerable adults](#) and [shielding and protecting people defined on medical grounds as extremely vulnerable](#)
- [Maintaining education provision](#)
- [Safeguarding in schools, colleges and other providers](#)
- [Seeping children safe in education](#)
- Other guidance for [schools](#) and [parents](#) to support all children.
- 9:95 to 9:124 of the [SEND code of practice](#)
- Coronavirus Act 2020 – Notices to temporarily remove or relax statutory requirements in education and childcare
<http://www.legislation.gov.uk/id/uksi/2020/471>

Addendum: Keeping children safe during Covid – 19



July 2020

Improving further and next steps

The challenge of responding to COVID-19 has been unprecedented and continues to develop. The response has been characterised by staff going above and beyond to make what was before 'impossible' now 'possible'. There are clearly some aspects of remote working which can already be identified as proving to be more beneficial than previous ways of working, for children, families, partners and staff.

The landscape remains dynamic and there is further opportunity to strengthen remote ways of working as we move into the first phase of recovery.

The development of a recovery plan will capture all of the operational benefits that we now need to take forward as we move into a new norm.

MASH

There has been a recent increase in contacts and referrals to MASH, with a 46% overall increase in demand for Early Help as lockdown has eased (16/03 to 10/05 compared to 11/05 to 03/07). Demand is being closely monitored. Additional temporary capacity has been created in MASH Early Help which is proving to be effective, the majority of contacts and referrals are from police and wider family seeking support for children and young people. There is no need at present to increase social work capacity as caseloads are manageable and assessment timeliness is improving.

Contact with Families

All children had been risk rated red, amber or green in relation to face to face or virtual contact. As lockdown easing was announced a clear mandate was issued to social workers that all children should be seen face to face if risk assessment allows (i.e. there are no covid symptoms in the family) If a family are self-isolating on line and telephone contact are used until a visit is possible and a risk assessment may be completed by the social worker depending on the nature of the case. The vast majority of our children are now being seen face to face.

Community Short Breaks

CSB's are being restarted for children that are eligible. All CSB's are risk assessed and a plan put in place that protects the worker and child. The risk assessment included appropriate use of PPE and additional hand sanitising, and included distancing as required/able. CSB are using outdoor venues where possible, to reduce social contact and increase fresh air. Under the risk assessment, public transport is not being used.

Engagement with Schools

Partnerships with schools have improved during Covid with good joint work in place. Discussions with schools are being held at times that suit both the school and other professionals, the majority of these are during the school day. Regular meetings with schools continue virtually and are informing plans for new ways of working in children's services.

Show Me That I Matter (Children in Care Council)

Virtual SMTIM meetings have worked well as regular engagement with the group has been able to continue and remain effective.

Numbers engaging, particularly for I Still Matter have dropped slightly although the meetings have been more productive and more has been covered than face-to-face meetings. Going forward the proposal will be for a combined approach with some meetings being face to face and some virtual.

Certainty for children

At the outset of lockdown changes to the way courts were operating and especially contested hearings have created a delay for some children. Hearings have now started to take place meaning that plans for children can be finalised. This is in relation specifically to contested hearings where parents are not in agreement with the local authority plan, particularly in relation to adoption. Now that hearings are starting to take place plans for permanence for children can be finalised, i.e. adoption or a planned supported return to parents.

Engagement of children and young people during and after recovery

Children, young people and families have largely engaged well virtually as required. There is evidence to suggest some children and young people are reducing that engagement and as such a blended mix of virtual and face to face will be planned during and post-recovery. For larger meetings public health guidance means that meetings will

continue virtually for some time. Social workers have shared excellent examples of the creative ways in which they have engaged children and families during this time. Measures have been put in place to support children and young people and care leavers to engage virtually, for example, lap tops have been issued.

Sophie Wales

Assistant Director

Children's Services

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Executive**23 July 2020**

Report of the Interim Head of Paid Service and Monitoring Officer

Reporting of Agreeing of the 'asks' to submit to Government for consideration of a Devolution Deal for York and North Yorkshire**1.0 Purpose of report**

- 1.1 To seek approval for the submission of the devolution proposal to Government for the City of York and North Yorkshire.

2.0 Recommendation

The Executive is requested to approve the submissions to Government and to delegate to the interim Head of Paid Services, in consultation with the Leader of the Council, to make any necessary amendments as a result of each constituent authority's feedback in submitting these proposals.

3.0 Background

- 3.1 As a region, we have been discussing devolution for many years and in 2018, leaders across Yorkshire committed to developing a joined-up deal for One Yorkshire. The UK Government responded to this, making clear they would first prefer smaller devolved deals, which focused on populations which shared similar economic challenges.
- 3.2 More recently, in March 2020, the Government signed a devolution deal with the constituent councils of the West Yorkshire combined authority, in which the combined authority agreed to become a mayoral combined authority – of which City of York Council is a non-constituent member.
- 3.3 Local Authorities within York and North Yorkshire are engaged in preliminary discussions with Government around a possible Devolution deal for the area. Devolution is the transfer of power

and funding from national Government to local Government, and includes the potential creation of a directly elected Mayor. It is understood that Government's view is that every area within England should be part of a devolution deal to provide more funding in the area and it is expected that the Devolution White Paper, which will be published later this year, will endorse this view to unlock regional potential.

- 3.4 The principles behind devolution is to ensure that decisions are made closer to local communities and business they affect so that public funding can have the greatest impact to reflect local needs. Government has stated that devolution will provide greater freedoms and flexibilities at a local level, meaning Councils have the ability to work more effectively to improve public services for their area. The aim is for more funding and powers to be devolved from Westminster to the local region, and more power and accountability to be given to local politicians.
- 3.5 Generally, each devolution deal includes a capital investment fund of hundreds of millions, which is paid in yearly instalments. These funds can be used to finance transport, housing, and development projects.
- 3.6 Through the launch of 'Our Big Conversation' at the beginning of July 2020, City of York Council has been asking for residents and local organisations for their views on a potential devolution deal for York, including a an 'Ask the Leaders' Facebook Live session, which was held on 16 July 2020.

4.0 Process for establishing a Combined Authority with a Mayor

- 4.1 The Leaders of the Councils of York and North Yorkshire have previously written on the 13th February 2020 to Government to open up a dialogue with Government to be able to negotiate a devolution deal for the region, in order to access significant funding and provide additional flexibilities for the benefit of the region.
- 4.2 The negotiation process is designed so that the Councils develop a series of "asks" from Government concerning greater funding and powers to be devolved to the local area. Alongside

the series of “asks”, Government will require a robust governance structure for the region, which will give them confidence to pass on their powers and funding directly to the region in the knowledge that sound and effective decision-making process is in place. It is understood that the Government consider the strongest governance model to be a combined authority with a Mayor and that such a structure would attract the greatest level of funding and powers to the region.

- 4.3 A summary of the next stages in the negotiation process is described below (and further detailed in Annex 1 – indicative timetable):
1. The Local Authorities submit the Asks proposals for Government to consider.
 2. Ministers from MHCLG and Treasury will then consider the Asks proposal and will respond with a formal offer to the Councils for a Devolution deal
 3. Each Authority will then need to formally consider whether they wish to accept the Government’s Devolution deal offer. If all authorities agree, then the authorities will need to give approval to trigger the statutory process for creating a Combined Authority with an Elected Mayor. This requires the authorities to carry out a Governance Review, draft a Scheme and carry out a consultation exercise. If the authorities chose not to carry out a consultation exercise, then the Secretary of State would have to carry out its own consultation exercise before creating a Combined Authority with a Mayor.
- 4.4 Therefore, the next stage of the negotiations is to submit a series of proposals to Government of what should be included in a Devolution deal for the region (which is known as “the asks”). It is important to note that the submission of the asks does not bind any authority in proceeding with a Devolution deal. It simply allows Government to consider the proposals and then respond with their formal offer of what a Devolution Deal would entail for the region. It is only when the Government

respond to detail what their proposed deal would be, do the authorities then formally decide whether they wish to proceed with the creation of a Combined Authority with a mayor, through the trigger of commencing a statutory Governance Review and consideration of the appropriate governance structure for Devolution. The decision in this report is not to commence with the Governance Review, but to give approval to continue with the negotiation process to enable Government to consider the proposals and present a formal offer back to the local authorities for a Devolution Deal.

4.5 If conversations between Councils and Government progress well, the governance review will trigger a future consultation process, which will provide residents and businesses a full opportunity to comment before decisions are made at Executive and then, Full Council.

4.6 The 'asks' to Government have been worked on with input from all potential constituent authorities, the LEP and partners to ensure that collectively we are asking for an ambitious deal which Government can realistically deliver.

5.0 **Summary of the Asks:**

5.1 A devolution deal for York and North Yorkshire could potentially unlock significant funding. Based on discussions to date, the York and North Yorkshire 'asks' seek £2.4bn investment in the region over the next 30 years. Under these proposals York would receive a proportion of this investment across a range of programmes, with specific funding for:

- **Infrastructure and Place:** A £64m York Place Fund to lead regeneration and cultural activity projects across the city, including;
 - £14m to support the delivery of the York Station Frontage project
 - £10m of funding to deliver York Riverside Walkway
 - £28m to deliver Phase 1 of York Castle Museum's Castle Capital Project
 - £8m to support the delivery of Castle Gateway
 - £3m to support the implementation of York's Cultural

Strategy

- £1m of funding to transform secondary shopping areas
 - Seek to work with Government to develop proposals to relocate a significant Civil Service or parliamentary presence to the York Central site.
-
- Innovation: £175m to develop an innovation ecosystem connecting academia, industry and policy makers (known as Bio-Yorkshire), with a further £3m for bio-tech incubator hubs and £15m for a bio-tech innovation accelerator to bring visibility to Bio-Yorkshire as a global centre of excellence.
 - Tourism: Co-development of a tourism plan between York and North Yorkshire and Visit Britain with joint investment in future.
 - Housing: Unlocking and delivering a proportion of 20,000 homes, working with the MOD, and a share of a £96m Strategic Housing Investment Package including affordable homes on council sites (such as York Central)
 - Skills and Adult Learning: £10m low carbon skills programme to up-skill the existing workforce in low carbon industries together with a devolved Adult Education budget



5.2 A summary of the financial proposals is attached at Annex 3.

6.0 Governance

- 6.1 The Devolution proposal contains the proposition that there will be a combined authority for York and North Yorkshire and a directly elected Mayor. It is understood from Government that this governance model would attract the most funding as it represents the strongest governance model for devolution. Government consider that it is important to have a single point of accountability that is responsible both locally and nationally. It is Government's view that the Mayor will work with the Councils that make up the combined authority to promote the area and work together to ensure that that Devolution deal delivers for the communities in the area.
- 6.2 An elected Mayor for York and North Yorkshire would mean that the residents for the region would vote to elect a newly created Mayoral post who would then sit as the Chair of a newly formed Combined Authority. The mayor, in partnership

with the combined authority would exercise the powers and functions devolved from Government as set out in the Devolution Deal that is offered by Government.

- 6.3 A 'Combined Authority' is a legal partnership between the agreeing authorities to create a separate legal body that provides a formal way for local authorities to work together across individual boundaries and functions. The creation of a combined authority must be approved by Parliament and would normally follow a governance review that has been triggered by the constituent councils. The Governance arrangements of a Combined Authority will be determined by the Order that creates the new body and its constitution. The relevant document will need to be approved after a Governance Review is undertaken and therefore further details of what this scheme will look like will be covered in a future report if the ultimate devolution deal offered by Government is acceptable to the authorities.
- 6.4 The Government have made it clear that in their forthcoming white paper, devolution also means looking at how two-tier local Government is structured.
- 6.5 In the spirit of devolution and bringing decision-making closer to those it affects, we are committed to working with partners and neighbouring local authorities to secure a combined authority, which could bring significant investment into the city. However, we recognise that this requires careful consideration by our neighbouring 2-tier authorities. As a unitary authority, we are well placed to support our neighbours, as we work together on the region's devolution proposals. There are 57 unitary councils in England, with 28 of them having a population larger than York and 28 smaller (based on 2019 ONS mid-year estimates). York is, therefore, the median average size of unitary authority in England. Whilst we are committed to working with partners and neighbouring local authorities, we are not convinced that any other models of local government would represent effectively York's history, communities or the unique characteristics of the city.

7.0 Next Stages

- 7.1 If approval is obtained from all constituent authorities regarding the proposal, it will be sent to Central Government for their consideration. Once they have had an opportunity to consider the proposals, they will respond with their proposed devolution deal. At that stage, each constituent council will be presented with the Government's offer and each authority will then be formally requested to consider whether it wishes to formally trigger a governance review, in order to then start a further public consultation and the legal process of establishing a combined authority and a Mayor.

8.0 Equalities Implications

- 8.1 At this stage no formal decision is being made to accept a devolution deal, however a proposal is being submitted to Government to consider how additional funding can be delivered to the Region to assist in supporting businesses, the green economy, etc. The proposals do not remove the duties of the Council in regard to the Equalities Act and when a final offer is made to the Councils, the equalities implications of the Deal will be considered further.
- 8.2 At this point, in respect of the specific recommendation to Executive, there are no detrimental impacts identified for any groups with protected characteristics.
- 8.3 An Equalities Impact Assessment form is attached at Annex 4.

9.0 Financial Implications

- 9.1 The financial implications are attached in Annex 3 which describes how the region is asking Government for additional funding to be allocated directly to the region. At this stage the Government has not stated whether it would be willing to release all the funding and therefore a full financial assessment will be undertaken when the Government respond with an offer.

10.0 Legal Implications

- 10.1 In order to create a combined authority it is necessary to commence a governance review with the appropriate

consultation. At this stage the constituent councils do not know the final devolution deal that will be offered to the region and therefore consideration of whether to trigger a governance review will be undertaken once the Government have responded to this proposal.

11.0 Data Impact Assessment

11.1 In submitting the proposal to Government no personal data is being disclosed and a full data impact assessment will be undertaken if a future decision is made to create a combined authority and to transfer data to the new organisation.

12.0 Recommendation

12.1 The Executive is requested to approve the submissions to Government and to delegate to the interim Head of Paid Services, in consultation with the Leader of the Council, to make any necessary amendments as a result of each constituent authority's feedback in submitting these proposals.

Author & Chief Officer responsible for the report:

Janie Berry
Director of Governance &
Monitoring Officer
01904 555385

Report
Approved

Date 15/07/2020

Wards Affected:

All

For further information please contact the author of the report

Annexes:

Annex 1: Indicative Timetable

Annex 2: Set of proposals to Government for a Devolution Deal

Annex 3: Summary of the proposals from a financial perspective

Annex 4: Equalities Impact Assessment

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DRAFT TIMETABLE

	Task	Start	Finish
1.	Leaders write to Government to open dialogue between the Councils and Government about a potential deal	13 February 2020	13 February 2020
2.	Councils to give political approval to submit the asks proposal document. No decision to approve a devolution deal – just to approve process of negotiating a deal and submitting an ‘asks’ document.	February 2020	August 2020
3.	Following feedback from the Government, a consultation will take place to seek residents, communities and businesses views on the final set of asks.	February 2020	August 2020
4.	Dialogue/negotiations between Leaders and Ministers from Ministry of Housing, Communities and Local Government (MHCLG) and the Treasury <ul style="list-style-type: none"> - to discuss our ‘asks’ regarding funding and powers - draft governance proposals (eg combined authority with mayor) to receive additional funding/powers Submit final ‘asks’ Document	February 2020	July 2020
5.	Ministers from MHCLG and Treasury then consider the proposed ‘asks’ document and governance proposals	July 2020	November 2020
6.	Agreed Devolution Deal announced in Autumn around a ‘fiscal event’.	November 2020	November 2020
7.	If Council’s agree the deal, agreement to carry out a Governance Review of the area (Decision by Leaders/Exec/Councils to carry out a review)	November 2020	Novembe r/ Decembe r 2020

	Task	Start	Finish
8.	Prepare a Scheme that demonstrates it meets the statutory conditions set out in the 2009 Act	December 2020	December 2020
9.	Consult the stakeholders and the public to establish their views on the governance review and scheme	December 2020	February 2021
10	Publication of the Scheme and Submission to MHCLG and send results of consultation (Executive and Councils) and any proposed amendments as a result of consultation	February 2021	April/May 2021
11	MHCLG then consider whether the statutory test has been met for the proposals. Preparation of a draft Order by the Department for Ministry of Housing, Communities and Local Government	April/May 2021	July 2021
12	Laying of the Draft Order for the Combined Authority before Parliament for Approval (and potential date for the Secretary of State to pass an order for the creation of a Mayor)	July 2021	October 2021
13	Formation of Combined Authorities	November 2021	April 2022
14	Mayor Elections	May 2022	May 2022

Key: Actions in Bold require a decision from each authority.

A Mayoral Devolution Deal for York and North Yorkshire

July 2020

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Executive Summary

The scale of our ambition

Our vision:

For York and North Yorkshire (YNY) to become England's first carbon negative economy, where people with the skills and aspiration to reach their full potential, earn higher wages and live healthy lives in thriving communities.

With two National Parks, the Yorkshire Coast and City of York, our world renowned historic and cultural assets shape our urban spaces, whilst the scenic beauty of our vast rural landscape and northern coastline define York and North Yorkshire as one of world's most recognised regions.

This is a place where the city, land and seascapes have shaped the people who live, work, research and create here.

City of York, pioneering with purpose – as a global knowledge leader, York will drive a regional productivity transformation. One of UK's most connected cities York provides the science and innovation to unlock the true value of our precious natural resources.

Rural Powerhouse – brings together market towns alongside world class agriculture and landscapes. It will experience a significant shift in the coming years as we leave the Common Agricultural Policy and rise to the climate change challenge. We will grasp the opportunity to make best use of our natural assets to generate new income streams and revitalise our 21st century market towns. This will redefine and rebalance the relationship between urban and rural economies and bring significant benefit to rural businesses and communities.

Opportunity Coast - Industry led investment in Scarborough including, a new university campus, investments in further education, community led development and housing and road networks, combine to create opportunity for all on our stunning North Yorkshire coast. By investing in places and enabling business inspired growth we have helped to ignite powerful social change that will address longstanding coastal deprivation.

Growth Connectors – the growth potential of our economy lies in a number of places that have a significant role to play in the economic future of the North. Harrogate, Selby, Skipton and Northallerton are our Growth Connectors. They have extensive infrastructure capacity, opportunities for employment and settlement growth and good connections beyond York and North Yorkshire. Their position and connectivity within the Northern Powerhouse brings out the strength of York and North Yorkshire in joining up scaled growth across the North.

Benefits of Devolution

At the moment, the Government in London makes the majority of decisions about what happens here in Yorkshire. Some decisions, such as about foreign policy and defence, need to be made by central Government alone. This proposition reflects that many others, including running and investing in our public transport, education and skills and providing support for our businesses, would deliver better outcomes, increased returns to government and would involve local people more - if they were made here in our own county.

Devolution will give us the powers and resources to become England's first carbon negative economy, to better connect the capability within and around our distinctive places. We will shape a better destiny and make a bigger contribution to the UK economy by:

1. **Delivering 100% digital connectivity for everyone everywhere** vital for the long-term prosperity of our region. This means both addressing the last 5% whilst ensuring our towns and cities are as connected as core cities delivering a connected, smart region.
2. **Innovating in our unique capabilities in bio-economy and low carbon technologies, underpin our ambition to become England's first carbon negative region** creating new industry opportunities in higher productivity sectors.
3. **Leveraging our skills base** - our greatest asset is our highly skilled workforce. Capitalising on this and retaining our young talent by creating high value jobs will drive our growth.
4. **Investing in good businesses with great leadership** that prosper from our distinct assets and contribute to a carbon negative region
5. **Developing healthy, thriving places** that are resilient to climate change and provide energy efficient, affordable housing for our residents.

Our proposals across each of policy area have put forward on the basis they pass five 'tests' – they must:

- i. Accelerate recovery from COVID-19;
- ii. Support the levelling up of our national economy and economic prosperity for all;
- iii. Deliver on national and local climate change commitments;
- iv. Support the priorities and principles of the YNY Local Industrial Strategy (LIS); and
- v. Enable delivery that is more efficient and effective through a place-based, locally tailored approach.

These devolution proposals have been developed with, and are supported by, all Local Authorities within York and North Yorkshire and by the York and North Yorkshire Local Enterprise Partnership (LEP).

A Mayoral Combined Authority (MCA)

We are committed to securing the strongest possible devolution deal for York and North Yorkshire and propose a MCA with all YNY Local Authorities as constituent members. We will ensure governance arrangements enable strategic leadership at a Mayoral level alongside robust democratic accountability.

YNY has a history of strong partnership and through the YNY LEP, where we are successfully delivering our Growth Deal which is leveraging £8 for every £1 invested.

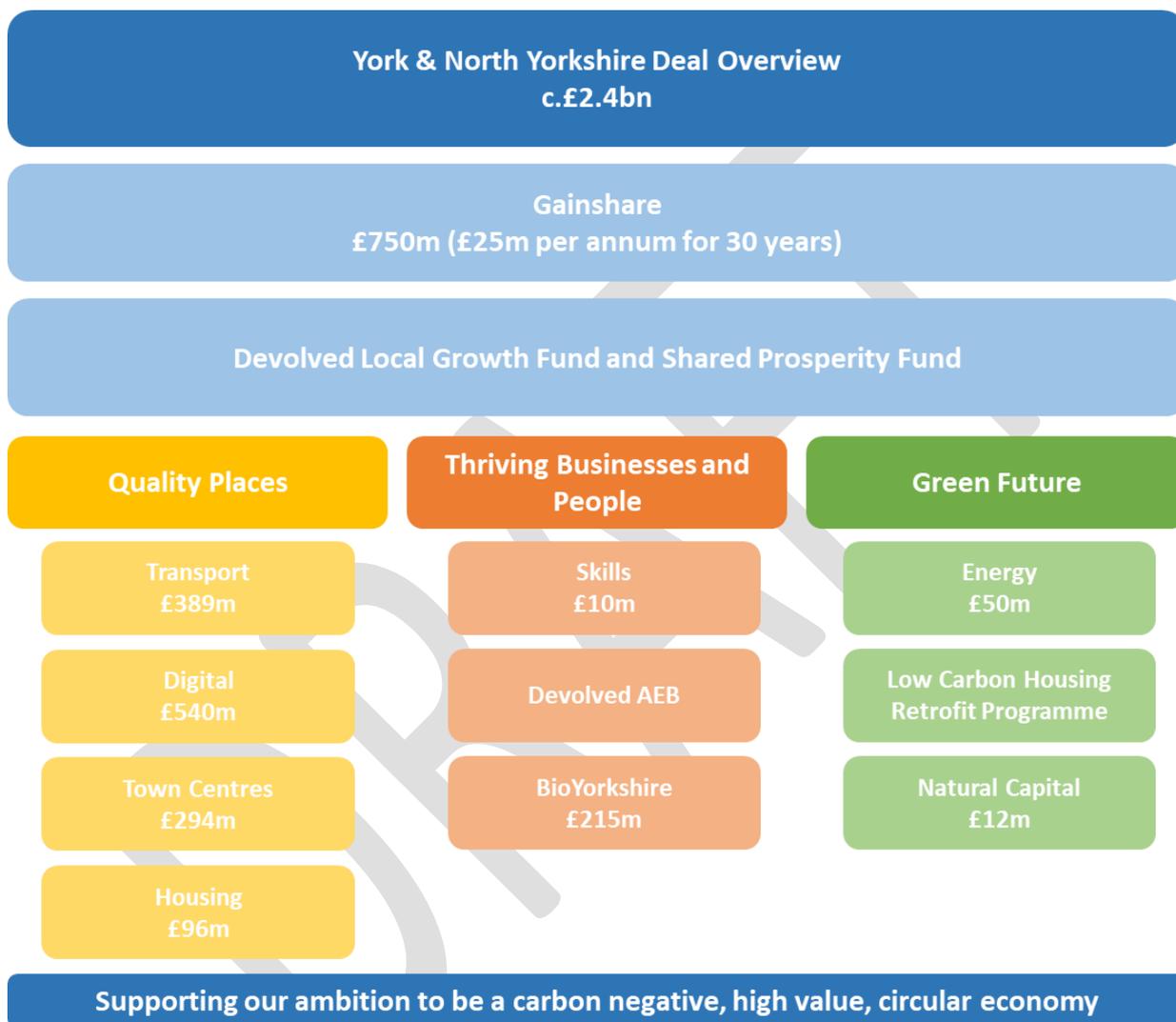
Our devolution proposals will empower the YNY region by equipping us with funding and decision-making powers which will allow us to better shape our destiny and make a bigger contribution to the UK economy by:

- Ensuring that the decisions which affect YNY are made by local stakeholders;
- Rapidly directing investment which makes the biggest difference to our economy, people and places; and
- Supporting an economic recovery from COVID-19 by accelerating positive economic, social and environmental change.

Our Devolution Deal proposals

Our deal is structured to deliver the short-term stimulus needed to maximise our economic recovery from COVID-19 alongside long term strategic investment to ensure future growth is sustainable (see Figure 1).

Figure 1. Devolution Deal Summary



ANNEX 2

York and North Yorkshire Devolution Deal – Summary of Proposals							
<ul style="list-style-type: none"> £750m (£25m p.a. over 30 years) Mayoral Gainshare Allocation Devolved Local Growth Fund Devolved Shared Prosperity Fund 							
Transport	Digital	Towns and Cities	Housing & Planning	Skills	Business and Innovation	Energy	Natural Capital
Funding Proposals							
<ul style="list-style-type: none"> £250m devolved 5-Yearly Integrated Transport Settlement for the YNY region, as well as revenue funding for pipeline development activity £52.5m funding to deploy ultra-low emission public transport across our region £50m funding to roll out publicly available EV charging facilities across our region £36m funding settlement for bus services to support COVID-19 recovery Devolved and consolidated mayoral transport settlement 	<ul style="list-style-type: none"> Devolve £520m DCMS funding for fibre connectivity across the region £20m Mayoral Smart Investment Fund 	<ul style="list-style-type: none"> £230m devolved Mayoral Towns Fund £64m York Place Fund 	<ul style="list-style-type: none"> £96m Strategic Housing Investment Package: <ul style="list-style-type: none"> £1m matched funding to scale up YNY's strategic planning and delivery capacity £45m funding to establish a revolving credit fund to accelerate the delivery of Off Site Manufactured affordable homes Commitment to a higher grant rate per to plot for rural affordable homes £50m funding to address viability challenges driven by infrastructure and enabling costs 	<ul style="list-style-type: none"> £10m of revenue, as well as capital funding, for a Low Carbon Skills Programme Devolved AEB 	<ul style="list-style-type: none"> £215m for Phase 1 BioYorkshire Programme: <ul style="list-style-type: none"> £175m BioYorkshire Innovation Central £25m BioYorkshire District Incubator Hubs £15m BioYorkshire Innovation Accelerator 	<ul style="list-style-type: none"> Funding for a 5-year place-based Low Carbon Housing Retrofit Programme £8m of development funding for strategic low carbon energy generation projects £42m Low Carbon Energy Generation Demonstrator 	<ul style="list-style-type: none"> £2m funding for the development of a Natural Capital Investment Plan and work with national partners £10m Natural Capital Innovation Challenge Fund
Wider Proposals							
<ul style="list-style-type: none"> Local flexibility over English National Concessionary Travel Scheme statutory requirements Statutory transport plan powers Bus franchising powers Enhanced joint working with Highways England and Network Rail 	<ul style="list-style-type: none"> Co-design of the roll-out of the Shared Rural Network in the YNY region 		<ul style="list-style-type: none"> Spatial plan powers Land assembly and CPO powers Mayoral Development Corporation powers Strategic Partnership with the MoD 	<ul style="list-style-type: none"> Joint working with Government to establish a Centre of Excellence for Low Carbon Technology Skills Enhanced joint working with Government: <ul style="list-style-type: none"> Joint working with the Careers Enterprise Company and National Careers Service Influence spend on unutilised apprenticeship levy funding Stronger links with DWP Joint working with Government to align local and national programmes 	<ul style="list-style-type: none"> Co-development of a Yorkshire Tourism Plan between YNY and Visit Britain to increase high value tourism Support for the redevelopment of Harrogate Convention Centre Support for AMRC Scarborough Enhanced joint working with UKRI and DIT 	<ul style="list-style-type: none"> Joint working with Government to: <ul style="list-style-type: none"> Develop and deliver YNY's Roadmap to become a carbon negative region Develop and implement a pan-Northern Regional Green Bond Accelerate the roll-out of CCUS technology in our region 	<ul style="list-style-type: none"> Tier 2 and Tier 3 ELMs trials and joint working with DEFRA to co-design how ELMs will operate locally

1 Introduction and context for our proposals

The York and North Yorkshire economy

Our region has a highly resilient and diverse economy with a GVA in of over £19bn and a driving ambition for transformation. It covers 8,300 sq. km with a population of 825,000 and covers one quarter of the Northern Powerhouse.

COVID-19 has had a major impact on economies across the world with no place untouched. Ensuring our recovery is fast, sustainable and creates increased resilience in our communities and for our planet is at the heart of our proposals.

YNY's economy is underpinned by its places, landscapes and natural assets.

With two National Parks, the Yorkshire Coast and City of York, our world renowned historic and cultural assets shape our urban spaces, whilst the scenic beauty of our vast rural landscape and northern coastline define YNY as one of world's most recognised regions (see **Error! Reference source not found.**). Strengthening all of these assets is the passion and pride of our people, making YNY a truly distinctive place.

We match our global identity with unrivalled connectivity to three, urban giants within the Northern Powerhouse. Strong connections with West Yorkshire, the Humber and Tees Valley, fast rail links to London and two ports, mean our position, scale and connectivity unlocks potential for the whole of the North.

We have unique innovation and industrial capabilities, including world leading bioeconomy and agri-tech innovation assets alongside industrial innovation including carbon capture and storage. World class agriculture accompanied by world class food companies, with 40% of our manufacturing base being food and drink related creates an opportunity to increase agricultural and food productivity whilst delivering natural carbon reduction opportunities. YNY is also at the heart of UK food and energy security.

Alongside this, our transport links to London, Edinburgh and the financial centre of Leeds has led to a growing financial and digital sector, with YNY home to young, growing tech companies, offering a quality of life alongside unrivalled connectivity.

Whilst YNY's great places provide a major opportunity, the region retains some structural economic challenges which must be addressed through devolution if we are to truly level up the UK economy.

Whilst job growth has broadly matched the rest of the UK, much of this growth has been in lower productivity sectors, particularly the visitor economy. These are also sectors which have been severely hit by the COVID-19 lockdown.

This growth in low productivity sectors is important both because productivity is crucial to the long term growth rate of an economy, and because it feeds through into wages and standards of living. UK productivity has been relatively static since the economic crisis of 2008, and is below key international competitors. Levels in the North are lower still, including in the our region, where

productivity has moved from being the same as UK average in 2003 to significantly below UK levels in 2017.

Addressing these structural issues requires vision and ambition and this is reflected in our devolution proposals, which are underpinned by three key themes:

6. **100% digital connectivity for everyone everywhere** is a prerequisite to the long-term prosperity of our region. This means both addressing the last 5% whilst ensuring our towns and cities are as connected as core cities delivering a connected, smart region.
7. **Our unique capabilities in bioeconomy and low carbon technologies, which underpin our ambition to become England's first carbon negative region.** Delivering this will underpin our decision making whilst creating new industry opportunities in higher productivity sectors.
8. **Leveraging our skills base.** Skills are one of our greatest assets, with a highly skilled workforce. Capitalising on this and retaining our young talent by creating high value jobs will drive our growth.

Individually these are important, collectively they are transformational and underpin our vision and ambitions.

Figure 2. York and North Yorkshire – population centres of 5000+



The Mayor and Governance

These proposals have been developed on the basis of a York and North Yorkshire Combined Mayoral Combined Authority with all Local Authorities becoming constituent members. This includes:

City of York Council
North Yorkshire County Council
Harrogate Borough Council
Scarborough Borough Council
Craven District Council
Hambleton District Council
Richmondshire District Council
Ryedale District Council
Selby District Council

Ongoing discussions are being held with North York Moors National Park and Yorkshire Dales National Parks to reflect their role as planning authorities and in the economic development of our rural areas

Police, Fire and Crime Commissioner

It would be the desire of council Leaders to place the responsibilities currently held by a separate Police, Fire and Crime Commissioner with the elected mayor and would wish to engage with Government to implement this as part of the devolution arrangements.

Economic Response to COVID-19

The COVID – 19 pandemic has hit our region hard. The scale of economic impact across the region is unprecedented and has landed hardest on those who already had the least. It's been tough, with people's lives and their livelihoods turned upside down

Greener, Fairer, Stronger.

Working together, making the most of our great place and growing from our strengths, we can shift to a greener, fairer and stronger economy, accelerating opportunities for innovation and change in York and North Yorkshire.

We are at a moment in time where we must come together to create change. Building on the shared values and collective efforts that have brought us together during the pandemic, we can shift to a better life for everyone.

Out of the challenges we must recognise the opportunity we have before us, to work the grain of our place and grow our economy as greener, fairer and stronger, capturing opportunities for innovation and change – in how we live, work and visit in York and North Yorkshire.

Making bold, agile and principled decisions in the short-term, we can bring our economy to life in a way that will underpin longer term growth and position our region to be greener, fairer and stronger – for places, for people, for businesses and for our natural environment.

To grow our economy and emerge from the COVID 19 pandemic greener, fairer and stronger we need to...

- *Support businesses to survive Covid-19 and thrive through resilience and innovation, delivering a greener, fairer, stronger economy.*
- *Help people into back into employment, to maintain or improve their quality of life.*
- *Rapidly reconfigure skills delivery to respond to changing demand and new ways of learning.*
- *Rejuvenate public spaces and town centres as places that work better, making them safe, greener and fairer for those who live work and visit in them.*
- *Bring an end to digital disadvantage, ensuring that we are better connected and digital technologies are accessible to everyone*
- *Stimulate job creation and business growth, by accelerating the transition to a greener, carbon negative region.*

By working together, in our communities, across the region, with our northern neighbours and telling our story nationally and internally – we can shift to an economy in York and North Yorkshire that is greener, fairer and stronger, forever.

Role of the Recovery Plan

As businesses and organisations across York and North Yorkshire adapt to and recover from the pandemic and lockdown, the Recovery Plan establishes shared vision to jointly work towards.

Our Recovery Plan will:

- Set a positive vision of the future
- Enable collaboration, learning and economies of scale
- Facilitate clear communications around recovery in York and North Yorkshire
- Develop significant economic stimulus projects for investment
- Accelerate change to deliver LIS Good Growth vision

The Plan has been developed by consulting with businesses, institutions and local authorities about their proposals for recovery, drawing these suggestions together into common themes and ambitions. This is a collaborative approach which enables parallel progress towards a shared goal, in an agile and responsive manner.

Each of our Local Authorities will establish their own chapter of the Plan, highlighting local priorities, challenges and opportunities that can contribute to the overall vision. The Plan will also facilitate coordination with other public bodies supporting recovery, such as Job Centre Plus, and institutions such as Colleges Universities and Housing Associations with a reach which extends beyond individual local authority areas.

By understanding what actions individual organisations are proposing, we can identify collaboration opportunities enabling us to impact on recovery at scale, and to share ideas and insights.

This coordinated approach to achieving impact at scale will improve our opportunity to access Government funds for economic stimulus. The LEP and partners have an established track record of developing and investing in projects, providing an established delivery mechanism to bring funds into the region to support recovery.

Coordinating recovery efforts also allows shared communication and messaging, particularly vital in a region like York and North Yorkshire with such a significant tourism industry which needs to provide consumers with confidence and clarity.

Ultimately, the proposals set out in the Recovery Plan will accelerate the change required to achieve the vision for York and North Yorkshire established in our Local Industrial Strategy. Whilst clearly recovery is a once in a generation challenge, it also provides an opportunity to restructure our approach to growing and supporting the economy. The Recovery Plan sets out how we will work together to make the most of that opportunity.

Our Economic Recovery Plan will be ready in July 2020 and we propose that Government invest in our plans providing an ambitious, positive vision for recovery across YNY.

2 Devolved Place-Based Funding

Strategic context

The development of an effective recovery strategy from COVID-19 requires investment and interventions which not only stimulate local economies in the short-term, but seizes the opportunity to address long-standing structural challenges of raising productivity, levelling up the country and supporting the transition to a high-value, low-carbon economy wherein all communities can benefit from, and contribute to, future growth.

Local areas' exposure to the impacts of COVID-19 will vary according to a range of factors, including reliance on high impact sectors, business composition and demographics, among others. This requires a place-based approach to economic recovery; allowing interventions to be tailored and prioritised according to local circumstances in the short-term and Local Industrial Strategy (LIS) ambitions in the longer term. Delivering this requires a flexible and responsive funding approach to investing in local growth.

As a region, we are strongly placed to spearhead such an approach. We have an established track record over the last ten years in joint working between our nine constituent local authorities to plan, prioritise, deliver and manage investment in our economy via the Local Enterprise Partnership (LEP).

Public-Private working sits at the heart of how York and North Yorkshire (YNY) operates. We are committed to working in partnership with our LEP, which has implemented the LEP review 'Strengthening Local Enterprise Partnership' recommendations. Our LIS has been developed with partners across the region and Government, and we are committed to jointly investing with Government and the private sector to deliver its bold ambitions.

Alongside a devolved, 30-year Gainshare investment funding settlement, we are seeking a devolved allocation from the future Local Growth Fund (LGF) (or its successor) and the Government's planned Shared Prosperity Fund (replacing European Structural and Investment Funds (ESIF)).

This devolved funding will enable to us to plan and invest on a more strategic, long-term and integrated basis across our priorities for Ideas, People, Infrastructure, Business Environment and Places. This flexibility will enable us to maximise the impact of investment against our Good Growth objectives and economic recovery from COVID-19, and ultimately deliver better Value for Money (VfM) for the UK taxpayer from these funding programmes.

1. Gainshare investment funding settlement

We are seeking £750m of funding in the form of a Gain Share/Investment Fund settlement, comprising £25m per annum over a 30-year period. Providing this settlement as revenue funding would provide us with maximum flexibility to invest on an integrated basis and drive economic growth. However, we accept Government's resource constraints, and as such we are seeking a **funding split of 25% capital, 75% revenue.**

This funding would be devolved to the Mayoral Combined Authority (MCA) and, alongside other devolved funding proposed elsewhere, enable us to deliver a long-term, transformational investment programme. This settlement would be subject to the development of a robust Single Pot

Assurance Framework, in line with HMT Green Book guidance, which we would agree upfront with Government. We would also expect the 30-year settlement to be subject five-yearly gateway reviews, as is the case for other MCA settlements. In line with other Deals, we are also seeking to draw down the Gainshare funding prior to Mayoral Elections, once the Single Assurance Framework has been agreed with Government and the MCA Order has been made.

2. Devolved settlements from future Local Growth Fund and the Shared Prosperity Fund

Now is an opportunity to learn the lessons of the LGF and ESIF funding processes and, benefitting from the UK exit from EU, implement a robust, flexible approach to funding local growth and securing economic recovery from COVID-19.

Following the co-production of our LIS with Government, the improved accountability and transparency of our LEP, and establishment of an MCA, we want to **make rapid progress against our LIS ambitions with:**

1. **An extended LGF fully devolved as a multi-year, “Single Pot” funding settlement**
2. **A fully devolved allocation from the UK Shared Prosperity Fund**

The policy landscape has changed significantly since LEPs were introduced and charged with spearheading local growth. Progress in recent years provides an opportunity for funding reform, in particular:

- **Strengthened governance.** Government’s review of LEP’s identified a number of areas where inconsistent approaches were being taken to governance, accountability and representation. The establishment of an MCA, alongside a strong LEP, provides a robust governance model for investing public money with clear transparency and accountability for decisions and impact.
- **A robust economic strategy:** Strategic Economic Plans (SEPs) were developed locally and in effect ‘a bidding document’ for Government funding. The alignment between national and local priorities was not as co-ordinated as could have been. However, a LIS provides an evidence-based plan with a clear line into the Government’s national Industrial Strategy priorities. Our LIS has been developed through strong collaboration across local partners and importantly, with Government departments. This provides an evidence-based framework of priorities against which to invest, with a sharp focus on raising productivity, and thus maximum potential for driving national as well as local growth.

I Local Growth Fund

LGF funding whilst largely successful was constrained by the fact SEPs were ‘local documents’. Consequently, there was not the clear alignment with national priorities and Government departments were not party to their development. Therefore, when funding was allocated there was a need to closer national management to ensure local areas were consistent with national policy. Additionally, the funding allocation was driven by economies of scale and unit costs, which incentivised delivery in larger, denser urban areas and areas where productivity levels are already high.

Whilst the LGF has been a success across much of England, and in YNY we have successfully delivered a return of over £8 for every £1 invested, national allocations were also imbalanced, with large urban areas receiving disproportionate investment.

We are seeking a “Single Pot” approach to LGF funding for our region and indeed other MCA areas, which would involve:

- **A devolved, multi-year settlement**, replacing the need for competitive processes which are time consuming and costly. This would accelerate the delivery of public investment and leverage more sustained private sector investment in our region – both of which are critical issues for post-COVID-19 recovery.
- **Un-ringfenced funding**, which would enable investment to be made on a more integrated basis across policy areas, and thus allow us to prioritise a programme of interventions which have maximum impact on productivity and Good Growth.
- **Alignment of with other funding sources**, such as the Gainshare and Shared Prosperity Fund settlements, as well as policy area-specific devolved funds (proposed later) such as the Integrated Transport Settlement, Mayoral Towns Fund, Strategic Housing Investment Package, and Mayoral Smart Investment Fund. This would maximise the buying power of these funds and ultimately deliver better VfM.
- **A robust Single Pot Assurance Framework**, building on local best practice and developed in line with HMT Green Book guidance, which we would agree upfront with Government.

II EU Structural Investment Funds

The exit from EU presents an opportunity for the UK to learn lessons from delivery of constrained EU funding mechanisms and create an agile funding system that maximises Good Growth and economic prosperity for all of our communities.

Whilst the current ESIF has delivered across YNY, Yorkshire and Humber allocations were reduced from the 2008-2014 programmes when compared to rest of UK.

Furthermore, the EISF model of delivering through national managing authorities has resulted in disparate contracts targeting similar businesses. This makes business support complicated for businesses to understand and access, and inefficient in delivery.

The current restrictions within ESIF specifically exclude support for some of the sectors most affected by the COVID-19 lockdown. European Regional Development Fund (ERDF) specifically excludes tourism and retail businesses whilst the European Agricultural Fund for Rural Development (EAFRD), the rurally focused funding stream, equally excludes business support for these key sectors.

A real time case study is support for farming. Reflecting the importance to the local economy, we wanted to work with our agricultural industry to prepare it for post Common Agricultural policy by providing leadership and management to increase innovation and diversification. ERDF advised that agriculture was not eligible, EAFRD advised that the programme should be supported through ERDF and ESF advised that whilst the sector was eligible, they were the wrong type of outputs. This process took three years.

Restrictive definitions around outputs fail to reflect the reality of local economies or delivery, particularly in rural areas. Definitions should be driven by delivery of desired outcomes, and not notional sectors or ‘hours spent’ with a business. Technology and new innovative delivery models provide the opportunity to realise a step-change in how support is delivered and how businesses are connected to opportunity.

Management through a national decision-making framework also creates capacity issues as is demonstrated within existing ESIF programmes which take between 1 ½ - 2 ½ years from 'call for project' through to contracting. When compared with LEP decision-making within the LGF which is typically 3-12 months from 'calls for projects' through to decision making, the opportunity for improvement becomes clear.

We are therefore seeking a devolved Shared Prosperity Fund, which would be deployed against our LIS priorities alongside other devolved funds administered by the MCA.

MCA's and LEPs are the right delivery vehicle, bringing together private sector and public sector leaders to lead investments aimed at delivering a step-change in business productivity and skill levels. Our LEP and our northern partners have already demonstrated a keen appetite for collaboration, and increased flexibility would strengthen the ability for cross-LEP working to deliver the optimum solution. Examples of this collaboration include:

- NP11 LEPs collaborating to support the Northern Powerhouse Investment Fund
- Our LEP's collaboration with the Humber LEP on innovation and supply chains.
- Our LEP's collaboration with Leeds City Region on low carbon and resource efficiency.

As a large geography with a city, coastal deprivation and diverse towns alongside some of the most deeply rural areas in country, we are offering to work with Government to develop a fair funding allocation which both addresses the levelling up agenda for the North and works at a national level.

We would expect the allocation of funding to be designed in such a way that it reflects a range of policy challenges and competing pressures, including:

- Productivity levels
- Urban density Vs rural sparsity
- Levels of deprivation
- Social Mobility
- UK climate targets
- Innovation levels

3 Transport

Strategic context

Our transport network is essential to the health of our economy and the economic prosperity of our communities. We need a transport network that is reliable and efficient to facilitate future economic growth and achieve a successful post COVID-19 economic recovery. It needs to be inclusive and support our ambitions to be a carbon negative region. However, given the expansive nature of our region; our mix of urban and rural communities; and level of car dependency, we face several challenges in the transition to an inclusive, low carbon economy:

1. **Reliance on petrol and diesel vehicles**, both for private transport as well as public transport and the movement of goods leading to local air quality problems and high carbon emissions.
2. **Urban congestion**, which exacerbates our air quality and Greenhouse Gas (GHG) emission challenges, as well as posing a cost to businesses, commuters and our economy. In York, in addition to normal 'internal' traffic, the lack of capacity on the A1237 York Outer Ring Road hinders east-west connectivity which together result in significant traffic in the urban area and poor air quality. Both Harrogate and Scarborough also suffer from significant urban congestion issues which constrain the economy and lead to air quality issues. Lower, but still significant levels of congestion are also experienced in some of our smaller towns including four declared Air Quality Management Areas;
3. **Poor interurban connectivity (especially east-west)** both within the region and into neighbouring regions and the rest of the country. This results from a combination of journey distance – with some of our towns being nearly 50 miles from the core strategic transport network (East Coast Mainline/A1(M) – and sub-standard highway infrastructure which leads to long and unreliable journey times. Relatively minor incidents on the network (road and rail) can exacerbate these issues;
4. **Poor rural connectivity and lack of alternatives to the private car**, due to the very sparse population in these areas, which prevents many of our rural areas from fully contributing towards and benefitting from the economic prosperity of our region;
5. **Poor resilience of our road network** due to flooding and landslips at a relatively small number of key locations where there are very limited alternative routes; and
6. **Poor access to the rail network**, which means we are not making best use of the good rail connectivity enjoyed by much of the region.

As a result of these challenges, we have notable rural and urban deprivation and economic underperformance. Even in the relatively affluent central ECML/A1(M) corridor of our region there are pockets of hidden deprivation and in the more remote rural areas and especially the coastal towns, deprivation indices indicate much more significant economic underperformance and social deprivation and isolation problems.

It is our baseline assumption that the following existing funding agreements go ahead separately from the Devolution Deal:

- £25m for Phase 1 of the A1237 improvements through the Major Roads Network (MRN) fund. This was awarded to Transport for the North (TfN) on behalf of City of York Council in October 2019.

- Rail service improvements agreed with Network Rail. Under existing franchise agreements Network Rail have committed to deliver two trains per hour from Harrogate to York by May 2021, and two trains per hour from York to Scarborough by 2021.
- Continuation of all Leeds City Region Transforming Cities Fund (TCF) allocations to YNY authorities until the end of the programme (anticipated to be 31st March 2023).
- Development of the A64 Hoptrove (Hoptrove to Barton) Scheme will be completed by 2025 as set out in the DfT Route Investment Strategy 2 (RIS2) for potential funding in RIS3.

Against this background, our proposals to Government are:

- 1. A devolved 5-yearly Integrated Transport Settlement for the YNY region to invest on a more strategic and longer-term basis in our transport priorities and support our region's economic and spatial plans for growth.**
- 2. Funding to deploy ultra-low emission public transport across our region**
- 3. Funding for the roll out of publicly available EV charging facilities across our region**
- 4. Revenue funding settlement for bus services to support COVID-19 economic recovery**
- 5. Enhanced joint working and transport powers, covering:**
 - Statutory Transport Plan Powers
 - Bus Franchising Powers
 - A Devolved Mayoral Transport Settlement
 - Enhanced joint Working with Highways England and Network Rail

The details of each of these proposals are outlined below. Appendix 1 outlines how our proposals address the six key transport challenges discussed above.

Our proposals for transport

1. Devolved 5-yearly Integrated Transport Settlement for the YNY region

Summary:

We are seeking a 5-yearly integrated transport settlement of £250m (£50m per annum) over the period of FY22 to FY26 which can be deployed flexibly against our transport priorities and support our region's economic and spatial plans for growth. We are also seeking revenue funding to provide increased local capacity to develop and oversee the delivering of the 5-year investment programme. This builds on Government's commitment early this year to provide other MCA areas with a 5-yearly local transport funding settlement (from a £4.2bn national pot).

The case for change

The current short-term and fragmented nature of funding for strategic local transport limits our ability to properly plan and invest on a long-term basis and achieve best Value for Money from this

public funding. This is compounded by the current dominance of competition-based funding, which is resource intensive locally with no guarantee of success.

A long-term, devolved transport settlement would enable us to co-ordinate economic, spatial and transport planning and invest on a more joined up, strategic and long-term basis, across administrative boundaries. This is a widely accepted principal of devolution as evidenced by the provision of Gain Share funding via all other Mayoral Devolution Deals, and in Government's shift to more devolved funding arrangements for local transport in MCA areas – notably via the Department for Transport's (DfT) Transforming Cities Fund and the announced £4.2bn 5-yearly integrated transport capital settlements for the 8 existing MCA areas with transport functions from FY23.

Our offer and proposals to Government

We are seeking a 5-yearly integrated transport settlement of £250m (£50m per annum) over the period of FY22 to FY26 which can be deployed flexibly against our agreed regional transport priorities and support our economic and spatial plans for growth. We are also seeking resource funding to expand and accelerate our existing pipeline development work and prepare for the delivery of the investment programme. The scale of our funding proposal is commensurate with the size of our regional economy relative to other MCA areas which are eligible for Government's recently announced £4.2bn local transport funding.

The Local Transport Plans (LTPs) developed by City of York Council and North Yorkshire County Council, amongst other aims, both identify the need to boost the economy, and protect the environment. The development of a transport investment pipeline to achieve these aims is already well underway by addressing the transport objectives of:

1. Tackling congestion in urban areas and on key radial routes;
2. Developing a more resilient transport network;
3. Enhancing rail access and infrastructure;
4. Improved Road Connectivity (especially E-W); and
5. Low Carbon Sustainable Travel.

Both LTP's set out the longer term aims for transport in the region and, in preparing for a Devolution Deal, a key element of our investment pipeline work has been an assessment of deliverability of each of the interventions in the first 5 years of the establishment of the MCA. This has identified an initial £250m programme of schemes which are deliverable between FY22 to FY26 alongside a series of longer-term, transformational interventions. Appendix 1 provides an indicative list of schemes as well as some of our key longer-term proposals.

The initial programme of schemes identified at this stage is primarily highway-based, as this is the element of the transport network over which the MCA and existing LTA's have a direct control and can therefore ensure delivery in the first five-year period. Ultimately, however, the MCA will also seek to invest in more rail infrastructure, primarily but not limited to new and improved stations. Whilst highway based, the interventions identified for the five-year period are multi-modal and are considered critical to our ambitions to decarbonise our economy. The 5-year programme includes:

- Bus network and infrastructure improvements e.g. key network corridors for York, Harrogate and Scarborough;

- Large scale mode shift (to active and passenger transport) and traffic management interventions, including congestion management/reduction packages, for Harrogate and Scarborough;
- Smarter Travel improvements in York, such as innovative approaches to traffic signal management;
- Highway resilience (climate change impacts) schemes alongside a small number of significant but very targeted journey time reliability and highway capacity improvements, such as phase 3 of the A1237 York Outer Ring Road dualling;
- Infrastructure to encourage and facilitate active travel (cycling and walking), including cycle route enhancements especially but not exclusively in our largest towns of York, Harrogate and Scarborough;
- The creation of a York Station Masterplan to maximise investment in the railway network (HS2, NPR, ECML and Transpennine Route upgrades) and existing major regeneration projects (York Central and York Station Frontage);
- The development of a new station at Haxby - a long-standing ambition for City of York Council (with a bid recently submitted to the DfT's New Station Fund 3); and
- Roll-out of an EV charging network across the region for private vehicles, taxis, Light Goods Vehicles (LGVs) and Heavy Goods Vehicles (HGVs) (alongside our separate proposal to roll-out electric and ultra-low emission vehicles (ULEV) buses across the region).

Our pipeline development work will be further refined and prioritised as the MCA is established and a pan-regional statutory Strategic Transport Plan is developed. The development and adoption of the MCA Strategic Transport Plan will be jointly developed with our economic and spatial plans. It will both set the policy background and identify a prioritised programme of short-term and long-term interventions for addressing the region's economic, social and environmental challenges and ambitions.

2. Funding to deploy ultra-low emission public transport across our region

Summary:

Bus vehicle emissions are a significant contributor to our local air quality issues and GHG emissions. Our three major settlements of York, Harrogate, and Scarborough all have a number of declared Air Quality Management Areas or locations close to declaration limits. In addition, the largely rural characteristics of our bus market mean we face unique challenges in the transition from diesel-engine road vehicle (DERV) buses to ULEVs in our region, specifically:

- Our small, independent bus operators face commercial viability challenges due to the incremental capital costs of ULEV vehicles and supporting infrastructure; and
- Our dispersed population requires longer-distance bus services in areas that are poorly served by traditional charging infrastructure.

We have begun to deliver electric buses in our area where possible, including in York and Harrogate. However, we need a step-up in funding to support a more strategic approach that will support the take-up of ULEVs across our region at the pace and scale required to meet local and national decarbonisation objectives. **We are initially seeking £52.5m funding to deliver a three-phase programme for the roll-out of ULEV buses across our region over the next five years:**

- **Phase 1 – FY21 to FY23 (£27.5m):** Deployment of electric vehicles (EV) in York as part of an ‘All Electric Bus Town’ by [FY23] and undertaking business case work in [FY22] for Phases 2 and 3 to identify preferred solutions for the roll out of ULEVs across North Yorkshire, including engagement with local bus operators.
- **Phase 2 – FY23 to FY24 (£25m):** Deployment of ULEVs in larger North Yorkshire settlements, such as Harrogate and Scarborough, having completed the business case work and engagement with operators in Phase 1.
- **Phase 3 – FY24 to FY25:** Deployment of ULEVs in the region’s more rural areas –. This will require further funding to deliver, once detailed work has been completed to identify suitable ULEV solutions for use in rural context and a business case has been established. We are seeking a commitment from Government to consider the business case once it has been developed (anticipated by FY24/25).

The case for change

As our primary mode of public transport, the bus network is critical to the economic performance of our region and the prosperity of our communities, but also presents a key challenge in decarbonising our economy and achieving our ambitions to be carbon negative. Our three major settlements of York, Harrogate, and Scarborough all have a number of declared Air Quality Management Areas or locations close to declaration limits, with bus vehicle emissions being a significant contributor to our air quality issues.

We welcome Government’s increased focus on improving and decarbonising bus services through the recently announced £5bn fund for local transport, which includes initiatives such as the All-Electric Bus Town scheme, and the upcoming National Bus Strategy.

The scale of change required to decarbonise our bus network, especially in our rural areas, requires a strategic and co-ordinated approach to funding and delivering the transition to ULEV buses in our region. Such a programme could also provide an exemplar approach to decarbonising rural passenger transport in other parts of the country.

We are in a strong position to build on recent progress in the roll-out of EVs. City of York Council (CYC) has already implemented a range of measures over the last c5 years. including introducing a Clean Air Zone for buses (effective from January 2021) and the transition of the Park and Ride fleet to electric double decker buses, which will be completed this year, along with 5 of the 6 Park and Ride sites served by ‘top-up’ charging points (alongside charging infrastructure at the bus depot). This activity has been supported by funding from a number of the Government’s Green Bus and ULEV funding schemes. CYC also has an aim to transition all of its council vehicle fleet to green /EVs by 2024. North Yorkshire County Council (NYCC) has also commenced a range of initiatives, such as introducing LED street lighting over the past four years, resulting in its total carbon footprint falling by almost a third, from 19,574 tonnes of CO2 equivalent to 13,492 tonnes.

Currently c20% of the bus network mileage operated in York is operated by electric buses. Meanwhile the implementation of the city’s Clean Air Zone in January 2021 will mean that all buses entering York more than five times per day will be expected to meet ULEV/EuroVI standards, meaning 90% of the bus network mileage will be operated to this standard.

By contrast, in North Yorkshire only c10% of one operators bus network mileage is operated by EVs which equates to just 1% the county's total bus network mileage. Given North Yorkshire is the largest county in England and is one of the most rural (being one of only a handful of areas in the UK eligible for the Rural Fuel Duty Relief Scheme), the county faces significant barriers to the full transition to ULEV vehicles, particularly electric, across the region. These barriers include:

1. **Operator mix:** The county's bus market predominately comprises smaller, independent operators who lack the ability to fund the increased capital costs of buying ULEV vehicles over standard DERV vehicles, as well as the relatively higher costs of infrastructure necessary to operate ULEV buses.
2. **Dispersed, longer-distance services:** As a large, rural area, long distances are involved in accessing essential services. As such the existing EV range (c180-190 miles) limits deployment across the rural passenger transport network where service mileage can be up to 250 miles. This requires smaller, but more widely dispersed charging facilities to support the uptake of ULEV buses, rather than traditional charging infrastructure alone (e.g. in bus stations and depots within towns). The issue is likely to be exacerbated by the low capacity of the electrical grid in the more rural areas which may require upgrading to accommodate electric bus charging.

Some electric buses have already commenced operation in North Yorkshire, such as in Harrogate via support from the Government's Low Emission Bus Scheme in 2018 and funding from the local operator, with supporting infrastructure available in the town's bus station. However, further work is required to assess the range of technologies available to ensure the right vehicle and charging infrastructure mix is deployed across the wider North Yorkshire area, particularly in the county's more rural areas.

Our offer and proposals to Government

We are initially seeking £52.5m funding to deliver a three-phase programme for the roll-out of ULEV buses across our region over the next five years:

- **Phase 1 – FY21 to FY23 (£27.5m):** Deployment of EVs in York as part of an 'All Electric Bus Town' by FY23 and undertaking business case work in FY22 for Phases 2 and 3 to identify preferred solutions for the roll out of ULEVs across North Yorkshire, including engagement with local bus operators. Delivery of this Phase will mean c80% of the bus network mileage operated in York will be operated by electric buses (up from 20% currently) and leverage recent investments in EV charging infrastructure across the city.
- **Phase 2 – FY23 to FY24 (£25m):** Deployment of ULEVs in larger North Yorkshire settlements, such as Harrogate and Scarborough, having completed the business case work and engagement with operators in Phase 1.
- **Phase 3 – FY24 to FY25:** Deployment of ULEVs in the region's more rural areas. This will require further funding to deliver, once detailed work has been completed to identify suitable ULEV solutions for use in rural context and a business case has been established. We are seeking a commitment from Government to consider the business case once it has been developed (anticipated by FY24/25).

All three phases will include a financial support pack to operators of services in the areas to assist with bridging the additional capital purchase cost of a ULEV vehicle over a standard DERV vehicle.

This would be supplemented by the installation of supporting infrastructure such as vehicle charging equipment. The financial package will follow the same model as DfT's recent schemes, whereby operators are assisted with the additional capital costs.

In Phase 1 the majority of funding (£27m of the £27.5m) will be capital spend to purchase approximately 150 electric buses and charging infrastructure at seven bus operators in York. It was anticipated that the project would be delivered over a four-year timescale, with the bulk of spend in years 2 and 3 of the programme. Operators have committed to make match funding investments of their own of a further £24m, and CYC has identified a complementary programme of bus priority measures and improved passenger interchanges costing over £10m, much of which is already committed spend supporting major projects in York (York Central, York Station Frontage, York Castle Gateway). These complementary projects will be delivered over the same four-year period as the investment in electric buses.

There are clear synergies between this proposal and our plans to roll-out an EV charging network for private vehicles, taxis, LGV's and HGV's through the funding made available by a 'Devolved 5-yearly Integrated Transport Settlement' (discussed in the previous section). The Mayor will ensure that these two projects are coordinated especially with respect to the ability of the electrical grid infrastructure to support EV charging of both private vehicles and buses. Investigations into this issue are already underway by NYCC and CYC.

3. Funding for a roll out of publicly available EV charging facilities across our region

Summary:

YNY is the largest MCA in terms of both geographical area and road length. The resultant long journey distances alongside the relatively sparse population and limited nature of the electrical grid infrastructure make delivering the necessary step change in EV charging infrastructure to meet our carbon negative region ambition expensive and difficult to deliver.

We are seeking up to £50m funding over the next five years to deliver a programme for the roll-out of public EV charging in our cities, towns and rural areas across our region. This will allow us to provide for visitors and workers in our town, our resident population and people undertaking longer distance trips, especially to our remoter areas. This will increase the uptake of electric vehicles in our region, reducing carbon emissions and support a green economic recovery from COVID-19.

The case for change

The YNY region is the largest MCA by both geographical area (over 8500 km²) and length of road network (almost 10,000 km). With three major towns/cities (York, Harrogate and Scarborough) and over 25 smaller communities, the population of our region is widely spread and relatively sparse. The YNY region is approximately 100 miles north to south and 100 miles east to west; therefore journey distances are often very long. In addition, our coastal towns and resorts can be up to 60 miles from core strategic transport networks. As a result of this and despite the improved range of electric vehicles 'range anxiety' is often quoted in correspondence and on on-line forums as a major disincentive to the use of electric vehicles in our region

The sparse population and associated relatively low traffic flows mean that commercial provision of EV charging facilities in YNY is near negligible and unlikely to change significantly in the near future. Similarly, the large number of small communities in our region means that public sector provision of EV charging facilities is difficult and costly with a large number of dispersed sites required. In addition, our initial research suggests that even in our largest towns (e.g. Harrogate) the electrical grid network has insufficient capacity to accommodate the necessary numbers of the latest ‘fast chargers’ (up to 25kW) and ‘rapid chargers’ (up to 50kW). The electric grid challenge is often even worse in some of our smaller rural communities. Significant electric grid infrastructure costs are therefore also a major constraint on the provision of EV chargers in YNY. Indeed, initial indications are that electric grid costs could be in the region of £100k to £300k per location.

As a result of the above the uptake of electric vehicles in YNY is low with only 2,221 ULEV vehicles registered in YNY at the end of 2019¹ of which only 1,011 were battery only ULEV’s (less than 0.18% of the total registered vehicles in YNY compared to the national average of 0.28%). Evidence from direct correspondence and online forums also suggests that the lack of EV charging infrastructure is a major disincentive to ULEV owners visiting the region for tourism; particularly for our east coast resort towns. Given the reliance on the visitor economy, these towns have also been some of the hardest hit by the COVID-19 lockdown.

Government funding to date has largely focused on large urban areas and more recently on encouraging private EV car ownership (e.g. Electric Vehicle Homecharge Scheme for domestic properties and Plug in Vehicle Grant) and investment in car park areas such as residential streets and employer car parks (e.g. On-Street Residential Chargepoint Scheme and Workplace Charging Scheme). These do not address our challenges of rurality, significant electric grid infrastructure costs, and large geographic area that discourage use of EV vehicles in our region. Because of the lack of available and suitable funding, across our region individual local authorities have made limited EV charging provision in their areas. This has hindered the step change in provision that is needed to allow the widespread take up of electric vehicles and contribute towards our ambition to be a carbon negative region.

We welcome DfT’s (March 2020) paper “Decarbonising Transport: Setting Challenge”, particularly its commitment to a holistic approach to encouraging the usage of ULEV through a “strong consumer base, the right market conditions, and a fit for purpose infrastructure network”. In this paper we are encouraged by Government’s commitment to spend £500m over the next five years to ensure drivers will never be further than 30 miles from a rapid charging station.

However, we believe our unique challenges require a devolved approach to achieve a roll out of publicly available EV charging facilities across our region. This could provide an exemplar model for Government to roll-out more widely to rural areas of the country and enable Government to meet its national commitments.

In April 2020 North Yorkshire County Council on behalf of the York and North Yorkshire LEP and working with the District and Borough councils, commissioned a comprehensive study to identify the gaps in EV charging provision across the whole of North Yorkshire, forecast future demand and identify detailed proposals for the number and type of EV charging points necessary in North Yorkshire. Alongside the City of York Electric Vehicle Charging Strategy (approved March 2020) this will provide a comprehensive plan for the necessary step change in EV charging facilities needed across our region This will include:

¹ Source DfT – Table VEH0132a

- Hyper hubs serving the city of York and potentially Harrogate and Scarborough
- Evidence based suitable types and numbers of EV charging facilities in every city/town centre in YNY
- Evidence based suitable provision of publicly available on and off street EV charging facilities for residents without a private drive
- A commitment to ensure a suitable and convenient publicly available EV charging point every 20 miles on our regions local A class road network matching the Governments and Highways England's ambition for the Strategic Road Network

Study outputs are expected to be available by the end of 2020 with a full business case to follow in 2021.

The City of York has extensive experience of provision of public EV charging points with almost 50 located across the city including 5 rapid chargers and they are currently in the latter stages of planning for two ultra-rapid charger hyper hubs. Other authorities in the region are less well advanced with delivery of public EV charging however all have delivered or are in the latter stages of planning to deliver a small number in the key towns in the region.

Our offer and ask of Government

We are seeking to devolve up to £50m capital funding to deliver a programme for the roll-out of public EV charging across our region over the next five years. This is based the initial findings of our CYC Electric Vehicle Charging Strategy and NYCC gap analysis in EV charging provision which is indicating that the costs of upgrading the electric grid infrastructure in our numerous large and small towns is likely to be the greatest constraint on a wide scale roll out in YNY. Government funding will be used to deliver a 3 to 5-year programme providing the necessary electric grid infrastructure upgrades as well as a suitable mix of fast, rapid and ultra-rapid chargers as appropriate to their target market.

We intend to build on our local EV charging infrastructure reviews, as well as our experience to date in rolling out local charging stations across the region. Through a devolved approach YNY can address private sector/commercial market failures by targeting investment towards the places that need it most and make strategic, holistic investments to encourage EV usage in our region.

This will play a key role in our economic recovery from COVID-19; allowing us to provide for visitors and workers in our towns, our resident population and people undertaking longer distance trips especially to our remoter areas. Upgrades to the electric grid infrastructure will also where possible consider the provision of any necessary capacity to allow future private sector provided but publicly available EV charging facilities at places such as supermarkets and shopping centres.

This EV programme would be fully integrated with our proposals for funding the deployment of ULEV public transport in our region (outlined in the previous section).

4. Revenue funding settlement for bus services to support COVID-19 recovery

Summary:

The impact of COVID-19 on the bus market will be more keenly felt in our region given the significant areas of sparse rurality; potentially leading to a permanent loss of services and smaller operators (which make up a significant proportion of our market). This will hamper the post COVID-19 recovery of our visitor economy, stall housing development and growth, and risk social isolation of our deprived and vulnerable communities. As part of our COVID-19 Economic Recovery Plan, our asks of Government are twofold:

- i. **£36m of funding over the 5-year period of FY21 to FY25 to help secure the recovery of our bus market to pre pandemic levels.** £2m funding would be used to pump-prime services in response to COVID-19; £33m would be used to develop existing areas of under bus provision in North Yorkshire; and £1m would be used to develop and implement technology-based solutions, based on the principles of Mobility as a Service (MaaS)
- ii. **Local flexibility over ENTS statutory requirements**, such as enabling the use of technology (e.g. smartphones), to be used instead of the statutorily required pass, as well as the ability to accept a contribution from passengers for concessionary travel will provide an critical source of additional funding to aid the recovery of our bus market.

The case for change

North Yorkshire is characterised by a dispersed settlement network comprising small market towns and a large number of surrounding areas of sparse rurality. There are large areas where the commercial bus market is not satisfying local demand and services are provided by a limited fixed timetable supported bus network, some of which are previously withdrawn commercial services. As such our public transport network, either commercial or supported, does not sufficiently meet the current and future needs of our residents. This reinforces dependency on the private car resulting in congestion issues, as well as placing pressure on wider services, such as health budgets, and limiting the economic prosperity of our communities.

Currently in excess of £13m per year is spent across the region by CYC and NYCC financially supporting bus operators. The support includes reimbursement of fares for journeys made by concessionary travel pass holders and financial support for bus services that are not deemed by operators to be commercially viable.

The poor commercial viability of our rural bus network will be exacerbated by the COVID-19 pandemic, which has significantly impacted passenger usage, dropping at its lowest to 7% of pre COVID-19 levels, increasing to just 12% by early June 2020. Recovery is not anticipated nationally in the short term (current estimates suggest 80% of pre- pandemic levels) and work to ensure recovery is achieved in the medium term will require commitment and investment from a both the public and private sector.

The impact of COVID-19 on the bus market will be more keenly felt in our region given the significant areas of sparse rurality, potentially leading to a permanent loss of services and smaller operators (which make up a significant proportion of our market). Constrained local authority resources mean it will not be possible to step-in and fund withdrawn commercial services. This will hamper the post COVID-19 recovery of our visitor economy, stall housing development and growth, and risk social

isolation of our deprived and vulnerable communities. It is therefore critical that we have a funding approach which puts services back on a sustainable footing and secures the recovery of our bus market.

The scope of the English National Concessionary Travel Scheme (ENCTS) is also key dimension in such an economic recovery approach. CYC and NYCC already work proactively and in partnership to both deliver the statutory requirements and some discretionary enhancements, which has helped to achieve economies of scale. However, the scheme is expensive to deliver, and involves rigid statutory requirements. Providing flexibilities around the ENCTS could provide a critical source of additional funding to aid the recovery of our bus market.

Our offer and proposals to Government

As part of our COVID-19 Economic Recovery Plan, our proposals to Government are twofold:

- I [£36m of funding over the 5-year period of FY21 to FY25 to help secure the recovery of our bus market to pre pandemic levels](#)

Whilst the development and adoption of a bus strategy within the Mayoral Combined Authority's (MCA) joint LTP for the region will shape and inform the development of medium- and long-term solutions to sustaining and growing our public transport network, we need a short-term funding approach to address the impacts of COVID-19 on bus patronage and avoid the loss of services and small operators.

The funding will support two areas of intervention:

1. **£2m of revenue funding to pump-prime services in response to COVID-19.** The intention is to provide seed funding to operators; with support in earlier years (FY21 and FY22) tapering as passenger numbers increase and return to pre pandemic levels (i.e. FY23-25). The specific details on the support provided will be determined by the bus operator response to the crisis, but given only 80% patronage levels are anticipated in comparison to pre-pandemic patronage nationally, some commercial services that were only marginally profitable will become unprofitable and will therefore be terminated or curtailed in some way, with our LTAs required to backfill the lost services. The position is likely to be much worse in rural areas where such services only operate once per day or week, risking entire loss of services in comparison to urban areas where service retrenchment is likely to form frequency reductions. Without intervention, we face many of our communities becoming isolated, with damaging consequences for economic prosperity and our decarbonisation agenda (given the resulting increases in car use where residents do have a car available).
2. **£33m to develop existing areas of under bus provision in North Yorkshire** through investment in the start-up and operation of area-based/zonal services, focusing on community-centric transport which connects residents to key services. Initiatives will operate earlier in the morning and later in the evening on request throughout a defined area/zone, encompassing a number of rural and dispersed settlements and market towns. This new type of area based/zonal service combined with strategically delivered fixed route and timetable services will ensure rural locations are linked to employment site and key services. Other areas, such as York and Harrogate, have good commercial coverage, sometimes with over provision. Areas such as coastal areas have good patronage during high season but are vulnerable during the off-peak season. Investment to develop the bus network in these areas to increase usage by existing non-users and users from outside the area such as tourists is required to ensure services remain sustainable and continue to be provided on a commercial basis.

3. **£1m to develop and implement technology-based solutions, based on the principles of Mobility as a Service (MaaS).** Across our region users and non-users can be deterred from using the network by the complexity and inconvenience of finding information on and paying for the service. There are examples of good joint ticketing initiatives across the region but there are also areas which require improvement. This funding would support one-off capital investment in MaaS technology with modest revenue funding to cover operational costs.

II Local flexibility over English National Concessionary Travel Scheme statutory requirements

The introduction of local freedoms on ENCTS would enable the use of technology, such as smartphones, to be used instead of the statutorily required pass. In addition, the freedom to consider the ability to accept a contribution from passengers for concessionary travel will provide an additional source of funding, which could be implemented as discreet pilots to develop a proof-of-concept which could inform future national policy and potential roll-out in other areas.

The specific freedoms we are seeking from the ENCTS legislation include:

- Section 145A of the Transport Act 2000 to enable a small charge to be made to passengers. “Any person to whom a current statutory travel concession permit has been issued and who travels on an eligible journey on production of the permit, to a concession consisting of a waiver of the fare for the journey by the operator of the service.”
- Variations to The Concessionary Bus Travel (Permits)(England) Regulations 2008 to enable the use of technology, such as smartphones, to be used instead of the statutorily required pass.

5. Enhanced joint working and transport powers

In line with other Mayoral Devolution Deals, through a Devolution Deal for YNY we are seeking a range of enhanced local transport powers, as well as joint working with central government and Government companies (e.g. Highways England and Network Rail) to better align local and national transport investment plans. This includes:

I Statutory Transport Plan Powers

The Mayor is to receive transport planning powers and, working with the two Local Highway Authorities (LHAs), jointly prepare and approve a transport strategy and LTP for the region. This plan will act as the framework for coordinating strategic transport decisions and investments across YNY. The Combined Authority will be able to amend the joint Mayoral-LHA transport strategy if a majority of members and the two statutory LHAs agree to do so. Included in the LTP will be a Strategic Highway Asset Management Plan which will set the strategic context for highway maintenance across the region, which will continue to be delivered locally by the two statutory LHAs.

In terms of the local road network, the MCA will cover the largest network in the country in terms of road length – comprising almost 10,000km in total with almost 1,000km of A road (excluding trunk roads). Unlike most other MCAs, this network is managed by just two existing LHAs (North Yorkshire County Council and City of York Council). Over 92% of the network (all roads and A roads) is within North Yorkshire with the City of York Council’s local highway network being almost entirely enclosed by North Yorkshire, with just a short boundary with the East Riding of Yorkshire which is crossed by just two roads (the A1079 and the B1228).

This, together with the economic importance of the city of York to North Yorkshire, has resulted in long term co-operative working between the two LHAs on transport matters with some provision for shared services (bridges), co-funding of transport officers (Rail and TfN co-ordination) and shared representation at some TfN meetings

The creation of an MCA for YNY, and preparation of a joint LTP and Strategic Highway Asset Management Plan will formalise these arrangements and ensure the continued alignment of our priorities for the management, maintenance and improvement of the local highway network, including the most economically crucial roads as identified in the Government's Major Road Network.

The joint drafting and approval of the MCA's LTP also provides an enhanced opportunity to better align economic and spatial planning with transport planning; provide greater local accountability and decision-making power over transport-related issues; and provide the opportunity to scrutinise local transport decisions and priorities. It will help the region to coordinate and implement an integrated transport investment strategy over the next 30 years. Through a robust assurance framework, it will also ensure any transport spending decisions taken by the Mayor maximise Value for Money (VfM) and deliver the best economic, social and environmental outcomes for the region.

II Bus Franchising Powers

The Mayor will have access to franchising powers in the Bus Services Act 2017. This will provide the opportunity to develop high quality bus services as part of an integrated local transport system. YNY will continue to work with relevant partners – TfN, bus and rail operators and the DfT – to realise this ambition.

Whilst our proposals include Bus Franchising powers, our preferred approach is to work in partnership with bus operators with a shared ambition to delivering an optimised network which minimises bus congestion and pollution, integrates with other public transport modes and is designed around people's travel patterns and provides users and potential new users of the relevant bus related information. It must be sustainable in the longer term both to the MCA and bus operators.

We also propose that Government considers making the relevant regulations to facilitate the transfer of bus functions to the Mayor, should these regulations be sought in future, subject to approval of a business case.

III Devolved Mayoral Transport Settlement

The Mayor will be responsible for a devolved and consolidated local transport budget for the area of the YNY Combined Authority, including all relevant devolved highways funding, whilst recognising that the statutory responsibilities for highway maintenance remain with the two Local Highway Authorities.

IV Enhanced Joint Working with Highways England and Network Rail

Government to support the YNY Combined Authority, Highways England and Network Rail in establishing enhanced joint working arrangements, including determining shared priorities for the region's strategic road and rail networks. Strategic and key local road networks in particular serve a crucial role connecting places in a mostly rural region. An enhanced joint-working arrangement ensures an improved coordination among stakeholders and will make the most efficient and effective use of the region's critical local highway and railway assets. Of high priority for our region through this enhanced joint working would be:

- Upgrades to the A64 east of York which is currently a major constraint on connectivity to and the economic prosperity of the east coast.
- Bringing forward identified infrastructure upgrade work such as improved track layout at York Station and additional track between York and Skelton Junction – improving both capacity and reliability on the rail network in and out of York.

V [Exploration of further Transport for London powers for devolution to YNY](#)

YNY are seeking to open discussions with government exploring wider powers currently devolved to Transport for London and to explore the potential benefits of devolving these powers to YNY.

DRAFT

4 Digital

Strategic context

High quality and widespread digital infrastructure are essential to the growth of the York and North Yorkshire (YNY) economy, both because of the general trend towards digital business and service delivery, and our rural geography and relatively dispersed population, which can make physical access between settlements or to major centres slow and difficult.

Superfast and ultrafast broadband² provides the bandwidth necessary for many people to work from home – for example by receiving and sending emails and using the internet. In some cases, it allows users to access teleconferencing and cloud computing. This is particularly important given rapid growth in home working, with Ofcom reporting in 2018 that 50% of 25-34-year olds and 58% of 35-44-year olds now work from home at least once a week.³

While superfast and ultrafast broadband is fast enough for most current individual/household needs, even prior to COVID-19, the availability of, and demand for, data-intensive services such as online video streaming and video calls has been increasing.⁴ The importance of this connectivity in supporting future economic growth has also been recognised by Government in its ambition to deliver nationwide gigabit broadband (defined as download speeds of at least 1000 mbps) by 2025.

High capacity internet connections that can support fast download speeds, large amounts of data, and many users at one time is increasingly important for households and businesses and will be critical to a successful economic recovery from COVID-19. Under a “new normal” the importance of gigabit broadband is amplified as industry implements new business models, attitudes shift toward even more home-working, and demand for digitised services (public and private) increases significantly.

Against this background, the rapid completion of 100% Superfast broadband coverage, and working to meet the Government’s national target of 100% Gigabit broadband by 2025, is crucial to the economic prosperity of our region. In addition, strong 4G and 5G networks will play an important role in future mobility solutions across our region, particularly given our rural characteristics, including supporting autonomous vehicles, demand responsive transport, smart ticketing and on-the-go journey planning.

However, despite the economic opportunities and indeed necessity of digital connectivity, at present the coverage of our region’s fibre and mobile broadband significantly lags behind the rest of the country. This is because the low population density of our region means that telecoms operators are unable to take advantage of economies of scale and have a smaller than typical addressable market by geographic size, making private investment commercially unviable. Without public intervention, and a step-change in the way this is delivered, there is a significant risk that our economy is ‘left behind’ and the Government’s levelling up agenda is undermined.

We have demonstrated a commitment to digitising the region and invested in local capacity to successfully design and implement the procurement of public investment in digital infrastructure

² Superfast broadband is defined as download speeds of 30-300 megabits per second (mbps), while ultrafast broadband is defined as download speeds of 300-1000 mbps

³ [ONS Internet Access – Households & Individuals](#) 2018

⁴ Full-fibre broadband in the UK, House of Commons Briefing Paper no. CBP 8392, 2020

and ensure successful roll out through stakeholder and contract management. A prime example is North Yorkshire County Council's (NYCC) Superfast North Yorkshire (SFNY) project, which has successfully delivered superfast broadband to more than half (56%) of business and residential premises in the county that would not otherwise be served by the private sector. Another example can be seen in the City of York where we took the initiative to work with CityFibre to become the first "gigabit city" in the UK; offering internet speeds of 1000Mbps to our residents, businesses and services via ultra-fast fibre optic broadband.

We are seeking to build on this successful track record in delivering digital projects, and through a step-change in delivery arrangements, address the remaining parts of our region that are not realising the benefits of a digitised economy. We are proposing to be the pioneer of a devolved approach to digital investment, as well as work with Government in its future digital plans involving our region.

Specifically, our proposals to Government are threefold:

1. **Devolution of national Department for Digital, Culture, Media and Sport (DCMS) funding for fibre connectivity**
2. **Co-design of the roll-out of the Shared Rural Network (SRN) in the YNY region**
3. **£20m for the establishment of a new Mayoral Smart Infrastructure Investment Fund**

Our proposals for digital

1. Devolution of national DCMS funding for fibre connectivity

Summary:

Whilst levels of fixed coverage and accessibility via superfast and ultrafast broadband are improving in the region, coverage remains significantly below the rest of the country and is considerably variable across the YNY area due to our rural characteristics. Under our existing programmes/initiatives we expect 93% of all homes and businesses in the YNY region to have access to superfast broadband by 2023, compared to 95% nationally. Given significant funding has been spent within North Yorkshire to achieve this target, this demonstrates the challenge that a rural county brings.

We welcome Government's ambition to deliver nationwide gigabit broadband by 2025, alongside a £5bn commitment to roll out gigabit broadband to difficult to reach areas of country. However, the scale of the challenge to delivering 100% gigabit broadband in our region is estimated to be c£740m. This is based on information available through the existing Superfast North Yorkshire project including the cost of Gigabit broadband and the varying scale of cost across different parts of the County. Assuming a 30% contribution from the private sector, we estimate £520m is required through public sector grant funding.

Given the scale of the challenge, and the limitations of a 'one-size fits all' centralised gap-funding approach, **we are seeking to devolve DCMS/Building Digital UK's (BDUK) delivery programme, supported by £520m in capital funding over the period of 2023/24 – 2035/36** to deliver the rapid completion of 100% Superfast broadband coverage, and working to meet the Government's national target of 100% Gigabit broadband across all of YNY by 2025

Through the SFNY project we have demonstrated a capacity and capability to deliver broadband infrastructure - to residents and businesses in our region that would otherwise not be served by the private sector. Through a devolved approach we will leverage our local knowledge to nurture local providers, stimulate demand within communities and ensure a targeted programme designed for the challenging rural landscape, resulting in an efficient programme delivering gigabit broadband to some of the most rural areas of England which will reduce the Urban/Rural divide and increase productivity of the region. A devolved approach will lead to a programme delivered faster, harnessing the various providers already actively working in the region and ensuring that we do not have clusters focused on the few urban areas. Good broadband is also essential to the tourist industry which is key in a region such as YNY with two national parks, four AONBs and a historically important city.

The case for change

In line with Government's ambition, YNY has the ambition to deliver 100% Superfast broadband coverage, and work to meet the Government's national target of 100% Gigabit broadband by 2025

Whilst levels of fixed coverage and accessibility via superfast and ultrafast broadband are improving in the region, coverage remains low relative to the rest of the country and is considerably variable across the YNY area, as evidenced in Table 1 below. In some urban areas within YNY's local authorities, superfast broadband access is close to or matches the country average of 96%. However, access is considerably lower (c87%) within urban areas in Selby, Ryedale and Richmondshire. This access falls even further in our rural areas – at or below 75% in five of the eight YNY districts. In addition, our broadband is slower than the national average, with download speeds of 30.2 mbit per second, compared to 45 mbit per second nationally.⁵

Table 1. **North Yorkshire Coverage Data by Rural Identifier Code (number of premises, % share of total premises)**

	No Coverage	Premises with Superfast Broadband Availability (30 Mbits/s)	Premises with Ultrafast Broadband Availability (330 Mbits/s)	Total
Urban (A-C)	10,467 (7%)	99,964 (66%)	41,155 (27%)	151,586 (100%)
Rural (D-F)	38,444 (21%)	130,236 (70%)	17,905 (10%)	186,585 (100%)
TOTAL	48,911 (14%)	230,200 (68%)	59,060 (17%)	338,171 (100%)

We have demonstrated a pro-active commitment to digitising the region in so far as possible, given the challenge of having a low population density limited commercial viability from the private sector alone. In 2007, NYCC launched NYnet, with the aim to improve connectivity and broadband services across county. Using pre-procured products and services under Public Contracts Regulations, NYnet has been able to design, build, deliver and operate superfast or ultrafast broadband across c290,000 or (85%) of premises in the county. Of this amount c190,000 (65%) of these have been provided

⁵ <https://labs.thinkbroadband.com/local/E1000023>

through the gap funded Superfast North Yorkshire Programme over three phases; targeting residences and businesses in the county that would otherwise not be served by the private sector. NYCC is currently procuring the fourth phase of SFNY project and is financed by a mixture of funds from Central Government, Europe and the County Council. On completion of the fourth and likely final Superfast phase there will be approximately 93% access to Superfast Broadband.

The City of York Council (CYC) also demonstrated a pro-active commitment in 2010 when it secured access to an initial 95km dark fibre network from CityFibre to deliver gigabit speeds across the city. This has been significantly expanded through private sector investment to locations that had previously struggled with connectivity as low as sub 2Mbps. As a result of this initiative 59% of homes are currently connected to a full-fibre network across the city with an active and future build phases to extend this coverage to above 70% (compared to the UK average of 14% full fibre coverage coverage).

Despite the successes within the City, there are still many parts of the CYC area that are commercially unviable to deliver superfast broadband.

In DCMS' 2018 Future Telecoms Infrastructure Review (FTIR), Government articulated the strategic case for full access to superfast broadband, and the importance particularly in rural areas. This was backed up by the Government's commitment to deliver nationwide gigabit broadband by 2025,⁶ alongside an announcement in the March 2020 Budget of £5bn in new investment to roll out gigabit broadband to the 20% most difficult to reach areas of country.

Whilst this ambition and funding commitment from Government is welcome, we are aware of the scale of the challenge to deliver 100% superfast broadband, let alone full gigabit broadband. Based on how much of the region there is still to connect, and an approximate cost per premise (from later phases of SFNY project), we estimate the scale of the challenge to delivering 100% gigabit broadband in our region is estimated to be c£740m.

As a rural region in England, we are aware of the limitations of a 'one-size fits all' centralised gap-funding approach; as evidenced in the coverage we have achieved to date, and additional funding that has been needed to get to 100% superfast broadband coverage. Based on historical private sector contributions from the SFNY project we assume a 30% contribution from the private sector, resulting in £520m required through public sector grant funding.

We believe the unique, rural characteristics of our economy require a devolved approach to achieve broadband coverage at the scale and pace required in our region, and in turn enable Government to meet its national commitments. Our devolved approach would build on our experience from delivering the SFNY Project and understanding of our local geography, by:

- Basing the definition of 'hard to reach' on our local knowledge, resulting in different priority areas of intervention;
- Understanding where the final 10-20% is going to be, and which of those are unlikely to ever be good Value for Money (VfM);
- Using local knowledge to understand where some existing providers can be nurtured to deliver towards the 100% target with less funding by targeting the areas around these smaller providers; and
- Tailoring the grouping premises to reflect the YNY market – for example, the national approach of bundling 3,000 premises to provide connectivity to individual villages or small towns amounts

⁶ Full-fibre broadband in the UK, House of Commons Briefing Paper no. CBP 8392, 2020

to multiple villages for most of the North Yorkshire geography. We believe an approach based on geographical area rather than premises numbers will offer the better outcome as these can be targeted against infrastructure build as well as the final 7% still without superfast.

We believe that a de-centralised approach will deliver coverage to the region sooner and with less state funds than if this was delivered with a one size fits all approach. In addition, through previous demand stimulation and understanding of complaints, YNY can target the build towards the places that need it most. Many of these are white islands i.e. Premises which cannot receive superfast within big areas of coverage due to the distance from the cabinet.

We expect this will deliver a number of benefits to the Region which will ultimately drive up our productivity, and thus support UK economic growth as well as help to level up our national economy:

- Fostering growth and retention of businesses in the Region, particularly rural Small and Medium Enterprises (SMEs). Superfast internet will allow businesses in the region to access to a wider customer base; better match skills though a wider labour market pool; and generate agglomeration benefits from businesses being virtually closer together. This not only raises productivity and living standards in YNY but delivers net national growth.
- Supporting more home working and online meetings which reduces the need to travel and in turn reduces emissions, particularly in YNY's most rural locations which are highly car dependent. This will contribute to Government's aim to reach net zero by 2050, and YNY's aim to become a carbon negative region by 2050.
- Supporting the economic changes in our region under a "new normal" post-COVID-19, such shifting attitudes toward even more home-working, and increased demand for digitised services from the private and public sector.
- Improved well-being from increased social inclusion from virtual access public services, such as telehealth and online learning, as well as reduced loneliness from enabling residents in YNY's rural communities to connect virtually with distant friends and family.

Our offer and proposals to Government

Based on this evidence, YNY is seeking devolution of £520m from DCMS funds which will be dedicated to delivering 100% Superfast broadband coverage in the YNY region and working to meet the Government's national target of 100% Gigabit broadband by 2025. Our proposal is for 100% capital funding over the period of 2023/24 – 2035/36. Through market engagement YNY is aware that the market believes it will not have 100% coverage within the region until 2035. However, YNY will work with the market to deliver this as soon as possible in order to drive towards the Government's 2025 target.

With this funding, YNY will build on the success of the NYnet delivery model for the SFNY project and expand this to cover the entire YNY region. The devolved funds would be under the direct stewardship of the MCA and ring-fenced for delivering superfast and gigabit broadband connectivity to YNY's most difficult to reach areas of the region.

2. Co-design of the rollout of the Shared Rural Network in our region

Summary:

Whilst YNY is supportive of Government's response to the rural digital divide via the SRN, we believe local input is required to inform roll-out in our region to maximise VfM from Government's intervention and ensure our region does not fall further behind the levels of mobile connectivity enjoyed by other parts of the country. In the past we have seen a mismatch between the Government's ambition for mobile coverage and how this plays out specifically in our region. In addition, survey data we have conducted suggests that our coverage is worse than what is reported by Ofcom, therefore risking the scale of the challenge in our region to be significantly underestimated.

We are seeking to work with Government and industry partners to co-design the roll out of the SRN in our region. We believe we bring an informed, local perspective of where investments should be made and how they should be prioritised in order to ensure VfM and maximise the programme's potential contribution to the region. We also believe through joint working this will in turn identify good practice which can be used more broadly to inform Government's approach to supporting mobile connectivity roll out to the UK's other rural regions.

The case for change

As a largely rural area, we understand the challenges of achieving full mobile coverage across the region. We recognise that many of the rural areas of the UK suffer from this, and Government has responded to the rurality challenge via the recently announced £1b SRN, which aims to have 95% of UK's land mass to have 4G coverage by 2025.

Whilst YNY is supportive of Government's response to the rural digital divide, the approach to rollout of the SRN needs to reflect the differing characteristics of the UK's rural economies. At the moment there is a mismatch between the Government's ambition and how this plays out specifically in our region. Ofcom's 2019 Connected Nations report states that there is 97% 4G coverage in England by at least one operators However, in comparison our coverage equates to 74% as of Sept 2019 (see Table 2 below).

Table 2. *Percentage mobile coverage*

Area	Percentage Coverage			
	At least one MNO		All MNO's	
	Current	Target	Current	Target
England	97%	98%	81%	90%
	Current	% Increase	Current	% Increase
Craven	84%	14%	51%	39%
Hambleton	98%	0%	89%	1%
Harrogate	94%	4%	78%	12%
Richmondshire	77%	21%	50%	40%
Ryedale	91%	7%	67%	33%
Scarborough	91%	7%	66%	34%
Selby	100%	0%	98%	0%
York	100%	0%	99%	0%

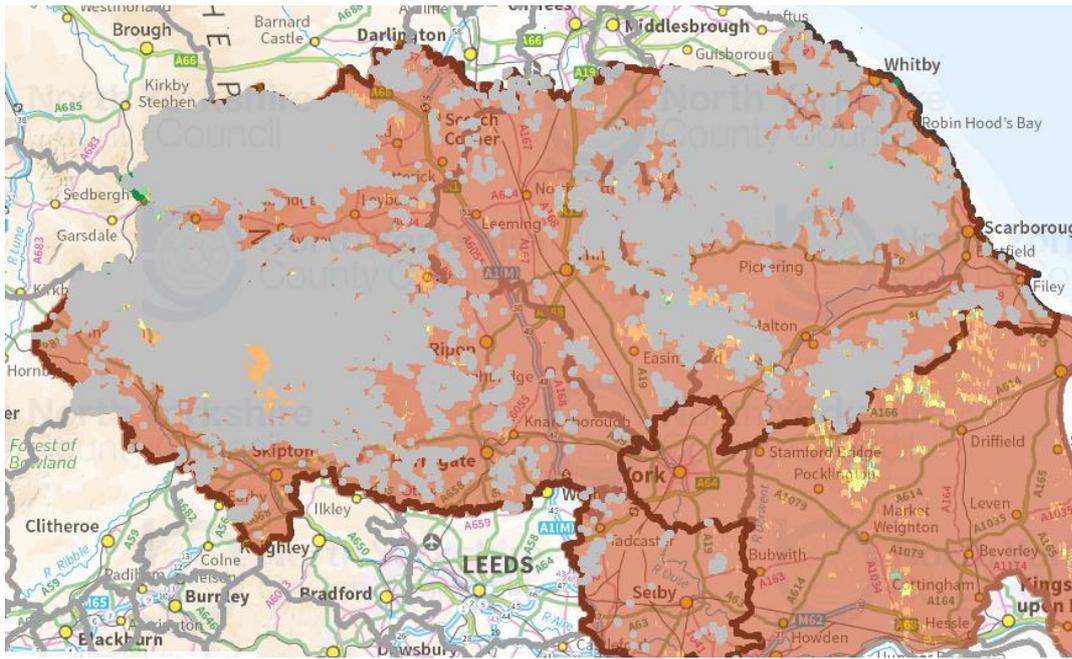
In the YNY region, the level of mobile coverage is well below the national average, is highly variable across our geography, and in practice falls well short of the levels reported by MNOs. Overall, mobile coverage in YNY is currently around 74% indoor coverage, whilst indoor coverage falls to around 45% by all operators. Although the yellow areas indicated above meet the national coverage levels according to the Ofcom data, users within these areas and our survey shows that this is not the case.

Addressing the inherent challenges in achieving full mobile coverage requires an accurate picture of the scale of the challenge. Current coverage data comes from Ofcom which is provided via the MNOs. Recognising the issues DCMS and Ofcom face in mapping rural connections, we carried out our own drive through survey in May 2018 which shows coverage to be worse than is currently reported. The following table summarises Ofcom data on mobile coverage nationally against YNY showing how we have been left behind and the increase required to bring us to the national average.

Figure 3 illustrates 4G coverage in the YNY region and shows the contrast between high levels of 4G coverage (coloured in brown) in the City of York, larger towns, the coast and transport corridors such as the A1(M) corridor, and low coverage in large, more remote rural areas (shaded grey)⁷.

⁷ Improving Mobile Phone Coverage Programme (Ofcom Mobile Coverage presentation), North Yorkshire County Council, 2019

Figure 3. 4G Indoor Coverage



Further evidence of the lack of investment in rural areas is demonstrated in the number of planning applications for new mobile masts that have been received recently. As can be seen from Figure 4 the numbers of applications have reduced dramatically following the completion of the last round of coverage targets in 2017.

Figure 4. YNY planning applications for mobile infrastructure



Source: YNY Planning Departments

Our offer and proposals to Government

We are seeking to work with Government and industry partners to co-design the roll out of SRN in YNY and in turn identify good practice which can be used more broadly to inform Government’s approach to supporting mobile roll out to the UK’s rural regions.

Given our local intelligence, alongside our track record of successfully delivering digital infrastructure through NYNet, we bring an informed, local perspective of where investments should be made and how they should be prioritised to ensure VfM is achieved from the SRN and maximise the programme’s contribution to Government and YNY’s aims for mobile connectivity. Through joint work working with Government, we believe we can achieve the national targets of England for YNY ensuring we are not left behind in mobile coverage.

3. £20m Mayoral Smart Infrastructure Fund (MSIF)

Summary:

High quality digital infrastructure, shared data and new ‘smart’ solutions have a major role to play in addressing our economic, social and environmental challenges; particularly in a “new reality” post COVID-19. Smart City technologies – including “Internet of Things” (‘IoT’) devices – have the potential to deliver more innovative, cost-effective services in both the public and private sectors.

However, across our region, poor network coverage is a key barrier to the development of new products and solutions. A programme-based approach to Smart Investment across YNY will enable us to achieve economies of scale, support the rapid deployment of IoT technologies and a step-change in the delivery of smart solutions in our region.

We are proposing to establish a **new £20m Mayoral Smart Infrastructure Fund** to deliver four key projects:

- i. Procuring and deploying an **extension of the Low Powered Wide Area Network (LPWAN)** across YNY’s urban areas and the wider region;
- ii. Procuring an **initial tranche of sensors** for a variety of use cases across YNY;
- iii. Running **Innovation Competitions to secure private inward investment**, incentivise activity by local businesses and educational establishments, and address our challenges where no commercial off-the-shelf solutions exist; and,
- iv. **Establish a Knowledge and Skills Hub** to deliver a combination of roadshows and skills workshops, share knowledge in respect of the Smart Cities investments that we are making, provide visibility of the challenges that we are seeking to address through Smart Cities technologies (including Innovation Competitions), and work with businesses to determine how they can use the LPWAN infrastructure

The investment will **support cost optimisation of existing services** in a post-COVID-19 economy, **improve resilience** of our physical assets, **improve safety and security** for our population, and **create a foundation for private sector innovation and investment** in our region

The case for change

Our region’s mix of urban and rural characteristics presents a diverse yet particular set of challenges and opportunities for residents, businesses and public bodies. These include (but are not limited to):

- The need to deliver core public services across the region on a more efficient, cost-effective basis in the face of rising demand against a background of increasingly constrained resources, particularly as we enter a “new reality”, post-COVID-19.

- Driving up business productivity across the YNY region, which has not kept pace with regional or national trends.
- Environmental resilience challenges – especially in respect of flooding.
- High car ownership and resultant congestion and air quality issues in our urban centres.
- Additional CO₂ and NO_x emission challenges associated with industry and transport, which have not been decreasing at regional or national rates.
- An ageing population, particularly given our rural demographics, wherein consideration must be given to how housing and health technology adequately meets need, both now and in the future, enabling more people to stay in their homes for longer.

High quality digital infrastructure, shared data and innovative ‘smart’ solutions led at the local level have a major role to play in addressing these challenges. Specifically, Smart Cities technologies – including IoT devices – have the potential to deliver more innovative, cost-effective services and successful demand management in both the public and private sectors. IoT can deliver ‘optimised’ public and private services by feeding real-time to services providers, defining ‘need’ on historical trends, and flagging key risk areas.

We have assessed the potential use cases for Smart City technologies within YNY (see Table 3) which could be enabled by significantly improved network coverage and IoT devices and help to address the above challenges, with reference to a range of successful UK and international case studies, including what York are currently working on:

Table 3. *Potential use cases for Smart Cities technologies in YNY*

Local authorities	Local authorities with public sector partners	Private sector
<ul style="list-style-type: none"> • York has used IoT for housing management to gather data on building state and need of repair to optimise service delivery and to minimise cost by responding ahead of damage to assets and estate. This extends to providing supplementary data in support of health services where housing data can inform potential health issues. This will enable early intervention and minimise the risk of longer-term health issues (and strains to service delivery) arising. • Using smart street lighting to use an array of lighting solutions depending on the setting (e.g. residential vs. city 	<ul style="list-style-type: none"> • York has conducted IoT social/health care trials using sensors to monitor activity, sleep patterns, bathroom use, door/safety, kitchen use, temperature/humidity that are located within homes within the “at risk” group • York has also used home hubs to provide targeted artificial intelligence advice on customer conditions, medications and reminders for the day. Completing health checks and helping with movement, eating, heating, but also looking at mental health areas such as loneliness support and providing 	<ul style="list-style-type: none"> • Smart agriculture can help farmers monitor water, soil, and crops themselves to inform where to prioritise fertilizer/pesticides to increase crop yields and increase overall efficiency • Smart logistics can enable businesses to conduct real-time data visualisation – and the automation of logistics flows.

Local authorities	Local authorities with public sector partners		Private sector
<p>centre) and time of day. In Manchester, the City Council installed 56,000 smart LED luminaires and anticipates savings of 60% of its current £3.6m annual costs, as well as a 50% reduction in carbon.</p> <ul style="list-style-type: none"> • Smart bins can be to indicate bin fullness over time and inform a city's waste management plans. Across the UK over 160 councils have used Smart Bins and have shown average frequency of bin collection can be reduced by 86% by having real-time information of levels of waste. • Using IoT in water management systems in public spaces to gather data and use predictive analytics to inform when a city needs to irrigate their public spaces. In one year, Barcelona saved EUR42.5m (£37.6m), or 25% on water through deployment and use of smart devices 	<p>connections into the community.</p> <ul style="list-style-type: none"> • York is trialling a range of wearables which could improve patient outcomes for the elderly, helping keep them in their homes for longer. This includes the following functionality: SoS solution; Geo-fencing; Heart rate, HR variability, respiratory, circadian cycle, body temperature, movement/activity; Temperature, pulse, heart rate, sleep monitoring, • In flood management, sensors can be used to enable proactive and pre-emptive action to reduce and/or mitigate flood risk. A proof-of-concept project is being piloted in Dublin along River Liffey. 		

The use cases described above can be implemented under a variety of IoT networks. The two principal options are a LPWAN, and cellular (referred to as LTE). Our initial analysis concludes that an LPWAN is best suited to delivering our IoT ambitions for the reasons discussed and illustrated in Table 4 below.

LPWAN technologies have properties that are best suited for smart cities applications; longer coverage range and low energy requirements⁸ make these technologies strong contenders in IoT applications. These properties allow devices to be placed in remote locations without requiring external power or significant maintenance. LPWAN is also easy to deploy as a separate communications network carrier is not required, thereby saving on communication fees. These advantages do, however, limit the types of applications that can be deployed on this network; for example, video data cannot be transmitted over this network as it exceeds the available bandwidth with a LPWAN.

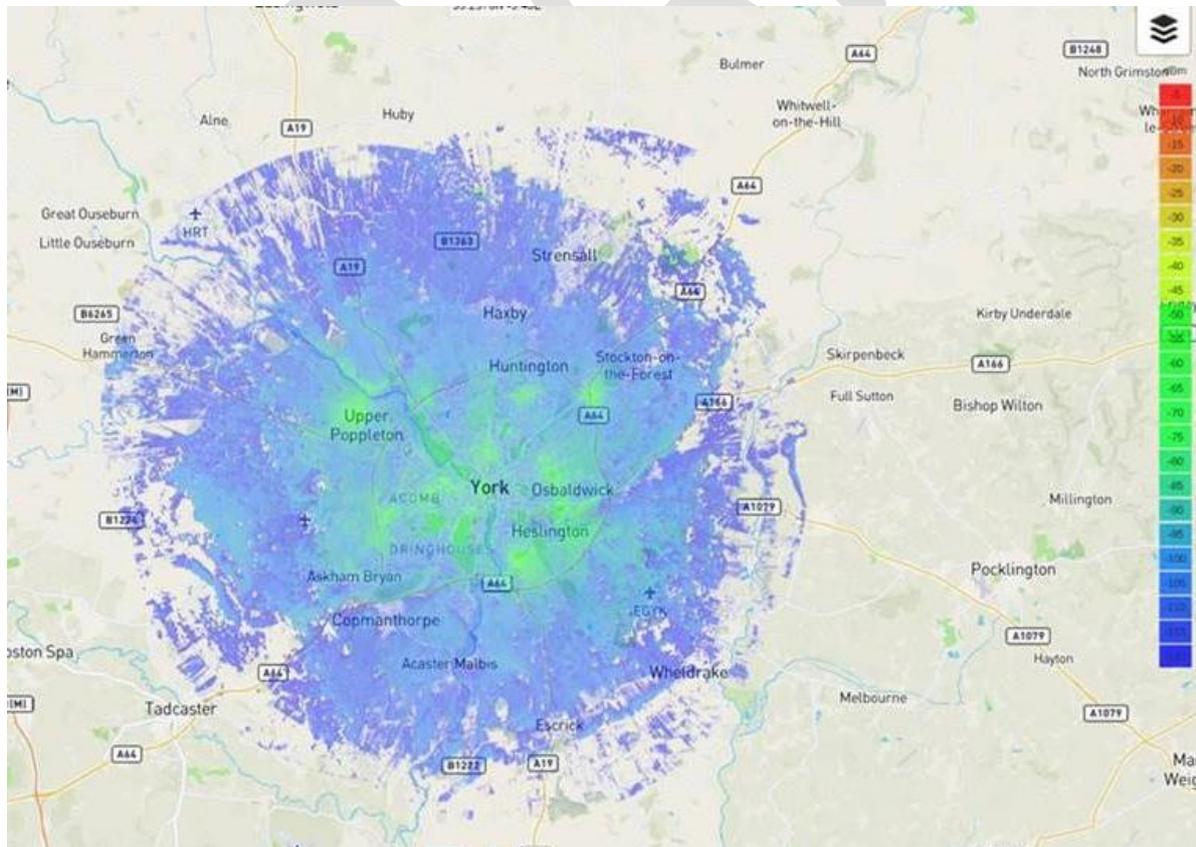
⁸ Low Power Wide Area Network Technologies for Smart Cities Applications, 2019

Table 4. *Assessment of smart cities technologies*

Criteria	LPWAN	LTE
Affordability	●	◐
Power efficiency for devices	●	◐
Allows for Government autonomy (e.g. does not require a separate carrier network).	●	○
YNY's sub-regional context	●	◐
Other factors	Allows for two-way data communication, albeit most applications are designed for one-way communication.	Allows for two-way communication Provides bandwidth for more critical or sensitive applications.

We have the capacity and capability to deliver smart technologies, as demonstrated by a number of successful smart initiatives in YNY, including the Smart Travel Evolution Programme (STEP) in York, and the North Yorkshire Office of Data Analytics (nYODA). The map in Figure 5 shows current LPWAN coverage in York, which reflects 13 gateways currently active in the city.

Figure 5. LPWAN coverage in York



We also have the Local Full Fibre Network (LFFN) programme which has already deployed and will deploy Fibre to 16 urban areas across the region. Furthermore, North Yorkshire has also been selected as a testbed for 5G rollout.

However, whilst these individual projects have been successful, they tend to be piecemeal and small scale, resulting in a missed opportunity to rapidly develop and deploy IoT technologies across our region. A programme-based approach is required to achieve economies of scale and support a cost-effective and comprehensive network for the YNY region which supports a step-change in the delivery of smart solutions by both YNY authorities and industry. This programme-based approach will not be possible to deliver without Government funding, due to a number of market failures:

- **Commercial viability:** As at 2018, c50% of the funding for Smart Cities initiatives originated from the private sector⁹. Private sector investment is, however, targeted at specific use cases, where there is direct financial benefit associated with contract or service delivery. YNY's low population density and geographic renders private sector investment in LPWAN unattractive relative to denser city regions (meaning that many areas we are targeting for economic growth will be left behind)
- **Positive externalities:** Funding of smart solutions which address policy objectives such as clean and inclusive economic growth are highly unlikely to be provided for by the private sector. Furthermore, an LPWAN that is accessible to local businesses and enterprises will generate positive spill over effects which make it unlikely that a private sector player would fund such a solution, especially if this benefited and/or created competition in the sub-region.

Due to continued pressures of an ageing population, along with the financial and economic pressures that have resulted from COVID-19, the correct implementation and application of IoT has the capability to optimise and target services into the future. This in turn will reduce service delivery costs or enable authorities to widen service provision.

Our offer and proposals to Government

We are seeking £20m to establish a new, MSIF which will deliver an integrated, coherent programme of investment across the YNY region. The scope of the fund comprises four sub-programmes:

I Delivery of an urban and region wide LPWAN

The LPWAN will enable rapid, cost-effective deployment of IoT devices by both public and private sector companies and is intended to be operationally self-sustaining in the medium-to-long term.

In FY22 we will prioritise instalment to our market towns, which are targeted through the LFFN programme, to expedite delivery of the LPWAN infrastructure and services. Following this we will deploy LPWAN to the remaining rural areas across YNY.

II Investment in an initial tranche of IoT devices

To be allocated to use cases which can be used to prove the benefits of IoT and the LPWAN in our context, and to enable us to reduce costs in associated services which, in turn, can be used to pay for the long-term operations and maintenance of the LPWAN infrastructure and services.

⁹ The challenge of paying for smart cities projects, Deloitte 2018

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III IoT and Smart Innovation Competitions

Funding to run one or more Innovation Competitions for Smart Cities use cases in our region; for example, reducing the risk of flooding. Innovation Competitions will have awards of between £25,000 and £500,000 for SMEs to develop and supply solutions and will be delivered through a structured management service.

IV Knowledge and Skills Hub Programme

Delivering a combination of roadshows and skills workshops to share knowledge in respect of the Smart Cities investments that we are making, and to provide visibility of the challenges that we are seeking to address through Smart Cities technologies. Also, to collaborate with peers, to work with businesses to determine how they can use the LPWAN infrastructure, and to support education providers in developing and delivering digital, data and technology (DDaT) skills programmes.

We anticipate the £20m fund to cover the upfront capital and revenue expenditure to deliver and operate these four projects over an initial 2-year period between FY22 and FY23, allowing time for adoption by services across the region. We estimate the capital cost to be £13m which comprises investment in the LPWAN network and sensors, and revenue costs to be £7m, which will cover the operation of the programme and a programme delivery team who will be responsible for:

- Procurement, deployment and operation of the LPWAN infrastructure (and associated service contracts)
- Appraisal of proposals and options for investment in the initial tranche of sensors, ensuring VfM and alignment to the objectives for the MSIF
- Identifying innovation challenges, and design and execute Innovation Competitions
- Establishing and managing a knowledge hub for the programme
- Preparing marketing and knowledge sharing materials, and running workshops and roadshows to educate businesses, authorities and educational institutions on YNY's "smart" capabilities and DDaT skills requirements
- Working with businesses/local enterprises to identify opportunities for them to use the LPWAN infrastructure, and executing associated commercial deals
- Managing changes that occur throughout the MSIF programme and evaluating and monitoring the benefits of the programme.

The MSIF will fund the team for two years, beyond which our intention is for their costs to be covered by revenue associated with the LPWAN (derived from internal transfers from budget savings achieved through more efficient public service delivery), and commercial revenue from private sector enterprises using the LPWAN. Further detail on the financial assumptions and indicative costs underpinning our proposal can be provided, with final costs for each of the programme components subject to refinement through the development of a full business case.

As part of due diligence for investment of the MSIF we will undertake further analysis to determine the right combination of public and private investment to maximise VfM. Setting up the right commercial model will be key in extracting value from the investment, and if we can secure suitable private sector funding for the LPWAN we will look to do so. It is important to note that, regardless of

the combination of public funding and private funding, the objectives for MSIF will be pre-determined and aligned with YNY's key policy priorities.

In order to achieve optimised service delivery, the programme delivery team will work with LAs, service providers, and vendors to ensure the installed LPWAN network and sensors integrate to back office systems to effectively utilise the data and information collected.

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5 Towns and Cities

Strategic context

Cities and towns are significant assets to the local economy and community; serving as important centres for housing, public services, and businesses to thrive and contribute to sustainable growth. They are also key drivers of productivity and national growth.

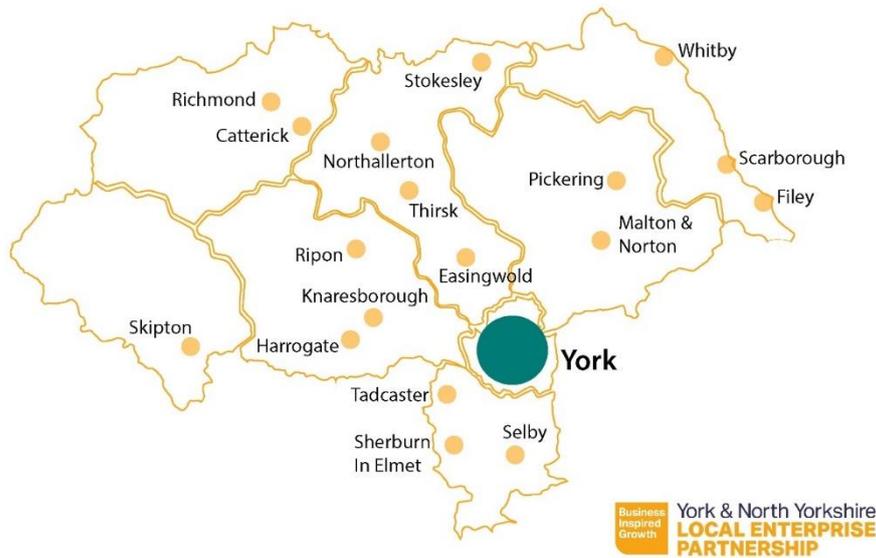
We welcome Government's focus in recent years on providing the fundamental building blocks to help towns to thrive and respond to changes in behaviours towards online retail, which has resulted in declining footfall, store closures and empty shops.

However, the threat to high streets and town centres has intensified in the context of COVID-19, which has accelerated market trends in the retail sector, and could have a profound impact on how we work, travel and shop in future. However, the economic recovery presents an opportunity to revitalise and reposition our towns as we 'build back better'; with an approach based on high-value, low carbon living and economic growth.

Our region benefits from distinctive places with national identities (see map in Figure 6 below). Places such as Harrogate, Skipton and York have been voted 'Best' or 'Happiest' places to live, and Scarborough receives more visitors than anywhere in the UK outside London. The city of York, together with our larger towns of Harrogate and Skipton, are concentrated locations of productive businesses and higher paid jobs. However, many of our places suffer from poor infrastructure provision, which leads to high car dependency and congestion, and contributes to our region's long-standing challenges of housing affordability and limited access to well paid, local careers. Many of our high earning residents commute out of the region to work, whilst lower paid residents can face commutes into more rural areas. In places like Scarborough, where a large percentage of residents live and work within the Borough, residents have very little choice outside of seasonal, low paid employment.

Figure 6. Overview of our towns and cities

Mayoral Towns Fund: towns of circa 5000 population and above in York & North Yorkshire



Post-COVID-19, we need to think creatively about how our towns are repurposed to meet the needs of what people today expect from them – transitioning from shopping destinations to places where people can come together regularly to meet, work, live and have experiences. Achieving this requires a step-up and acceleration of investment across our places.

Our initial proposals to Government focus on short-term, pump-prime investment to help provide a catalyst for change:

1. **£230m between FY22 and FY26 for a five-year Devolved Mayoral Towns Fund (MTF) which covers Phase 1 of our long-term 21st Century Towns programme.**
2. **£64m between FY21 and FY26 for a York Place Fund which covers six, place-led regeneration and cultural activation projects across the City of York.**

The details of each of these proposals are outlined below.

Our proposals for town centres

1. Devolved Mayoral Towns Fund (MTF)

Summary:

Each of our individual towns differ in terms of their size, history and economic performance, meaning they face common challenges but to different extents. This includes: an ageing population, poor physical and digital connectivity, lower levels of walking, cycling, public transport use, changing social attitudes to the role of town centres, and the need to protect and enhance the natural environment. Whilst COVID-19 has accelerated some of these challenges, it also presents an opportunity to ‘build back better’ in the national economic recovery and accelerate our Good Growth objectives.

We have developed a ten year “21st Century Towns” programme which will address both the short-term economic impacts of COVID-19 and address the long-term challenges we need to tackle for our towns to thrive as more productive places to live and work.

The programme comprises five areas of intervention:

- i. **Smart and Enterprising Towns:** investment in digital infrastructure and business hubs for businesses to grow and take advantage of new, smart opportunities.
- ii. **Active and Transformed Towns:** encouraging a shift to sustainable transport through investment in walking and cycling networks, physical improvements to rail stations, and wider place-making and public realm improvements.
- iii. **Cultural and Heritage Towns:** targeted investments which aim to regenerate and re-energise our cultural, creative and tourism sectors, particularly in the wake of COVID-19.
- iv. **Living and Circular Towns:** investment in green and blue infrastructure, and testing circular economy approaches at a micro-scale, to make our market towns more sustainable and resilient to climate change.
- v. **Growing Towns:** targeted investment to pump-prime housing and commercial development through enabling works such as highway and flood management infrastructure.

We are seeking £230m of a total £420m to deliver Phase 1 (FY22 – FY26) of our ten-year programme through the establishment of a Devolved Mayoral Towns Fund for investment.

A place-based investment programme will enable us to prioritise interventions that have maximum impact on economic recovery, achieve cost efficiency, leverage a greater proportion of private investment into our towns and accelerate delivery, thus achieving better Value for Money.

The case for change

Across York and North Yorkshire (YNY) there are a range of large and medium towns with a combined population of over 300,000 – representing c40% of our region’s residents. Many of the medium-sized towns have common characteristics and would broadly be described as “Market Towns”, meanwhile our larger towns include Harrogate and Scarborough.

The strength of our towns is their significant heritage and social assets, giving them a strong regional and national identity, as well as a sense of community. They also benefit from links into our main city of York and neighbouring cities of Leeds, Hull, Doncaster and those in Teesside. However, they also face structural disadvantages, with limited funding and investment to address the challenges that living and working in these towns can bring when compared to city-living. While each of our individual towns differ in terms of their size, history and economic performance, they face common challenges:

- An **ageing population**, generating increasing pressure on health and social care services, and implications for the **mix and type of housing needed and accessibility requirements** within town centres;
- **Poor digital connectivity within our towns**, hindering the potential for increasing business productivity and developing high value digital skills;

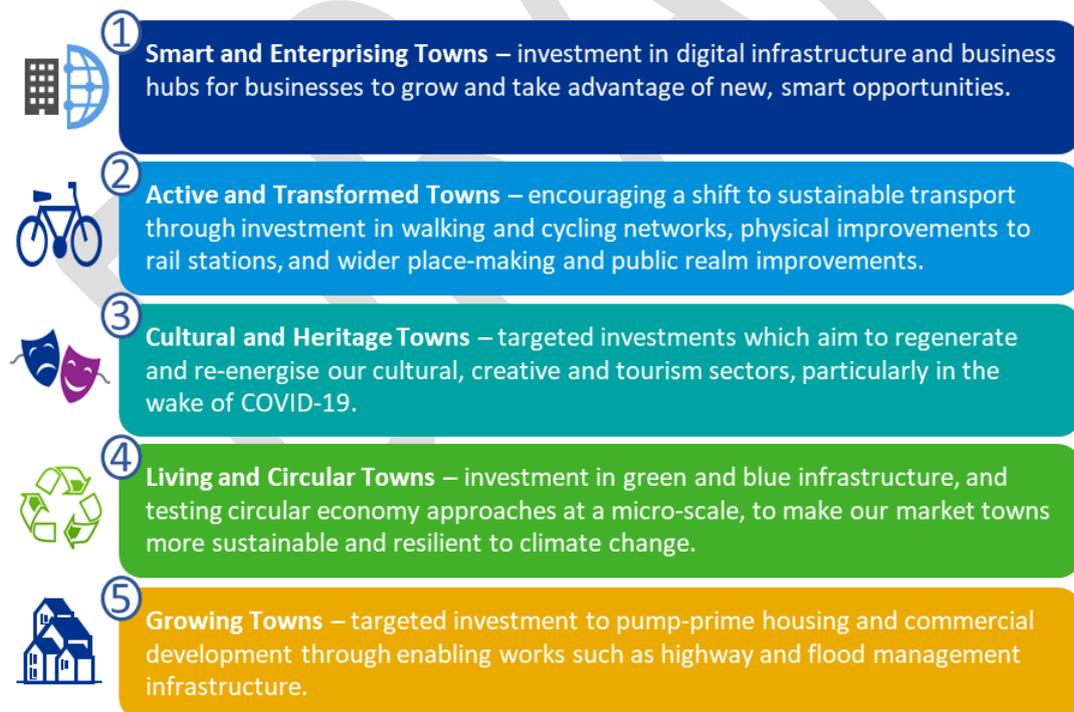
ANNEX 2

- **Lower levels of walking, cycling, public transport use due to limited existing local sustainable infrastructure and poor-quality public realm, parks and open spaces** in town centres, impacting negatively on health and well-being of local communities;
- **Changing social attitudes to the role of town centres**, moving away from traditional retail towards recreation and experiential leisure activities where people can drink and eat, as well as access the arts, heritage and entertainment; and
- In the face of **climate change**, there is a greater need for town centres to focus on **protecting and enhancing the natural environment**, requiring whole-community approaches to flood resilience and emergency response planning, and creating economic opportunities for places and businesses to employ **more sustainable approaches to growth**.

In December 2019 we finalised our Future Towns Report¹⁰, which was commissioned to identify how to raise the productivity of our towns. The report looked at opportunities and challenges facing our towns over the long term (up to 2040) and identifies an ambitious but realistic vision for transforming our places into “21st Century Towns”.

Through this work we have begun developing a ten-year programme with the prime focus of creating the conditions that will attract private investment into our towns and secure their future as drivers of sustainable growth. The programme comprises five areas of intervention, which are summarised in Figure 7.

Figure 7. Five areas of intervention for the Devolved Mayoral Towns Fund

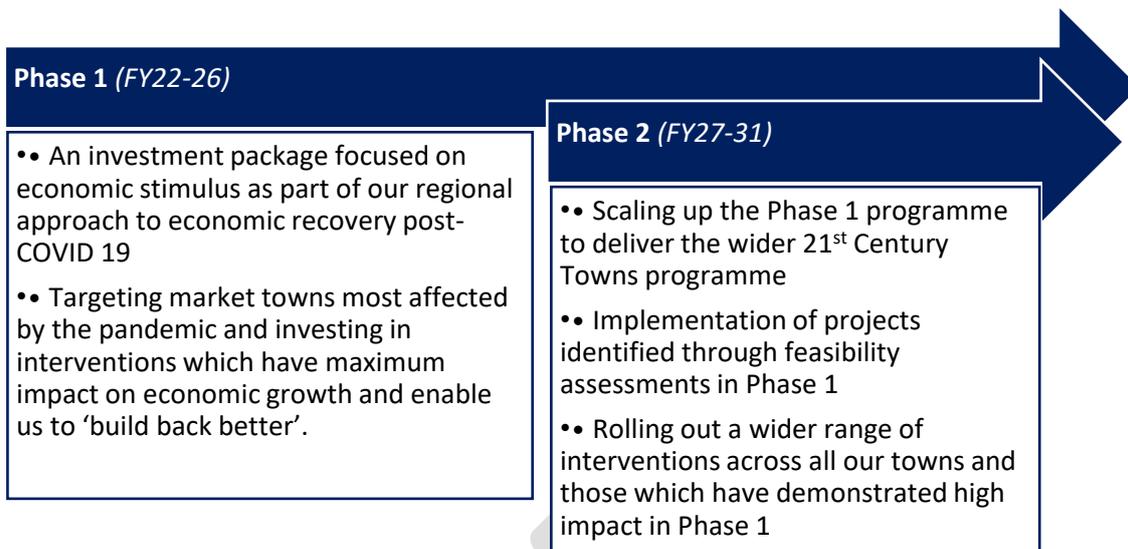


The programme is based on the roll-out of strategic investment packages across each of our towns, drawing on the right mix of interventions across the five areas outlined above, ensuring that investment is tailored to the specific strengths, assets and challenges of each town.

¹⁰ 21st Century Towns - Metro Dynamics for York North Yorkshire East Riding LEP (December 2019)

The programme comprises three delivery phases (see Figure 8):

Figure 8. Delivery phases for the Devolved MTF



A place-based investment programme will enable us to:

- **Prioritise interventions that have maximum impact** by targeting and tailoring them to the economic, social and environmental challenges and opportunities across each of our towns;
- **Achieve cost efficiency** by addressing common challenges and solutions at scale across all towns rather than ad-hoc investments on a town-by-town basis, which enables knowledge-sharing and ensures what works for one location can be replicated/adjusted to work effectively in another;
- **Leverage a greater proportion of private investment into our towns**, enabled by the longer-term visibility and certainty over public investment plans; and
- **Accelerate delivery and achieve better Value for Money overall**, by tailoring and prioritising interventions so they have maximum impact and driving down the net cost to the public sector.

Our offer and proposals to Government

Our 21st Century Towns programme is expected to require £420m of funding over a ten-year period.

We are seeking devolved funding to deliver Phase 1 of our programme, which amounts to £230m between FY22 and FY26. The breakdown by the five intervention areas is set out in Table 5 below.

Table 5. **Overview of the 21st Century Towns programme in Phase 1 and 2 (£ millions)**

	Phase 1 (FY22 - FY26)	Phase 2 (FY27 - FY31)	Total
Smart and Enterprising Towns	30	20	50
Active and Transformed Towns	110	90	200
Cultural and Heritage Towns	20	0	20
Living and Circular Towns	20	20	40
Growing Towns	50	60	110
Total funding requirement	230	190	420

The MTF programme would be additional to the Government's existing Future High Streets and Towns Fund processes. Where funding has been allocated, or agreed in principle, through the Future High Streets Fund (bids submitted for Scarborough and Northallerton) or Towns Fund (bids due to be submitted in September for Scarborough and Whitby), the local authority will be required to draw first upon that source for relevant projects before seeking additional funding through the MTF programme.

The MTF would be managed by the MCA and funding allocated based on a robust assurance process, in line with HMT Green Book and building on the well-established framework we have in place via the LEP for making regional investment decisions.

Investment proposals will need to demonstrate a robust business case; identifying the market failure being addressed; the value for money solution to the opportunity/challenge; and the proposed financial, commercial and management approach to fund and deliver the project. Proposals would be reviewed independently, through the Head of Assurance, in line with good practice. The Head of Assurance would be responsible for ensuring projects are aligned to the spending objectives of the fund. Following sufficient scrutiny, the Head of Assurance would make a clear recommendation to the MTF Programme Board within the MCA.

Phase 1 of the MTF programme is described below for each of the five areas of intervention. Appendix 2 provides a sample of the projects within our investment pipeline which could be delivered through the MTF.

I [£43m for Smart and Enterprising Towns](#)

We will ensure our towns are open for business, and create the conditions needed to support smart business growth. The types of projects to be funded include:

- Shared workspace facilities for digital SMEs, similar to the Centre for Digital Innovation (C4DI) being implemented in Northallerton. Funding would cover capital costs to convert/set up facilities of existing buildings, as well as revenue funding to kick start operations in the short term before becoming financially sustainable. We anticipate investing in up to seven facilities in Phase 1.
- Establishing town centre emporiums selling locally made food and goods based on the model used in the Stockton Enterprise Arcade. Funding would cover capital costs to set up the emporiums, as well as revenue funding in the short term before becoming financially sustainable. Emporiums would be established in up to seven towns in Phase 1.

ANNEX 2

This investment will be aligned with our separate, but complementary proposal for a £20m Mayoral Smart Investment Fund to roll out a Low Powered Wide Area Network (LPWAN) across our market towns. This will enable the deployment of “Internet of Things” devices and more innovative and cost-effective services and solutions for both the public and private sectors in our towns. It will also integrate with our separate proposal to devolve DCMS funding for roll-out of fibre broadband across our region, including ultrafast and gigabit connectivity. The details of our digital proposals are set out in Chapter 4.

II £110m for Active and Transformed Towns

We will provide high quality places and connections by making our market towns more attractive and easier to access through sustainable transport. The types of projects to be funded include:

- Comprehensive cycling and walking networks in each of our towns over the 10-year programme. In Phase 1 we will focus on those towns where local cycling and walking infrastructure plans (LCWIP) are already in place.
- Physical improvements to enhance passenger facilities and the arrival experience at local rail stations, which provide a gateway to our market towns. In Phase 1 we will focus on the design and implementation of station improvements, building on the Transforming Cities Fund (TCF) schemes Government has committed to fund at Harrogate, Selby and Skipton (via the West Yorkshire Devolution Agreement).
- A series of place-making and public realm improvements, following a places and movements assessment for the town. These improvements will lead to better vehicle movements and increase the use and appeal of our town centres, to support recovery and drive up visitor numbers. In Phase 1 we will focus on conducting places and movements assessments and where possible investing in ‘quick win’ public realm schemes.

III £20m for Cultural and Heritage Towns

We will strengthen our market towns’ identities and sense of community through investment which enhances their unique heritage assets and attractions. In Phase 1 we will focus on an immediate post-COVID recovery through re-animation and street dressing activity across all selected towns, such as:

- Artist-designed shop-wrappings or lamp-post banners with portraits of past shopkeepers;
- Icons designed to help people stay 2m apart which are specific to the heritage of the town, such as Viking oars, the propeller of a seaplane, a Roman legionnaire;
- Artist-designed guerrilla projection using built heritage to share local stories, myths and legends; and
- Outdoor exhibitions via billboards/bus shelters of images and objects from local studies collections and museums.

IV £20m Living and Circular Towns

We will invest in local sustainable energy sources, alongside carbon sequestration, to support the decarbonisation of our economy and our ambition to be carbon negative. The types of projects to be funded include:

- Land management agreements with local landowners to plant trees/manage/provide public access to an area of land adjacent to each of the selected towns
- Local energy generation and recycling solutions (e.g. anaerobic digesters) for selected towns – based on the ‘Circular Malton’ approach. We anticipate investing in up to seven facilities over the course of Phase 1.
- Financial incentives for businesses to encourage investment in zero carbon/zero waste employment sites, such as micro-generation of electricity (e.g. retrofitting solar PV), energy efficiency measures, and capture and use of rainwater/wastewater

V £50m Growing Towns

We will invest in enabling infrastructure (to address development viability) and undertake land acquisition and assembly in order to enable significant new housing and employment development to come forward within and adjacent to our towns. This will pump prime conversion of unneeded retail units in town centres to housing and mixed-use development, as well as the development of creative workspaces, exhibition and live workspace within our town centres.

2. York Place Fund

Summary:

York is our principal city and considered one of the ‘Best’ places to live due to its nationally significant heritage, culture, welcoming residents and enterprising businesses. York’s visitor economy businesses have been disproportionately affected by the COVID-19 lockdown. Key to our region’s economy recovery is re-establishing and growing our main city.

We are seeking £64m (£3m revenue, £61m capital) for a York Place Fund for investment in six, place-led regeneration and cultural activation projects across York between FY21 and FY26.

These projects are:

- i. Phase 1 of York Castle Museum’s Castle Capital Project
- ii. York Station Frontage Project
- iii. York Riverside Walkway
- iv. Regeneration of Castle Gateway
- v. Delivering key initiatives within York’s Cultural Strategy
- vi. Transforming secondary shopping areas.

This pump-prime investment will help to build consumer and visitor confidence in the city and enable residents and visitors to engage with the city in new and exciting ways, ensuring that York remains a quality place to live, work and visit.

We would also seek to work with Government to develop proposals to relocate a significant Civil Service or parliamentary presence to the York Central site, reaffirming the government’s commitment to the Northern Powerhouse and supporting its levelling up agenda. The York Central development is one of the largest city-centre brownfield sites in the UK, set to grow York’s

economy by 20%, and has already been recognised by Government as a potential site for the relocation of the House of Lords.

The case for change

York is a knowledge-driven city producing skilled graduates and underpinned by a world-famous visitor economy, with a GVA of £6.5bn, 9,000 businesses, two leading universities, and a cultural and heritage offer that attracts 8.4m visitors a year. The city combines the strength of our Yorkshire brand with significant economic assets to attract and grow highly productive businesses. It can be found regularly amongst best UK places to live lists; famed for its historic environment, fresh culture, growing foodie scene, unrivalled rail connections and leading-edge digital connectivity as the UK's first Gigabit City.

Despite such advantages, York faces its own challenges. Before Covid-19, the city was seeing unprecedented investment of over £500m in building more homes, creating more jobs and improving its infrastructure. Central to these plans is York Central, one of the largest brownfield sites in England. The development, which is getting ready for work to start on-site, will create 6,500 jobs and up to 2,500 homes in close proximity to York Station.

Also important is the transformation of public realm across York, creating new public spaces, a more pedestrian-friendly experience and an improved setting for the city's internationally famed heritage. The pandemic has temporarily slowed down work and delayed these projects. Alongside this the pandemic has also accelerated the changes that high streets and city centres were facing in terms of changing shopping habits and behaviours. We have seen increased home working, people shopping more locally and growth in active travel.

York's visitor economy businesses have been disproportionately affected by the COVID-19 lockdown. Key to our region's economy recovery is re-establishing and growing our main city. We need pump-prime investment which helps to build consumer and visitor confidence and enables residents and visitors to engage with the city in new and exciting ways, ensuring that York remains a quality place to live, work, visit and invest in. York's historical position as the capital of the North, alongside the opportunities afforded by York Central make it a logical place for a significant Government or Civil Service /presence in the North.

Our offer and proposals to Government

We are seeking £64m (£3m revenue, £61m capital) to deliver a York Place Fund for investment between FY21 and FY26. This will support the delivery of six of place-led regeneration and cultural activation projects across York. These projects have been identified by City of York Council as critical to our economic recovery from COVID-19; all of which were in City of York's project pipeline to varying degrees of business case development but now take priority due to the impact of the pandemic. These are:

I £14m to support the delivery of the York Station Frontage project (FY21 to FY22)

The creation of a world-class gateway to the city on the east front of the railway station designed to effectively move pedestrians, cyclists, public transport and vehicles around the city and maximise the growth opportunities presented by York Central, High Speed Two and Northern Powerhouse Rail.

II £10m of funding to deliver York Riverside Walkway (FY21 to FY23)

A new pedestrian linkage parallel with the north-east bank of the River Ouse within York city centre, enabling new leisure uses and improving the attractiveness of the city centre. This new walkway to the rear of Coney Street would enable existing retail units to become dual facing, providing new means of access (and therefore new uses) to upper floors of retail units;

III £28m to deliver Phase 1 of York Castle Museum's Castle Capital Project (FY21 to FY25)

A multi-phased development at the York Castle Museum which seeks to provide a must-see experience, deepen and increase visitor engagement and fully embed the Museum within the wider regenerated Castle Gateway area. The redevelopment of this regionally significant visitor attraction will support additional overnight stays in York (1.6m in 2018) and encourage visitors to use York as a central location from which to explore the cultural and outdoor sights of North Yorkshire and the wider region.

IV £8m to support the delivery of Castle Gateway (FY21 to FY22)

A major regeneration project that will transform this significant area of York's city centre, creating new public space for cultural activity in an area that will be valued, well-used and loved;

V £3m to support the implementation of York's Cultural Strategy (FY21 to FY26)

Providing outstanding experiences for residents and visitors alike, and ensuring that all of York residents are engaged with York's arts and heritage offer; and

VI £1m of funding to transform secondary shopping areas (FY21 to FY22)

Transforming the two designated secondary shopping areas of Acomb, a suburb to the west of York city centre, and Haxby, a town to the north. Taken together, the two settlements serve a population of over 30,000 residents. Funding will be used to make physical improvements to the public realm and street scene, and better integrate transport links with a focus on sustainable travel, thus improving the visitor experience.

VII Civil Service relocation

Additionally, we also seek to work with Government to develop proposals to relocate a significant Civil Service or parliamentary presence to the York Central site. Through joint working with York and North Yorkshire and the York Central Partnership, the strategic opportunities of this site could support even wider economic and social benefits beyond our region.

6 Housing

Strategic context

The provision of high quality, affordable and well-connected housing is essential to meeting the current and future needs of York and North Yorkshire's (YNY) residents, as well as the success of our economy. Our current annual completions are c1,400 homes above housing need¹¹, however, this is not just a numbers game. High-skilled and ambitious workers want to live in quality homes with good access to services, leisure opportunities and well-paid jobs. Meanwhile high-value industries and employers require skilled workers.

However, we face a number of demographic, economic and environmental challenges in the delivery of high-quality, affordable homes:

Our demographic and economic challenges

- **Attracting and retaining key workers:** Our region has been successful historically in meeting new housing supply targets, but this has been at the expense of meeting our affordable targets within overall supply, despite the efforts of the York, North Yorkshire and East Riding Strategic Housing Partnership and Registered Providers' (RP) investment. The limited availability of affordable housing is a barrier to attracting and training a skilled working age population. The house price to income ratio in half of our local authorities (York, Hambleton, Harrogate and Ryedale) is higher than the national average¹², and is expected to increase over the period to 2025¹³. Meanwhile in some areas of the region, the ratio of house prices to income is as high as 10. Each of our local authorities also rank in the third least affordable areas in the North.
- **Serving a rapidly ageing population,** with growth in the number of people aged 85+ corresponding with a reduction in the working age population. This creates unique requirements in terms of the size, type and tenure of housing to enable people to stay living in their own communities. In North Yorkshire alone, between 2019 and 2041, the number of people aged 65 and over will increase by 39% (59,800) and the number over 85 will rise by 110%¹⁴.
- **Poverty and deprivation:** Residents in five of our eight local authorities earn less than the national average¹⁵, with this wage disparity most acute in the authorities of Craven, Ryedale and Scarborough (16.6%, 14.5% and 15.3% below the national average respectively). Over the past 20 years the poorest in the population have become concentrated within social housing. The link between social housing and negative outcomes across health, education, self-efficacy and

¹¹ Based on the 2018 NPPF methodology, and includes East Riding, who are part of the sub-regional Housing Partnership

¹² ONS, Housing affordability in England and Wales: 2019 – work-placed earnings based. The house price to income ratio is 7.8 nationally, versus 8.10 in York, 8.66 in Hambleton, 8.52 in Harrogate and 8.68 in Ryedale.

¹³ Public Health England analysis

¹⁴ The Joint Strategic Needs Assessment (JSNA) for North Yorkshire advises that *'We need to think about how we build homes to support those who may need more help to maintain independence, whilst also limiting dependence on care and support services. This applies to the elderly living at home as well as the working age population. Demand for housing across the county is changing in line with the changing demographics. Households aged 65 years or older make up a quarter of the population and this is predicted to grow. Couples with no children also make up a higher than average proportion of the population.'* (NY JSNA page 24).

¹⁵ ONS, Annual Survey of Hours and Earnings, 2019.

income are well established¹⁶. Whilst on average, the North Yorkshire area is in the least deprived 81-100% nationally, there are pockets of isolated deprivation across the region, and particularly in our coastal communities. Access to a decent home is an important element in helping address wide inequalities in our region and promoting economic prosperity.

- **A dispersed population:** The rurality of North Yorkshire, as the largest geographical county in England, means the area is characterised by rural villages, hamlets and villages. Some 85% of the county area is classed as very rural or super-sparse and the population density is five times below the national average¹⁷. The southern and eastern parts of the City of York authority area are also characterised as rural areas. These locations are typically characterised by poor connectivity, which prevents residents from accessing economic and social opportunity.

Decarbonising our economy

Against the background of these demographic challenges, **we have an ambitious but realistic vision to become England's first carbon negative economy and play a critical role in helping Government to achieve its net zero target by 2050**. This raises the bar further on what is deemed high quality housing. The Future Homes Standard, proposed by Government for introduction in 2025, will require up to 80% lower carbon emissions for new homes (though it should be noted that responses to the Future Homes consultation have tended to disagree with this target, arguing that the proposals are not ambitious enough).

An increased emphasis on quality across the housing sector, as opposed to simply a focus on quantity, is supported by the current national policy and industry. This includes Government's National Design Guide (October 2019) which identifies priorities for the physical character, community, and climate issues for housing, and the Building Better, Building Beautiful Commission's January 2020 'Living with beauty' report, which identifies a framework for promoting and increasing the use of high-quality design for new build homes and neighbourhoods. The recent revision to NPPF to encourage design and place-making throughout the planning process and Government's implementation of a new National Design Code also represents progress.

These policy shifts are very welcome and indeed necessary, but they present further pressures on our ability to deliver affordable, high-quality housing in our region. Whilst we have been successful in increasing overall housing supply, these homes do not meet the standard we aspire to. We are developing a Design Guide to help improve the type of new housing delivered. The introduction of the Government's Future Homes Standard will help to improve standards; however, we believe it does not go far enough in helping us to decarbonise our economy. We know that design and build quality comes with price implications. For example, bespoke off-site manufactured homes planned for Horton in Ribblesdale are at risk due to viability issues linked to the high standard of design and build sought for this site¹⁸. Driving up design standards and introducing carbon reduction measures risk exerting downward pressure on affordable housing supply delivered through Section 106 agreements.

The market alone will not deliver sufficiently high-quality, affordable homes

To promote economic prosperity in our region and support the transition to a low carbon economy we must build the right type of homes – ones that are aspirational, accessible and adaptable – in the

¹⁶ Marmot 2010 and Marmot 10 years on, 2020.

¹⁷ with just 76 people per square mile compared to 430 nationally in England.

¹⁸ <http://ribacompetitions.com/gpld/L48.html>

right places, and focus on quality of place, connectivity and community. However, there are key market barriers which limit the delivery of sufficiently high-quality, affordable homes, evidence and examples of which can be found at Appendix 3:

- i. **Viability challenges due to high delivery costs:** Rurality across much of our geography creates delivery challenges and high infrastructure costs in terms of new supply generally, but especially in providing affordable housing. Our region also includes two National Parks wherein delivery cost challenges can be particularly acute. Moreover, the additional costs of building to higher standards such as Passivhaus of around 15% in the short term, reducing to 5-10% in the longer term, mean that homes are often not built. This is exacerbated by a lack of skills and supply chain capacity in the bio-based construction industry, a sector which – without scaling up – has high build costs which act as a barrier to its widespread adoption. For example, a scheme in York to deliver a mutual and affordable homeownership product using bio-based materials in construction is struggling to get off the ground due to the barrier of increased build costs. There is a significant risk that as we push to drive up quality this will impact on viability and bear down on supply, particularly affordable housing delivery.
- ii. **Specific delivery barriers for larger scale and strategic sites:** A ‘stalled sites study’ (GVA Grimley, 2017), looking at unimplemented planning permissions, found that some larger sites in our region have failed to move forward from permission to delivery and completion due to a lack of capacity and resource post-planning permission, and also due to up-front project and site development costs, including elements of infrastructure.

Against this background, our specific proposals to Government are:

1. **£96m of funding between FY22 and FY26 and several non-financial commitments from Government through a place-based Strategic Housing Investment Package, comprising:**
 - i. £1m of matched revenue funding to scale up YNY's strategic planning and delivery capacity at the regional level
 - ii. Increasing the supply of high-quality affordable housing via:
 - A commitment from Homes England to a higher grant rate per plot of £60k for rural affordable housing via the Affordable Housing Programme
 - £45m revolving credit fund to accelerate the delivery of Off Site Manufactured and Modern Method of Construction affordable homes
 - iii. £50m capital funding to address viability challenges driven by infrastructure and enabling costs
 - iv. A strategic partnership with the MoD and the wider Public Sector to bring forward c20,000 homes
2. **Enhanced local planning powers to facilitate the delivery of housing and regeneration across our region, including:**
 - i. Spatial Plan Powers
 - ii. Land assembly and CPO powers for the Mayor
 - iii. MDC Powers

Lastly, we are seeking the release of the £77m Government committed to the York Central project in Budget 2020 to enable work on the site to commence and help kick-start our economic recovery. The York Central project is one of the largest city-centre brownfield sites in the UK and is expected to create 6,500 jobs and 2,500 homes in close proximity to York Station.

Our proposals for housing

1. Strategic Housing Investment Package

Summary:

The demographic, economic and environmental challenges that characterise our housing market mean that, without additional investment, we will not be able to maintain supply levels whilst also providing high-quality, affordable housing to the levels necessary to meet local need and support the growth and prosperity of our region.

To begin to tackle our long-term challenges, **we are seeking £96m of funding between FY22 and FY26 and several non-financial commitments through a place-based Strategic Housing Investment Package (SHIP), comprising four elements:**

- i. £1m of matched revenue funding to scale up YNY's strategic planning and delivery capacity at the regional level
- ii. Work jointly with Homes England to establish a commitment to a higher grant rate per plot to unlock the delivery of additional affordable rural homes, and establish a £45m revolving credit fund to accelerate the delivery of Off Site Manufactured and Modern Methods of Construction affordable homes
- iii. £50m capital funding to address viability challenges driven by infrastructure and enabling costs, over and above existing national funding processes (i.e. HIF and the new Single Housing Infrastructure Fund)
- iv. A strategic partnership with the Ministry of Defence (MoD) and the wider public sector to bring forward c20,000 homes at released sites within our area

The case for change

Current planning and funding mechanisms are not sufficient to address viability-driven downward pressure on affordable housing requirements, particularly against a backdrop of transitioning to zero carbon housing delivery. This means that, without additional investment, we will not be able to maintain supply levels whilst also providing affordable housing to the levels necessary to meet local need and support the growth and prosperity of our region. This puts at risk the Government's agenda to level up our national economy.

Our offer and proposals to Government

To begin to tackle our long-term challenges, **we are seeking £96m of funding between FY22 and FY26 and several non-financial commitments through a place-based Strategic Housing Investment Package (SHIP), comprising four elements.** The details of each of these is set out below.

The SHIP will unlock and accelerate the delivery of high-quality, affordable homes across our region and support the Government's housing and net zero carbon objectives. The objectives of the SHIP are to:

- **Maximise development opportunities** on privately owned sites;
- **Support development of new settlements**
- **Coherently address our demographic challenges;**
- **Ensure that a range of affordable housing needs are met¹⁹**, avoiding instances where the needs of one demographic are addressed at the expense of another;
- **Address the needs of our rurality**, building on work underway by the independent Rural Commission that has been appointed by North Yorkshire County Council (NYCC); and
- **Strategically tackle skills shortages through the supply of affordable**, good quality housing to meet the needs of the current and future labour markets.
- **Recognising the link between housing, health, the strength and resilience of communities**, educational attainment and economic outcomes we will create integrated communities

The SHIP will be managed by the MCA, building on our robust regional governance arrangements and relationships with private house builders and RP's established via our Housing Board. The Housing Board includes a Housing Forum, Rural Housing Enabling Network and Registered Provider Group, and has a proven track record in developing and delivering our strategic housing ambitions, including challenging stretch targets around housing supply.

I [£1m of matched revenue funding to scale up YNY's strategic planning and delivery capacity at the regional level](#)

Through the establishment of the MCA, we recognise the need to scale up our capacity to plan, develop, prioritise and deliver our strategic housing plans and investment pipeline.

We are seeking £1m of revenue funding over 5 years from FY22 to FY26, which will be matched by the YNY authorities, to pump prime the establishment of a central Housing Growth Team in the MCA to develop an investment pipeline, bring sites forward, tackle blockages and ensure quality homes and places are achieved across our region. The dedicated and suitably qualified team will manage the delivery of the SHIP, and provide strategic support to the region's constituent local planning authorities, with specific expertise in:

- Developing a strategic pipeline of sites based on robust market intelligence and to set strategic targets that address our demographic challenges and economic and environmental ambitions in a coherent and cost-effective manner.
- Assessing viability effectively in the context of place making and design quality, by way of a dedicated resource to support this process. This resource can be used to support upskilling of other council officers working in planning and affordable housing.
- Securing inward investment, including for affordable and rural housing, and strengthen the relationship with Homes England

¹⁹ For example, meeting the need for key worker accommodation as identified within the Joint Strategic Needs Assessment.

- Sharing learning and delivering economies of scale in terms of market intelligence, evidence bases and viability assessments.
- Building capacity and providing support to project manage large sites.
- Encouraging quality of design and levelling up standards across the region, providing a common approach to areas such as affordable housing specification and legal frameworks.

II Government commitment and funding to increase the supply of high-quality affordable housing

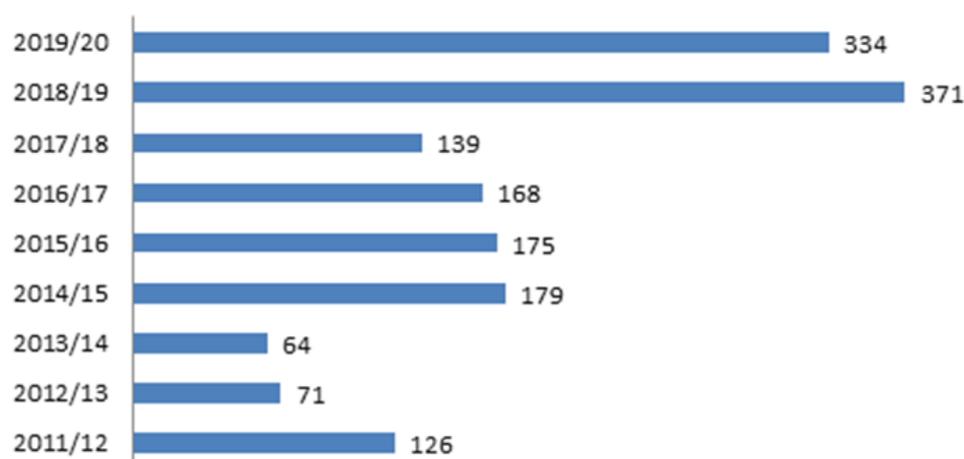
1. A commitment from Homes England to a higher grant rate per plot of £60k for rural affordable housing via the Affordable Housing Programme

Facilitating housing development in our rural communities is a strategic housing priority, and it is essential in helping us to ensure the long-term sustainability of these communities.

We currently have 17 Rural Housing Enabler Network RP partners who are delivering new rural affordable homes per annum in our region (in line with the NHF 5 Star Rural Pledge).

Through our programme of Rural Housing Enablers (RHE) we have worked consistently to deliver rural homes across our communities in North Yorkshire since 2008, this includes working with developers to deliver affordable homes on Section 106 sites where these opportunities present. Over recent years we have seen an upturn in supply driven by a significant proportion of Section 106 opportunities on larger sites in rural areas (see Figure 9 below). Homes delivered as a planning obligation in this way are secured without recourse to public subsidy. This recent increase in supply from S106 sites is linked to specific Local Plan context within Harrogate and is a short-term supply driver. Increased completions driven by large scale developments in a limited number of rural settlements masks the supply of smaller rural developments (including Rural Exception Sites) that RHEs work to bring forward with local communities, landowners, Parish Councils and RP partners; these homes are wholly reliant upon public subsidy, either from Homes England, the local authority or RP. Such schemes are labour intensive and have high development costs.

Figure 9. RHE Completions 2011/12 to 2019/20



In this context, the current grant rate has been identified through the Rural Housing Network as a key barrier to delivery.

Under pressure to deliver on numbers, rural affordable housing schemes are understandably less attractive to RP partners. Given that many of our key rural development RPs are not Strategic Partners they do not have the financial flexibilities associated with SP status, as such they are tied into individual scheme viability appraisals with Homes England, which builds in additional cost and delay to an already labour-intensive process. As a result, we are missing an opportunity to provide more rural affordable housing. The examples provided in Appendix 3 demonstrate that the current grant regime is insufficient to deliver rural housing.

A guarantee from Homes England that RPs will be able to access a specified higher grant rate for rural schemes would:

- unlock development opportunities that would not otherwise come forward, by encouraging RPs to reappraise rural schemes rather than dismissing them as too labour intensive/risky/cost prohibitive
- enable stalled schemes to progress
- speed up the delivery process by removing the need for additional viability appraisal work by Homes England
- free up other public subsidy in the form of Local Authority Section 106 monies for use on other additional local affordable housing projects

We are therefore **seeking to work jointly with Homes England on affordable rural housing and establish a commitment to a higher grant rate per plot to unlock the delivery of additional affordable rural homes over the period FY22 to FY26**. As part of this, NYCC will consider rural sites in its ownership for affordable rural housing as they come forward.

2. £45m revolving credit fund to accelerate the delivery of Off Site Manufactured affordable homes

Across our region there are Local Plan commitments to deliver a total of around 1,300 new units of affordable housing per year, which is 30% of overall supply. We will prioritise the development of new homes which are built using off site manufacture (OSM) methods, including modular and modern methods of construction (MMC). We already have good working relationships with providers, with whom we are engaged in discussions around skills and green construction, as well as design quality and opportunities for exemplar projects. However, a key barrier to delivery of OSM homes is that the business models of manufacturers in this sector require upfront purchase and guaranteed orders.

We are therefore seeking £45m over 5 years from FY22 to FY26 to provide a revolving credit facility to OSM providers to scale-up and accelerate the delivery of cleaner and more affordable homes. This is anticipated to deliver c650 OSM homes over 5 years (130 units per annum) and assumes the fund will be fully 'revolved' by 31st March 2027, at which point it will become a continuously recycled credit facility.

We will work with providers in the YNY area (including ilke, L&G, and Portakabin) to negotiate purchase prices for new units which benefit from a strategic approach and economies of scale. We will seek to ensure that opportunities are exploited which offer the chance to innovate in order to contribute towards carbon reduction goals, as well as to increase quality, deliver tenure-blind developments, and tackle affordability through addressing the challenges associated with the traditional section 106 approach.

The fund will support the delivery of our commitment to improving the quality and design of new housing and will be informed by the ongoing development of our Design Guide. This principles-based

design guide will be shaped around quality of design and low carbon and pursue objectives around healthy place making, building on work already undertaken in parts of the area, including the City of York Housing Design Manual, and the development and roll out to YNY of an Urban Design training programme by Selby District and partners.

III £50m capital funding to address viability challenges driven by infrastructure and enabling costs

As shown in Appendix 3, several sites in the YNY area have been delayed or even languished as a result of high infrastructure costs. In some cases, where sites have been delivered, affordable housing targets have not been delivered due to viability challenges arising from infrastructure and other enabling or site preparation costs.

We are seeking £50m of capital funding over 5 years from FY22 to FY26, over and above existing national funding processes (i.e. HIF and the new Single Housing Infrastructure Fund) to unlock high quality, affordable market-led housing sites in our region.

The MCA's newly formed Housing Growth Team will manage the flexible capital fund and ensure that investments represent Value for Money (VfM). The activities funded to unlock sites and address viability challenges will help to safeguard delivery of affordable housing targets and to create opportunities for higher quality new housing. Gap funding will also be available through this capital fund for high quality and exemplar OSM schemes which showcase design and construction innovation, but which would otherwise remain unviable even with funding from the revolving credit fund that has been separately put forward.

IV A strategic partnership with the MoD and wider Public Sector to bring forward c20,000 homes

A significant number of extensive sites²⁰ are to be released by the MoD within our area over the next 15 years, located primarily in York and in the A1 corridor. These sites have the combined potential to deliver 20,000 new homes. However, the high costs of infrastructure and enabling works on these are likely to pose a major viability challenge. In addition, the delivery of a sustainable, low carbon and affordable housing offer on these sites requires a strategic, plan-led approach.

We are seeking to build on the MoU we have in place for Ripon Barracks and agree a single point of contact and Partnering Arrangements with the MoD for the remaining sites in our region. This model could be extended to incorporate other public sector sites e.g. NHS.

2. Enhanced local planning powers to facilitate the delivery of housing and regeneration

In line with other Mayoral Devolution Deals, through a Devolution Deal for YNY we are seeking a range of enhanced local planning powers. This includes:

I Spatial Plan Powers

The Mayor is to receive strategic planning powers, which will give the Mayor the power to create a Spatial Development Strategy for the YNY area. This will coordinate strategic land-use planning with

²⁰https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/576401/Better_Defence_Estate_Dec16_Amends_Web.pdf

strategic transport planning, providing a robust framework for regional policies that support the delivery of the region's carbon negative ambitions.

The scope and preferred approach to a Spatial Development Strategy will be a matter for local agreement, in line with the National Planning Policy Framework. This Spatial Development Strategy will need to be approved by a unanimous vote of the Combined Authority constituent authorities. This, along with local plans, will act as the framework for managing planning across YNY.

II Land assembly and CPO powers for the Mayor

The Mayor to have land assembly and compulsory purchase powers, subject to the agreement of the YNY Combined Authority member (excluding any member appointed for political balance) where the relevant land is located, and to the consent of the Secretary of State for Housing, Communities and Local Government.

This power would be complementary to the development of a Spatial Development Strategy and would provide the Mayor with the ability to ensure that development coming forward at a local level is consistent with the Spatial Strategy and the policies and vision that underpin it.

III Mayoral Development Corporation Powers

The Mayor to have the power to designate a Mayoral Development Area and to create MDCs, which will support the delivery of strategic sites in the YNY area. This power will be exercised only with the consent of the Combined Authority member(s) (excluding any member(s) appointed for political balance) who represent the area in which the Development Corporation is to be established, and the consent of the National Park Authority, if relevant.

7 Skills

Strategic context

Whilst we will invest in places and infrastructure to unlock good jobs locally, as described in earlier chapters, we must make sure that our people have the right skills to take up new economic opportunities and benefit from our clean growth agenda. In order to achieve this, we must tackle the skills challenges bespoke to our area:

- York and North Yorkshire (YNY) faces a significant and **widening gap in our productivity performance**. Output per hour worked in the LEP area is only 86% of the UK average (from a position of parity in 2004). Linked to this, pay levels also lag behind at 87% the national average.
- **Deprivation in isolated pockets of our region**. Our coastal communities in particular have historically experienced poor levels of education, training and skills and this has been a major driver of deprivation in these areas.
- **Deficit of high skilled employment**. YNY is home to a highly skilled resident base, yet there is a pay gap between high skilled jobs within the region compared to those in neighbouring areas. Furthermore, there is a low demand from our businesses for higher skilled roles. These factors combined lead to many of our higher skilled residents commuting out of the region for work.
- Around two-thirds of employers in our area have indicated they have **upskilling needs** in the LEP area. In addition **as technology alters the importance of some tasks and jobs in the labour market, there will be a need to invest in re-skilling** to enable workers to adapt to changes in the design of their existing jobs and to help them to move jobs or even occupations in order to benefit from more sustainable opportunities.
- **Skill shortages** result in vacancies that are difficult to fill due to a lack of candidates with the required skills. Currently our skills shortages are **most prevalent in digital, the construction, and the primary sector and utilities** (which comprises agriculture, mining and quarrying, electricity, gas and water supply)
- Our **ageing population** is placing pressure on our skills and education systems to keep up with replacement demand. Further still, many **young people are choosing to leave our region**, due to the attraction of employment and lifestyle opportunities outside the area.

To make the most of our skilled and experienced workforce and build career pathways that attract and retain young talent, we have set out a plan where the transition to a digitally enabled, carbon negative, circular economy will allow people to flourish and realise their full potential, locally. This is a long-term approach that starts now, by matching young people's appetite for tackling climate change with their ambitions and expectations for fulfilling local employment. We must provide clear pathways to good job opportunities for the young, whilst retaining the skills of older workers for as long as possible. New technologies that enable automation, digitisation and the transition to a carbon negative future, will demand that people currently in work re-skill in order to remain in productive employment for longer.

Against this background, our proposals to Government are:

1. **Revenue and Capital Funding to deliver a Low Carbon Skills Programme across the region**

2. Devolution of the Adult Education Budget (AEB)

3. Enhanced joint working with Government, covering:

- i. Joint working with Government to align local and national programmes;
- ii. Joint working with the Careers Enterprise Company and National Careers Service;
- iii. Influencing spend on unutilised apprenticeship levy funding; and
- iv. Stronger links with the Department for Work and Pensions.

Our proposals for skills

1. Low Carbon Skills Programme

Summary:

Our LIS has an ambitious vision – to become England’s first carbon negative region – playing a critical role in supporting the Government’s net zero target and clean growth agenda. This will require significant reskilling of the workforce and investment in our skills infrastructure. Meanwhile the impacts of COVID-19, on top of background trends in automation and the costs to industry of decarbonising, means our Small and Medium Enterprises face a high risk of failing and puts a significant number of jobs at risk. However, this also presents an opportunity to ‘build back better’ – providing our residents with the choice of new sustainable, higher-paid jobs and supporting the long-term economic growth and prosperity of our region.

This requires new and flexible funding that can quickly meet the emerging needs of our region, which is not possible through traditional, restrictive funding mechanisms. We are therefore seeking to establish a new, place-based and industry-led Local Carbon Skills Programme, which we will develop and implement to support those businesses whose employees need to re-train to meet the future needs of a carbon negative region. To deliver this, our proposal to Government is twofold:

- i. **£10m of revenue funding, which could be resourced from the National Skills Fund, to up-skill the existing workforce, returners and jobseekers to gain the vocational low-carbon skills in immediate demand**, especially from the automotive and construction industry. We are also seeking **capital funding for training equipment**. This Government funding will go alongside funding that we will secure from industry and delivery partners.
- ii. **Joint working with Government to establish a Centre of Excellence for Low Carbon Technology** which will be both a regional hub and national exemplar for a coordinated, industry-led approach to developing a low-carbon workforce and providing a positive example of cross LEP collaboration with the Hull and Humber region.

The case for change

The current skills system cannot facilitate the step-change required to transition to a low carbon economy

Our LIS has an ambitious vision to become England’s first carbon negative region and play a critical role in supporting the Government’s net zero objectives and clean growth agenda. This will require

significant reskilling of the workforce, which is consistent with one of the four Grand Challenges set out in the Government's Industrial Strategy.

Current funding streams such as European Structural Fund (ESF) and AEB have been delivered successfully across our region, but do not allow for the flexibility required to drive low carbon skills at the scale and pace required. In the main, they focus on low level regulated learning rather than the non-regulated learning at level 3+ increasingly required by the automotive and construction industries. Participation targets such as ethnicity, gender, age and disability also unduly influence the type of offer available to the local workforce.

Meanwhile around two-fifths of local employers acknowledge that they under-invest in training. The key constraints relate to a lack of funds for training and, owing to our rural characteristics, an inability to spare staff time particularly where travel to learn distances far exceed the national average. For example, around 29% of FE and skills learners travel to a delivery location that is outside our region and 13% outside their home district to undertake learning. Innovative solutions such as increased virtual learning or 'roving' tutors and mobile infrastructure must be sought.

An innovative approach is required to work alongside existing funding streams and target training for low carbon skills which are not currently offered locally. Key to achieving this is both investment in our skills infrastructure and intervention to stimulate demand from business. The ability to subsidise or part subsidise learning for those who are already earning is crucial to kick starting employer demand for skills and 'build back better' in the economic recovery from COVID-19.

Businesses lack resilience in the move to low carbon

The continued development of the green economy and the associated demand for skills means businesses which only provide traditional methods will be increasingly susceptible to changes in Government policy and regulation. National and local policy to decarbonise the economy is putting pressure on industry to innovate and utilise new and cheaper sources of clean energy - particularly in the automotive and construction industry. However, local Small and Medium Enterprises (SMEs), who make up 99.7% of all businesses in this area, and who operate in these sectors, will be increasingly susceptible due to the impact of COVID-19 and must be enabled to adapt, or face a high risk of failing.

Our engagement with sector skills organisations such as CITB and The Institute of the Motor Industry suggests that SME's still do not understand the urgency to upskill and reskill their workforce in order to remain viable in the future. A recent survey of 34 construction businesses found more than 50% of businesses were interested in developing work on the "green skills agenda" specifically carbon reduction methods, however only 6% thought this was going to be relevant to their business in the next 3 years.

A significant number of jobs are at risk

Our estimations for the effect of the COVID-19 crisis in this region are a £2.3bn (10.7%) drop in GVA which translates to a potential 51,100 (12.4%) rise in unemployment. Industries hardest hit by COVID-19 are those which are particularly concentrated in our region; including tourism, construction, non-food manufacturing and retail. In the post-COVID-19 recovery period, skills training will be crucial to ensuring as many people as possible return to sustainable work, and as quickly as possible.

We are also conscious that this crisis as well as our exit from the EU may well kick start other market disrupters such as automation and a change in the market industry mix. One out of every three jobs in the YNY area is at risk due to automation over the next 20 years. This region needs an executable plan aligned with our vision, backed by investment to re-skill those falling out of work or unable to progress due to automation and other market disruption.

A new approach to low-carbon skills provision

We must take this opportunity to ‘build back better’ – providing all our residents with the choice of new sustainable, higher-paid jobs and supporting the long-term economic growth and prosperity of our region.

This requires a new approach to low-carbon skills provision which:

- Provides a responsive funding system that can quickly meet the emerging needs of our region, which is not possible through traditional, restrictive funding mechanisms. This includes the need for coordinated development of low carbon teaching resources across the region; and
- Ensures that interventions developed on a regional basis align to and supports national programmes, such as Apprenticeship standards and T-levels, so that local intervention is focused on creating complementary programmes that can provide our population with greater access to national programmes.

Our offer and proposals to Government

We are seeking to establish a new, place-based and industry-led Local Carbon Skills Programme, which we will develop and implement to support those businesses whose employees need to re-train to meet the future needs of a carbon negative region.

We will be innovative and collaborative to join up existing provision but also create new pathways where needed. We will start now, but also have a clear medium-term ambition to create a nationally significant CoE for Low Carbon Technology that will be a regional and national hub for skills development in this critical area.

We will work with Government to develop, implement and scale-up skills provision in low-carbon industries which will support customer-facing skills for a digitally enabled, low carbon economy. To deliver this, our proposal to Government is twofold:

- 1 **£10m revenue funding, as well as capital funding, to up-skill the existing workforce, returners and jobseekers in vocational low-carbon skills in immediate demand**

We are seeking £10m of flexible revenue funding over the 5-year period of FY21 to FY25, as well as a capital funding allocation, to deliver a re-training programme across the whole of our 19+ population.

This covers both regulated and non-regulated packages of vocational learning targeted at skills in immediate demand by the construction and automotive industries, and digital skills which enable low carbon technologies. This will challenge stagnating local employer demand for skills and create new skills for emerging industries.

This low-carbon retraining programme will require some investment in capital infrastructure to deliver the new curriculum. The aim is to work with existing providers and employer infrastructure to provide flexible physical spaces for training. Therefore, the capital funding requirement is unlikely to involve new buildings, but will require collective investment in technical, industry-specific equipment for delivery of training, using both digital and mobile solutions. By way of example, we are already talking to industry specialists and colleges about innovative solutions to ensure infrastructure and tutors are able to meet employer demand across a large rural area - for instance, through a mobile EV training which could be taken out to rural areas and accessed by our current SMEs.

With £10m of revenue funding, we will:

In year 1:

- Undertake a rapid assessment (completed within 3 months after funding is received) of the capital investment required to deliver a re-skilling programme that is agile; flexible and mobile across our region and finalise the funding contributions from industry and delivery partners. Given the quickly developing nature of the technology required, this assessment would also quantify and understand the ongoing replacement needs for any capital investment. The output of this work will finalise the capital funding requirement over the 5-year period of our proposed programme, which we would aim to agree with Government as soon as possible.
- Deliver a first phase of the programme (commencing in FY21), building on the existing Scarborough Skills Village (see case study below) around timber framed houses where we can leverage off existing infrastructure and then expand out to the wider region in subsequent years.
- Undertake feasibility work and additional consultation study to provide the evidence for the interventions in years 2-5 and assess a baseline for capability and capacity. This will build on our existing work to identify the *medium-term* skills required to re-train the existing workforce (see focus sectors below) and map the regional capacity to develop the required training capability (including infrastructure), to finalise the programme for years 2-5.

In years 2-5:

- Develop and deliver a collaborative training programme across our region which will:
 - Upskill the existing workforce initially in identified key sectors to create a step-change in our labour supply for a low carbon economy.
 - Retrain those whose jobs are at risk of automation, or due to the longer-term effects of the COVID-19 and other market disruption.
 - Train those who are out of work or returning to work with skills that meet current and future employer demand and provide residents with higher earning potential, raising low skill levels and shifting our region away from a low skill, low pay economy.
- Work with industry to understand the *medium-term* skills and workforce needs, identify gaps and plan future provision on a dynamic basis, reflecting the evolving nature of technology and employer demand over the 5-year period (and indeed longer term).

Scarborough Skills Village Case Study

[Scarborough Construction Skills Village](#) (established in 2015 through a partnership between Scarborough Borough Council, Northern Regeneration CIC and the Kepple Homes and Keepmoat) is geared up to tackle the green construction skills agenda. They have recently conducted a survey with local construction businesses to ensure that this need is built into their delivery going forward. The primary focus is on timber framed construction and solar panels along with improved insulation and they are able to deliver this training from 2021. In addition to this they are also exploring options for delivering training in the installation and maintenance of new and improved ways of heating and working with a local housing association to develop a retrofit training centre using an existing property.

Initially, the programme will focus on retraining in:

- **Construction sector**, including skills for retrofitting and modular housebuilding.
- **EV sector** most notably technicians as well as associated roles e.g. car sales staff, roadside assistance etc.
- **Plumbing and electrical services** including installation and servicing of heat pumps, biomass for heat, anaerobic digestion
- **Building surveying** for low carbon solutions.
- **Digital skills** that enable low carbon technologies.

Recipients of the funding would include:

- Unemployed/inactive residents through bespoke vocational skills training to enable participants to take advantage of job opportunities that cannot be funded through other programmes;
- Existing employees who may be at risk of redundancy through automation and who have an identified need for upskilling in low carbon skills evaluated by a Training Needs Assessment; and
- Training providers; supporting the rapid acquisition of training capacity with access to funding to develop the new technical skills required to meet the low carbon curriculum.

II [Joint working with Government to establish a Centre of Excellence for Low Carbon Technology Skills](#)

The establishment of an MCA presents an opportunity to look outside of old models and be both innovative and transformational in the provision of low-carbon skills over the medium-to-longer-term.

We want to work with industry; learners; providers and Government to develop a robust business case for an enhanced Institute of Technology offer which would establish a national Centre of Excellence (CoE) for Low Carbon Technology Skills. This would build on the existing Yorkshire and Humber Institute of Technology (IoT) in York, aligning employers, providers and learners and represent a beacon for innovative curriculum development that provides progression pathways for 19+.

The CoE would support national post-COVID-19 recovery as a core plank of our LIS and Government's Industrial Strategy, by linking local skills provision with emerging industry skills demand and addressing the shift to a digitally enabled, low carbon economy.

The CoE, which would be distributed across the regional provider network but focussed in the IoT, would provide the opportunity for a consolidation of the administrative requirement for the management and monitoring of the funding. This would be closely aligned to the management and monitoring of the existing AEB and ESF budget but provide economies of scale for programme management.

Given the reach of the IoT across Yorkshire and the Humber we would also look to work collaboratively with the Humber LEP, for example extending their relationship with the existing IoT to include their Aura programme across renewable wind energy.

As part of the CoE, we would also like to explore with Government the potential for a low carbon tutor engagement programme such as fully funded, accelerated FE teacher training and enhanced salary arrangements to ensure it is an attractive proposition and overcomes the current recruitment issues FE often experiences with curriculum in emerging industries.

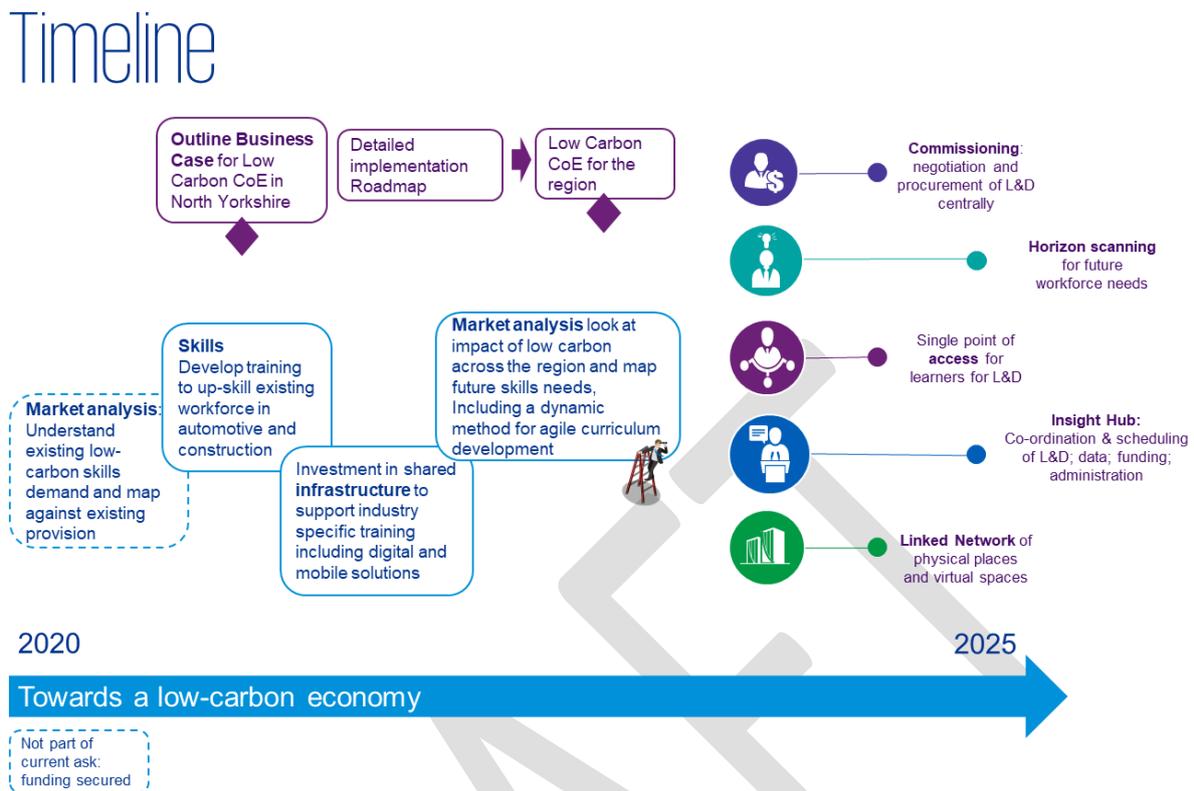
We would also welcome discussions on our ambition for the CoE to be developed and delivered through enhanced employer partnerships utilising dual professionals and a co-designed approach to align this to emerging needs, providing access to specialist who may also be available to provide support and training outside of the region. We have already begun to evaluate the effectiveness of this model within other IoTs and have started to identify potential partners such as City & Guilds who are interested in supporting the development of low carbon training.

We are seeking engagement and joint working with Government as we develop the business case for the YNY CoE for Low Carbon Technology Skills. Our work plan and timeline for the business case is outlined below (see Figure 10). This comprises:

- A detailed **market analysis** looking at future demand across a wider set of industries and the impact of low-carbon technologies on the existing workforce
- Extensive local **stakeholder engagement** to understand current issues but primarily focus on the desired future state and outcomes. This would also include a view of the geographic scope and assess the benefits of working jointly with Humber as outlined above.
- A detailed **benefits analysis** including but not limited to:
 - Meeting current future skills needs
 - Efficiency of L&D spend
 - Consistency of training provision
 - Lack of duplication
 - Attraction and retention of workforce
- An analysis of existing and potential **funding streams** to support a collaborative regional L&D programme including but not limited to existing Government funds and assessing the private sector spend on L&D in this area (current and predicted)
- The **scope and functions** of the CoE (some options listed in below)
- The **funding requirement** to deliver including governance; tax and legal options
- An **implementation** roadmap

The CoE business case would provide an exemplar for place-based, low carbon skills training and provide insight to other regions as they respond to emerging low carbon policy.

Figure 10. Work Plan and Timeline for CoE Business Case



2. Devolved Adult Education Budget

In line with other Mayoral Devolution Deals, we are seeking to devolve the AEB. Our proposal to Government is to:

- Work with YNY to support our preparations for taking on the relevant functions that cover the remit of AEB;
- Set proportionate requirements about outcome information to be collected in order to allow students to make informed choices; and
- Consult with YNY on any proposed changes to a funding formula for calculating the size of the grant to be paid to the combined authority for the purpose of exercising the devolved functions.

We are seeking to commence devolution of the AEB from the academic year FY22, subject to readiness conditions. Upon devolution, YNY will be responsible for making allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. We recognise these arrangements would not cover apprenticeships or traineeships, even though the latter is funded through the AEB.

3. Enhanced joint working with Government

In line with other Mayoral Devolution Deals, through a Devolution Deal for YNY we are seeking an enhanced working relationship with Government across the skills agenda. This includes:

I Joint working with the Careers Enterprise Company and National Careers Service

To ensure local priorities shape the provision of local careers advice. We are seeking direct involvement and collaboration with Government in the design of local careers and enterprise provision for all ages in our areas.

II Influencing spend on unutilised apprenticeship levy funding

To maximise investment in apprenticeships and promote the benefits of apprenticeships to local employers. We are seeking Government's support in YNY's efforts to convene employers so they can increase the number of apprenticeships available in our region, including via levy transfers.

III Stronger links with DWP

To co-design the future employment support for the hardest-to-help claimants. We expect this will be subject to an assurance framework covering the respective roles of YNY and DWP in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concerns that arise.

IV Joint working with Government to align local and national programmes

This is in order to make the most efficient and effective use of skills funding in our region, and ultimately deliver better outcomes for residents and maximum Value for Money for the taxpayer. The key areas for collaboration include:

- Early engagement and consultation to help shape new Government policies in order to ensure that proposals work in a non-urban context and make maximum contribution to levelling up the North's economic performance.
- Building on the successful transition of the YNY LEP Skills and Employability Board to a Skills Advisory Panel, working more closely with the Skills and Productivity Board to advise Government on how to ensure courses and qualifications on offer to students are high-quality, aligned to employers' future skills needs and help increase productivity, taking account of the economic and demographic characteristics of our region.
- Similarly, working closely with the Skills Commission and other influencers of skills policy to enhance the development of a low carbon economy in YNY.
- Helping to shape any future changes to the 16-18 funding rules to again ensure that such policies are fit for purpose in an YNY context.
- Working to ensure national programmes, support local priorities, for example unemployed 16-24 year olds or supporting disabled into work.

8 Business and Innovation

Strategic context

Creating the right conditions for business growth to support increased productivity and level up the economy is a shared priority nationally and locally; reflected in the Government's Industrial Strategy and our own Local Industrial Strategy (LIS).

Historic jobs growth in our region has broadly matched the rest of the UK, but much of this growth has been in lower productivity sectors, particularly the visitor economy. Relative to GB levels, we have a proportionally higher sectoral share of accommodation and food services and manufacturing in employment terms (11% compared to 8% in both sectors)²¹. Our region's productivity has moved from being the same as UK average in 2003 to more than 14% below the UK average in 2017²². This structural imbalance is compounded by businesses that are yet to optimise the full potential of their workforce. We have half the proportion of 'high performing workplaces' as the national average, and significant under-utilisation of skills due to factors such as seasonal employment and a lack of flexible employment.

We need businesses that can adapt and develop their strengths into more productive, high-performing workplaces as we decarbonise our economy and to secure the economy prosperity of our residents through better paid job opportunities. This in turn will enable us to play our full part in levelling up the North with the rest of the economy.

Our economic ambitions are underpinned by our Universities whose innovation strengths are a key driver in the economic future of the region and which provide a flow of graduates with cutting edge skills into our labour force. In particular we have world leading innovation around;

- Bio-Yorkshire the UK's Centre of Excellence on Bioeconomy
- A Digital Creativity programme which brings together over 100 partners and researchers from multiple disciplines around augmented reality and gaming technology. This not only underpins our creative and digital sectors but provides new opportunities for our vast cultural and heritage assets.
- The Institute for Safe Autonomy will contribute significantly to the national Industrial Strategy, enabling us to establish a world-class facility and help strengthen the UK's position as a leader in the safe introduction of advanced technology.

The ambition set out in our LIS is to deliver "Good Growth" – economic growth that is good for business, good for people and good for the planet. Our business base has the knowledge, expertise and capability to position York and North Yorkshire (YNY) as a prime proving ground for climate solutions. As part of achieving our Good Growth ambition, we need strategic, long-term and co-ordinated action to support businesses transition to higher value tourism and advanced manufacturing, and foster innovation in the circular bioeconomy which will help to drive productivity across our wider economy.

Supporting our businesses is vital to achieving Good Growth; now more than ever. COVID-19 presents a risk to many of our businesses, particularly those in the Visitor Economy. It also presents

²¹ Data from NOMIS, 2019

²² YNY output per hour is £28.80 compared to the UK average of £33.65

an opportunity us to 'build back better', with high value and environmentally sustainable businesses at the forefront of delivering Good Growth.

We have demonstrated strong economic performance and resilience during uncertain times, including the 2008 global financial crisis and Brexit. This is due strong partnerships with businesses and focussed activities such as the delivery of the Local Growth Fund (LGF) which remains on target. We want to build on this track record, with three proposals to Government:

1. **Co-development of a Yorkshire Tourism Plan between YNY and Visit Britain to increase high value tourism**
2. **Support for our proposals to redevelop Harrogate Convention Centre, currently a Nightingale Hospital**
3. **Support for our proposals for an Advanced Manufacturing Research Centre at Scarborough, in partnership with the University of Sheffield**
4. **Enhanced joint working with UK Research and Innovation (UKRI) and Department for International Trade (DIT)**

Alongside these proposals, Chapter **Error! Reference source not found.** sets out our proposed 'BioYorkshire' programme, which represents a nationally significant innovation programme and centre of excellence for the UK's bioeconomy.

Our proposals for business and innovation

1. **Co-development of a Yorkshire Tourism Plan between YNY and Visit Britain to increase high value tourism**

Summary:

The visitor economy is a major part of regional economy, standing at £2.67bn (or 6% of GVA). According to Visit England, North Yorkshire receives the most holiday visitors in Northern England and is third in the UK overall (following after London and Cornwall). Whilst much of the region's employment growth has come in visitor economy jobs, one in four of regional jobs pay below the real living wage; increasing to one in three in coastal areas where tourism is most prominent. Reducing seasonal jobs and increasing high value tourism is of fundamental importance to driving productivity in our region and supporting the economic prosperity of our communities.

Furthermore, this sector is forecast to be one of the most affected by COVID-19. There is a need for both national and local stimulus to accelerate the recovery and seize the opportunity to ensure future growth is based on high value tourism and increased productivity.

To help the transition to a higher value tourism sector, we need a strategic approach, bringing together public and private sector partners, to develop heritage, culture and visitor products and associated accommodation and food and drink businesses.

We are seeking to work in partnership with Visit Britain to develop a short- and long-term Yorkshire Tourism Plan; increasing cohesion between national campaigns and local ambitions. Specifically, our proposals to Government are:

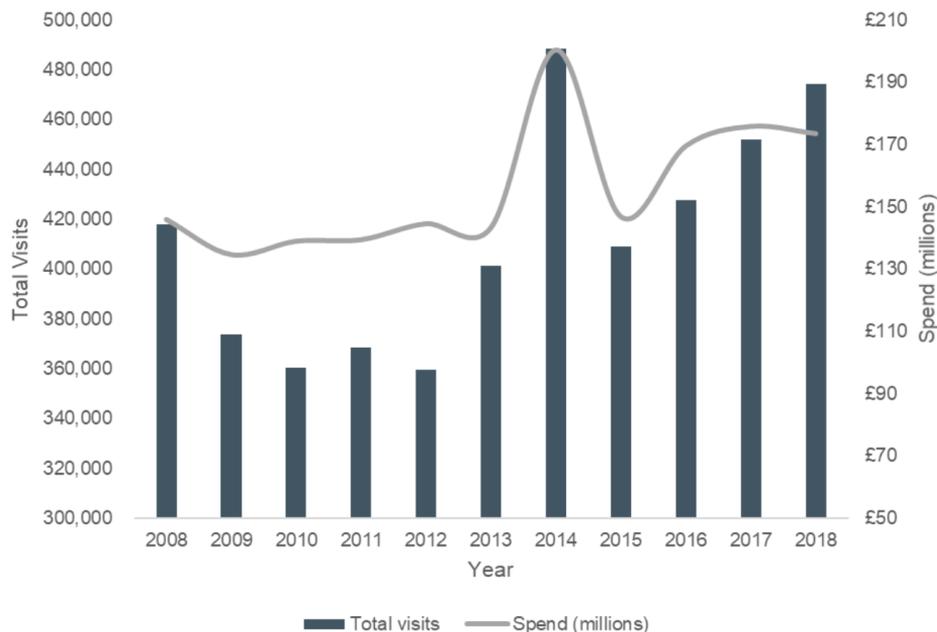
- i. For the Department for Digital, Culture, Media and Sport (DCMS) and Visit Britain to formerly become a member of the managing board responsible for developing the tourism strategy for Yorkshire, ensuring alignment of Yorkshire's product offering with Visit England priorities to enable joint investment in future campaigns.
- ii. In support of the launch of the strategy, Visit Britain to work in partnership and host the 2021 Visit Britain International Trade Exhibition 'ExploreGB' in YNY.

The case for change

As set out in the Government's 2018 Tourism Sector Deal, the UK attracted 38 million international visitors, who added £23bn to the economy,²³ making tourism one of the country's most important industries and the third largest service export. In 2018, British residents took 119 million overnight trips in the UK, totalling 372 million nights away and spending £24bn.²⁴ Pre-COVID-19 forecasts predict that by 2025, the sector will see a 23% increase in international visitors and 16% increase in domestic tourism²⁵

This trend plays out in YNY. Between 2012 and 2017, jobs in our Accommodation and Food Services sector increased by a third to 56,000, making it our fastest growing sector. Similarly, its contribution to GVA has also grown, standing at £2.67bn (or 6% of GVA) in 2017. Figure 11 shows increase in tourist visits and spend over the period 2008-2018 and demonstrates a strong recovery from the slump in 2010 brought on the back of the recession. Our tourism sector has a national identity. Harrogate and Skipton have been rated as the happiest places in England, York the best place to live, and Scarborough receives more visitors than anywhere in the UK outside London.

Figure 11. Tourist visits and spend in North Yorkshire, 2008-2018



²³ ONS: Travel Trends 2018

²⁴ VisitBritain: GB Tourism Survey: overview. 2018

²⁵ Ibid

Source: Visit Britain 2019

However, whilst our tourism sector is growing, it is creating low pay, low productivity jobs. This is a long-term structural issue which has resulted in some deep rooted challenges, particularly in our most deprived coastal areas.

Added to this, COVID-19 presents a risk of losing the progress we have made as a region in building up our Visitor Economy over the past ten years. Our current evidence, based on the OBR's assessment, indicates that tourism will be one of the worst hit sectors from the pandemic.

We welcomed Government's 2018 Tourism Sector Deal and, in particular, its commitment to pilot up to five Tourism Zones which aim to bring together businesses, local authorities, Local Enterprise Partnerships (LEP) and local partners to establish a coordinated strategy for growth in local visitor economy and increase off-season visits through initiatives such as enhancing tourism product, extending the tourism season and investing in skills. However, we have yet to receive clarity on the process for bidding to VisitBritain to establish a Tourism Zone.

In the context of COVID-19 there is a need for an immediate response to the downturn with a short-term recovery plan, accompanied by a longer-term visitor economy strategy. This needs to bring together targeted national and local initiatives to stimulate a visitor economy which provides good, sustainable jobs for our region.

Our offer and proposals to Government

We are seeking to work in partnership with Visit Britain to develop a short- and long-term Yorkshire Tourism Plan; increasing cohesion between national campaigns and local ambitions.

This will bring together our Local Authorities and key stakeholders including Welcome to Yorkshire, Destination Management Organisations, English Heritage and Arts Council to develop a tourism strategy for Yorkshire. Our specific proposals to Government are:

1. For DCMS and Visit Britain to formally become a member of the managing board responsible for developing the tourism strategy for Yorkshire, ensuring alignment of Yorkshire's product offering with Visit England priorities to enable joint investment in future campaigns.
2. In support of the launch of the strategy, Visit Britain to work in partnership and host the 2021 Visit Britain International Trade Exhibition 'ExploreGB' in YNY.

In the short-term our COVID-19 Economic Recovery Plan for the tourism sector, developed with key stakeholders across the region, will focus on:

- Sustainability and resilience of tourism businesses
- Place safety and visitor confidence
- Placing Yorkshire at the forefront of people's minds
- New product development
- Welcome back to Yorkshire campaign aimed at domestic tourism in 2021.

Over the medium to long term, we want to address the persistent market failures and barriers to productivity in our tourism sector and seize the economic opportunity to 'build back better'.

This includes:

- Options for extending the tourism season outside of the summer months;
- Proposals for investing in the skills of the local workforce;
- Options for making the visitor economy more accessible;
- Investment opportunities to enhance and innovate the visitor experience, for example by promoting a destination's heritage attractions or by creating an attraction around intangible assets;
- Options for 'small-scale' infrastructure developments;
- A commitment to measuring job quality, with a clear plan for reporting on the metrics chosen and how this information will be used to increase the provision of good work; and
- A sustainable development plan to reduce environmental impacts within key tourism areas.

2. Support for the redevelopment of Harrogate Convention Centre, currently a Nightingale Hospital

Summary:

Harrogate Convention Centre, currently operating as a Nightingale Hospital, represents an important economic asset to the Region bringing 157,000 visitors per year and £29m of spend.

With investment the Convention Centre will continue to increase both the number of visitors and spend to the Region. It will allow us to compete against other National Centres to win business and grow our economy.

We are seeking to work with Government to address the capital funding gap we have identified through our business case work to date. This support would align closely with the Government's economic recovery approach and help to level up the economic performance of our visitor economy.

The case for change

This proposal plays an important role in the region's economy attracting 157,000 visitors and £29m of spend each year.

Harrogate Convention Centre contributes strongly to the prosperity of Harrogate district and the wider region, providing a unique offer to the conference and exhibition market, attracting large numbers of business visitors every year, and supporting a huge number of jobs and businesses.

With investment the Convention Centre will continue to increase both the number of visitors and spend to the Region. It will allow us to compete against other National Centres to win business and grow our economy. In addition, there are significant opportunities convert business tourism stays into leisure tourism stays that will support the Regional economy.

Without investment HCC will continue to decline in terms of its physical facility and its national and regional ranking appeal. Furthermore, the market is becoming increasingly competitive with new venues planned in Hull and Gateshead. This further underpins the need for investment to ensure that HCC can both sustain and enhance its position within the market place, support the levelling up

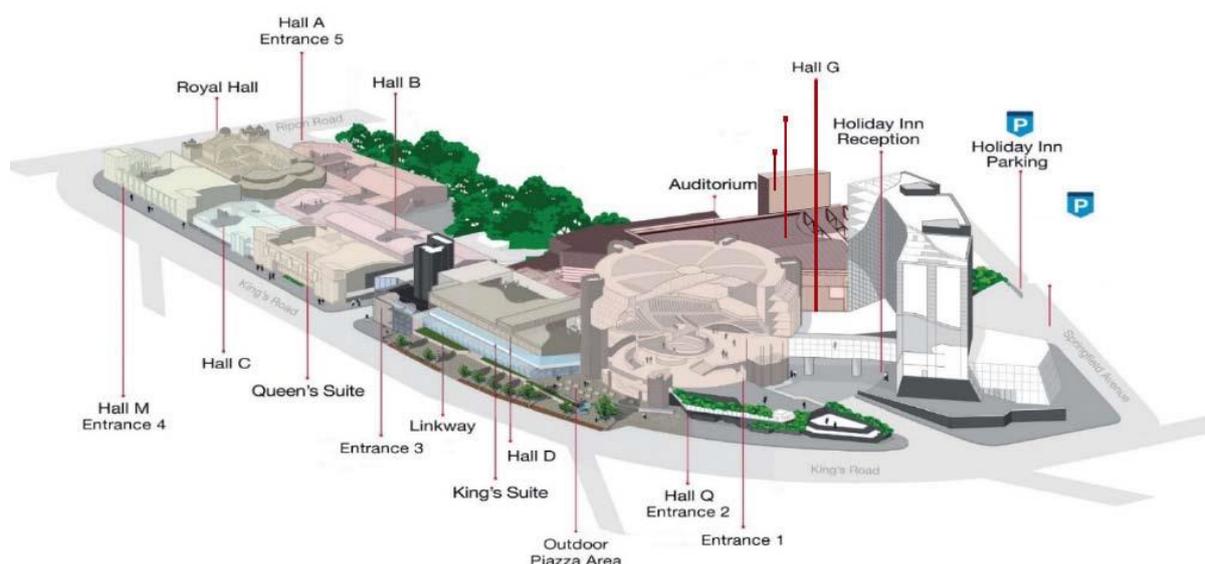
agenda and ensure that the economic benefits that this delivers to the wider economy are maximised.

The economic benefits of this project are considerable as it will maximise HCC's potential, providing a significant place-shaping, cultural and economic boost to the region. The full economic impact of redevelopment will be evaluated as the project progresses, but data on direct visitor expenditure alone shows an expected increase.

The strategic importance of Harrogate Convention Centre has been highlighted recently with the NHS/MOD choosing it as the location for the Yorkshire and Humber NHS Nightingale. This further emphasises HCC's strategic, operational and geographical importance.

Moreover, investment in HCC is key to our Covid-19 Economic Recovery, ensuring that Harrogate can capitalise on its unique offer to secure business and attract visitors to support the districts economy.

Figure 12. Overview of Harrogate Convention Centre



Our offer and ask of Government

Our offer is to work in partnership to create an asset of National importance that allows us to bring visitor and investment into our Region, growing our economy and providing opportunity for our businesses and residents.

Our 'ask' is that stakeholders work together to develop a dialogue with government to meet the capital shortfall identified through the business case modelling.

Debt costs in meeting this high upfront capital expenditure will weigh-down the project's viability necessitating innovative funding solutions to enable these costs to be mitigated. Finding a means to write off or subsidise a portion of the upfront capital costs is considered necessary to enable the scheme to be viable.

The proposal for redevelopment aligns with a new sales strategy for the venue. The initial focus is to increase the number, size and value of conferencing events, primarily driven through attracting

national association events. The wider motivational pull of such events tends to attract visitors that stay longer and spend more. The positive appeal of Harrogate, that sets it apart from competitors, will help maximise opportunities to convert business tourism into leisure tourism, with visitors encouraged to return for leisure stays and to visit the region more widely - including the Dales, National Parks, Yorkshire Coasts, etc.

The capital investment requirements of the preferred redevelopment option are considerable. However, once these works are carried out, there is potential to generate a significant ongoing economic impact.

3. Support for AMRC Scarborough

Summary:

In partnership with the University of Sheffield and private sector partners, we are developing a Strategic Outline Case (SOC) for a new Advanced Manufacturing and Research Centre (AMRC) satellite location at Scarborough, which we expect to complete by the autumn. The AMRC Scarborough will leverage the area's existing, high value manufacturing base and focus on the development of next generation manufacturing processes for existing and emerging sectors in Scarborough and our wider regional economy, including low carbon energy.

We are seeking engagement from UKRI as we develop the business case for AMRC Scarborough with local partners over the next 6 months, and a commitment from Government to consider the business case when it is finalised in the autumn.

The case for change

The AMRC is a network of innovation centres which carry out world-leading research into advanced manufacturing and materials, which is of practical use to industry. In partnership with the University of Sheffield, together with anchor companies of national and international significance in our region, we are seeking to establish an AMRC satellite location in Scarborough. This would build on the successful model of establishing the AMRC North West satellite at Preston and Broughton in North Wales.

Scarborough is a coastal town renowned for its high value manufacturing base as well as a unique range of economic assets. This includes the world's largest offshore wind farm on the Dogger Bank and proposals for the 'York Potash Project'; a new, high-tech potash mine with the world's highest grade polyhalite resource. The renewable energy sector and high value manufacturing sectors are both growth industries for Scarborough. However, Scarborough is also facing a period of economic and industrial restructuring following the impacts of COVID-19, against a background of multiple deprivation challenges including income, employment and education measures.

The AMRC Scarborough would focus on next generation manufacturing processes for existing and emerging sectors of our regional economy, including low carbon energy.

We have undertaken soft market engagement on the AMRC Scarborough concept and are now in discussion with a number of potential anchor companies that would be partners to the AMRC. Whilst these organisations undertake their own R&D in-house, AMRC Scarborough would bring together industry, academia and local businesses to scale-up innovation activity and the adoption of

new manufacturing processes in our region, leading to increased business productivity and the creation of higher value employment opportunities for our residents.

Our offer and proposals to Government

In partnership with the University of Sheffield, we are now developing a Strategic Outline Case (SOC) for the AMRC Scarborough, which we expect to complete by the autumn.

We are seeking engagement from UKRI as we develop the business case for AMRC Scarborough with local partners over the next 6 months, and a commitment from Government to consider the business case in the autumn.

4. Enhanced joint working with UKRI and DIT

In line with other Mayoral Devolution Deals, through a Devolution Deal for YNY we are seeking enhanced joint working with Government to coordinate activity around trade, investment and R&D across our region. This includes:

I Joint working with DIT

As stated in the West Yorkshire Devolution Deal, DIT have committed to work with regions in the North to develop a joint plan and working arrangements to 'level up' the North. Similarly, we are seeking to establish;

1. An international trade forum with DIT where we will agree a joint plan and seek to join up activity around key sector and market priorities across the region. The joint plan between DIT and the YNY will ensure there is coherent and effective support for businesses of all sizes.
2. A co-developed Inward Investment plan delivering a joined up approach to targeting and attracting new investment in to YNY, together with a commitment to resource Key Account Management of foreign owned businesses in YNY similar to the model West Yorkshire.

II Joint working with UKRI

We are seeking to enhance joint working with UKRI to support the development and implementation of our LIS, particularly building on local strengths in the bioeconomy, advanced manufacturing, and tourism. Examples include:

- **Improved data sharing and referrals.** Developing improved business intelligence to better target the right support at businesses with the potential to grow
- **Marketing and promotion.** Co-designing and delivering targeted local events and workshops to support business-led innovation
- **Access to expertise.** Providing expert opinion on Value for Money (VfM) into local investment decisions
- **Developing co-investment opportunities.** Explore opportunities for the region to benefit from future Government funding opportunities

9 BioYorkshire

Strategic context

As part of our Good Growth ambition, we must invest in innovation in order to raise our productivity and global competitiveness whilst transitioning to a low carbon economy. This presents both a policy challenge and a significant economic opportunity – and one that can be addressed head on with investment in the development and deployment of new ideas in our bioeconomy. Our response to these challenges and opportunities is to deliver a strategic and co-ordinated “BioYorkshire” programme which will establish York and North Yorkshire (YNY) as the UK’s global Centre of Excellence (CoE) for bioeconomy solutions.

The importance of BioYorkshire to the resilience, growth and prosperity of our region is amplified in the context of COVID-19. We will accelerate a Green economic recovery, create new sustainable jobs and improve resilience in our area through supporting innovative entrepreneurs to start-up companies, enabling Small and Medium Enterprises (SMEs) to scale up their businesses and improving efficiencies of industry through collaborative research. Collectively this will ‘level-up’ our region by boosting productivity and economic output, while still committing ourselves to being a negative carbon region. Indeed, tackling climate change, ensuring a resilient, sustainable supply of key resources and meeting growing food demand will all require innovation and growth in the bioeconomy and forms an essential component of a green recovery programme.

Government demonstrated its commitment to make the UK a global biotech partner of choice when it released its national Bioeconomy Strategy 2018-2030 and set an ambitious target to double the size of the bioeconomy by 2030 (from a current base of £220bn in GVA). Our region represents the largest concentration of the bioeconomy in the North. Indeed, Department for Business, Energy and Industrial Strategy’s (BEIS) 2017 Science and Innovation Audit (SIA) shows a concentration of bioeconomy activity in YNY of up to five times the national average, equating to c10% of the UK’s bioeconomy. Therefore, we share Government’s recognition that a strong and vibrant bioeconomy has the power to transform the way we address challenges of clean growth in food, chemicals, energy, materials and medicines and this region is best positioned and most ready to do this.

At present, Government funding for bioeconomy research spans multiple parts of Government including Innovate UK, BEIS, Department for Education, ESF, among others. BioYorkshire offers an opportunity to bring together public sector funding and private sector investment for innovation. However, we need a step change in the way industrial and academic research combine, generating an ecosystem of world-class bioeconomy research, knowledge exchange and training to deliver a green recovery programme for the UK’s post-COVID-19 economy.

NESTA’s May 2020 report “The Missing £4 Billion: Making R&D work for the whole UK” recommended substantial devolution of innovation funding to remedy the regional imbalance in R&D spending. This could achieve a better fit with local opportunities, address notably low R&D intensities for instance in Yorkshire and the North East and spread the economic benefits of innovation across the whole of the UK. BioYorkshire directly addresses their recommendations for “translational research centres whose technological foci work with the grain of their local economies to support national missions”, “create a more balanced distribution of research infrastructure across the nation” and develop “new poles for innovation and productivity growth, attracting new private sector investment as well as supporting the existing business base.”

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YNY is uniquely placed and ready to pioneer a new, strategic approach to investment in the bioeconomy given our combination of world-leading assets, including:

- **Globally leading institutions in bio-science research** via University of York (UoY) and Fera Science, translational facilities (Bio-renewables Development Centre and Crop Health and Protection), and land-based training at Askham Bryan College.
- **Significant natural capital** – agricultural businesses account for 61% of our land use, and our region includes the UK’s largest area of energy crops. YNY’s uplands are also home to 5% of the world’s blanket bog, offering an opportunity to secure their store of over 38mt of carbon.
- **A significant cluster of businesses in the food, drink and agriculture industries that provide a market for adopting new bio-based processes, products and services.** These industries are three times more concentrated here than nationally, and 80% of inward investment value to the area in 2017-18 was in food and drink and more broadly. Major businesses in the region include supermarket headquarters (HQ) such as Asda and Morrisons, as well as other major food and drink businesses such as Nestlé, McCain and Quorn.
- **Connectivity into two of the UK’s most significant chemical clusters** on the Humber and Tees giving us a direct route to commercialisation of technology via direct transport links and existing relationships between our businesses and institutions. This includes BDC’s strategic relationship with the Centre for Process Innovation on Teesside, and UoY’s collaboration with BP and px group to develop a bio-based chemical cluster on Humberside and supply industrial sugar from wastes and by-products through the Low-Carbon Bio Innovation Corridor (LBIC). In addition, we are home to Croda (which grew from Yorkshire and continues to HQ here) which is a speciality chemical company that uses renewable raw materials for most of its products.

The “BioYorkshire” programme involves a strategic and co-ordinated approach to investment which will establish the UK’s global CoE for bioeconomy solutions and achieve the necessary step-change in innovation in the sector. These solutions will focus on two key areas of the bioeconomy:

- 1 Profitable bio-based production of fuel, chemicals and materials**
- 2 Productive, net-zero food, feed, farming and wider land use practices**

Larger global companies surrounding the YNY region such as Croda, Unilever and Associated British Food do not have the bandwidth to respond to the growing need to develop bio-based sustainable products. These companies all strongly endorse the development of BioYorkshire which will enable them to expand their bio-based product portfolios, gain access to skilled technologies that will enable the transition to a sustainable future and contribute to jobs and growth in the bioeconomy in the region.

BioYorkshire’s core institutions are ready now to deliver a programme of business-focused strategic research, development and demonstration as well as specialist skills support using existing facilities. The proposed programme will be delivered in three phases over 10 years, as outlined below. In total is the programme is expected to require £430m of Government funding which would leverage an expected minimum contribution from third parties of £570m. Appendix 5 provides a breakdown of estimated RDEL and CDEL funding requirement over the 10 year period.

- **Phase 1 (3 years) – delivered between 2021 and 2023.** We will build four new innovation facilities, a circular economy data hub, three new incubator spaces and anaerobic digester (AD)

ANNEX 2

plants, two new bio-based learning institutes, and co-develop programmes of research, skills, networking and investment with business to kick-start operations in these new facilities.

- **Phase 2 (4 years) – delivered between 2024 and 2027.** From 2024 onwards the new facilities will deliver significant GVA and inward investment, mitigation of CO2e and waste, increased number of spin-outs, start-ups and scale-ups as well as skilled people and high value jobs both within YNY and in the wider UK, especially the North East. The first incubator hubs and innovation facilities will become self-financing. We will build on the experience of the first phase to deliver three further incubator spaces with material-relevant anaerobic digestion or biorefinery, a further farm-focused applied research facility at Askham Bryan College and kick-start operations in these new facilities.
- **Phase 3 (3 years) – delivered between 2028 and 2030.** By 2030 we anticipate at least £500m of further contribution in BioYorkshire projects and facilities through public and private match funding. This phase will see the final two incubator spaces developed and we anticipate the programme becomes self-supporting through the additional economic activity it is generating.

“The North East of England Process Industry Cluster (NEPIC), is a membership organisation supporting what is the second biggest process cluster in Europe. Our membership covers petrochemical, fine and specialty chemical, pharmaceutical, renewable energy and biotechnology companies, together with their extensive supply chain.

We are supporting our members’ wishes and societal trends by helping them access and share best practice in the areas of decarbonization and the circular economy. Following Brexit and the current COVID-19 pandemic, we are keen to help our members re-shore raw material supply chains and recreate lost downstream integration. NEPIC already has a number of member companies with large scale industrial biotechnology expertise such as Ensus (bioethanol), Calysta (fish food via gas fermentation), Quorn (large scale fungal fermentation for food), Fujifilm (biologics) and a number of others looking at biotechnology routes to chemicals. These organisations are well placed to benefit from the bio-innovation and technology development that should flow from the BioYorkshire programme. This will be especially important in the context of resilient supply of novel and sustainable bio-based feedstocks.”

Philip Aldridge, CEO, NEPIC

We are seeking £215m of funding for delivery of Phase 1 over the 3-year period between FY22 and FY24, comprising:

- 1 £175m BioYorkshire Innovation Central (BYIC)** to deliver buildings, equipment and capacity funding across York which aims to build on the York area’s existing R&D capabilities to support a step-change in R&D collaboration between our higher education institutions, research facilities and industry.
- 2 £25m BioYorkshire District Incubator Hubs** to build facilities in Scarborough, Ryedale and York for local entrepreneurs and SMEs to start up and scale up their bio-based businesses.
- 3 £15m BioYorkshire Innovation Accelerator** to provide expert advice and match funding to drive engagement and de-risk the commercialisation of bio-based innovation, as well as attract inward investment from across the country and internationally through promotion of BioYorkshire.

The detail of each of these three proposals is outlined in the next section.

Detailed governance of the BioYorkshire programme is still to be determined at this stage. It is anticipated funds would be ringfenced and overseen by a Governing Board, which would comprise representation from the MCA, the three research Partners (i.e. UoY, Fera Science, ABC), YNY LEP, independent Industry non-executive directors from both large- and small-scale businesses and BEIS. The Board would be responsible for approving and allocating funding, co-funding realisation, and ensuring the overall programme is delivered on time and on budget.

The PMO would be responsible for managing the delivery of the programme, under the funding and timelines determined by the Board. We are considering the PMO running under UoY given experience in allocating and administering UK Government and European funding, such as the UKRI's Biotechnology and Biological Science Research Council (BBSRC) and Innovate UK. Bespoke Delivery teams will be responsible for specific project implementation, such as the Bio-renewables Development Centre (BDC) overseeing the delivery of new equipment purchases and increased resource capacity at their facilities.

We estimate that innovation and skills developed through BioYorkshire will add around £4bn in GVA to the UK economy by 2030, attracting over £1bn of inward investment, creating 4,000 jobs across Yorkshire and the UK, whilst mitigating some two million tons CO₂e annually.

Critically, the BioYorkshire initiative is a key transformational enabler of the YNY circular economy and local energy strategy – jointly sharing the vision to become the UK's first carbon negative region. The details of this programme has been developed in partnership with the LEP as we are all determined to create a thriving economy that creates business opportunities, a sustainable environment and social wellbeing, by using the bioeconomy to keep products and materials in use; eliminate waste and pollution; and regenerate natural systems.

Our proposals for BioYorkshire

1. BioYorkshire Innovation Central (BYIC)

Summary:

YNY is home to a high proportion of businesses that are 'innovation active' within their own company (i.e. over the last three years conducted activities such as knowledge transfer, introducing new or improved products or services, or investing in R&D).

BioYorkshire Innovation Central (BYIC) will develop an innovation ecosystem that connects academia, industry and policy makers and enables knowledge flow between businesses in different sectors. This ecosystem will enable R&D and roll out of technology across the full range of industries in the bioeconomy, alongside a bioeconomy skills academy aimed at providing both the STEM and soft skills that businesses and farms need to innovate and grow. The academy will run across the three institutions offering training and education co-developed with businesses from post-16 T levels, apprenticeships, higher levels through to post-graduate and continuing professional development. It will include programmes for displaced and newly unemployed people. With our agriculture and business partners we will create a cohort of people with the right mix of skills to match the pace of the technology development and ensure innovation translates into jobs and productivity gains both in our locality and the wider North of England.

For Phase 1 of the BYIC programme we are seeking **£175m (£151m capital and £24m revenue funding) between FY22 and FY24**, which we expect to leverage a further contribution of £20m in this period, to deliver six, integrated projects:

- i. £90m for the upfront construction and equipment costs for a new industry facing interdisciplinary **Global Bioeconomy Institute at the University of York** as well as a phased contribution to staff costs associated with delivery of the Institute's strategic aims in collaborative R&D, as well as education and training;
- ii. £15m to increase the capacity and capabilities of the **Biorenewables Development Centre (BDC) in York** through new equipment and additional skilled scientific officers and business development staff across a broader range of biorefinery technologies;
- iii. £35m for the upfront construction, equipment costs and operating costs for a **new Research Cube (£30m) and Packaging Hub (£5m) in York**, which are research testing facilities that will house strategic R&D at the **National Agri-Food Innovation Campus and Sand Hutton, in partnership with Fera Science and Ocado**;
- iv. £15m for the construction and operation of a **new Sustainability Learning Centre at Askham Bryan Agricultural College** with learning space and specialised STEM facilities;
- v. £10m for the construction and operation of a new **Bio-Yorkshire Agriculture Incubator Hub at Askham Bryan College** offering 20 start-up spaces for applied practical and agri-tech business; and
- vi. £10m to invest in the equipment for a **Circular Economy Data Hub distributed across and building on existing knowledge and hardware at Fera Science and the University of York campus** as well as initial operating costs (for staff, dataset procurement and management and marketing).

The case for change

BYIC is an integrated innovation investment based in York that aims to transform the economy and build resilience across the full extent of YNY and the adjacent industrial clusters in Teesside and Humberside. The aim of BYIC is to bring together world leading academic researchers with innovative industries to research, develop, demonstrate and implement solutions to bio-based production of fuel, chemicals and materials, as well as net-zero food, feed, farming and wider land use. Importantly, BYIC will also work with industry to educate and train the skilled people who can implement these technologies in the marketplace. The case for these new innovation facilities is evidenced through:

- Survey research which suggests²⁶ that, relative to the England average, YNY has a proportionately higher share of businesses that are 'innovation active' i.e. have carried out at least one of a set of stated innovation activities over the past three years, such as introducing new technologies, participating in knowledge transfer activities, and introducing new or significantly improved services, or processes for producing or supplying goods or services.

Industries in the bioeconomy often share a common toolset - for instance biotech, genomics, advanced data handling - but sit in different sectors e.g. food, chemistry, pharmaceuticals. Innovations do not make their way between industry silos and, as a result, opportunities are lost for cross-fertilisation of technology between businesses in the bioeconomy that sit in different

²⁶ West and North Yorkshire Innovation Commission Report citing data from Smart Specialisation Hub, LEP Profile data (December 2018) based on UKCIS Data

sectors. For instance, enzymes used in the food industry can be applied in chemical manufacture; agriculture and food manufacturing both use biodegradable surface-active agents; understanding the processes in a cow's stomach directly informs control of an anaerobic digester.

Private sector businesses tend to focus on their own sector so opportunities for multiple uses of a new technology in different sectors are lost, resulting in a lower return on R&D investments. Even large companies need support in networking outside their own sector - for instance a commercial relationship between a multi-national pharmaceutical company and a chemicals company focused on personal care has been fostered through academic collaboration at York. Through an integrated innovation ecosystem, investments in R&D will generate benefits to other industries, and society in the context the decarbonisation agenda; generating positive externalities.

- Facilities for technical innovation are often too large and expensive for companies, especially SMEs, resulting in too high a risk to invest. Currently, the UK does not have the capability to evaluate and develop bio-refinery based solutions to produce fuels, chemicals and materials. As a result, even in those cases when companies are committed to bio-based solutions, much of the final development and final value from production moves off-shore. This is a missed economic opportunity both regionally and nationally.

Harry Swan, CEO of Thomas Swan, Global Chemical Manufacturers, writes:

“We will look to the centre to identify opportunities in the biotech space, to source skilled employees and to pilot new technologies in a low risk environment where our own facilities cannot achieve this. Efficient, modern techniques allow the UK manufacture of products to be globally cost competitive. Combine this with world leading academic capabilities and the BioYorkshire proposition is compelling”.

Our offer and proposals to Government

BYIC comprises a suite of integrated innovation facilities and services that will be delivered by expanding on existing facilities at the University of York, Fera Science and Askham Bryan College in York and will bring together academia, industry, the public sector and NGOs.

For Phase 1 of BYIC, we are seeking £175m between FY22 and FY24 (see Appendix 5 for RDEL/CDEL breakdown per annum) to deliver six, integrated projects:

- I [£90m for a new industry-facing Global Bioeconomy Institute at the University of York delivered by autumn 2023](#)

This institute will build on our world class reputation for research and innovation in crop science, industrial biotechnology; becoming the first bioscience R&D base in the UK focusing on research outside academia. The new interdisciplinary institute will be among the best in the world at developing and de-risking the uptake and realising the potential of Agri-Tech and Industrial Biotechnology solutions to industrial, environmental and societal challenges. It will do this by providing a “one-stop-shop” that will focus not only on the underpinning science but also the social science and economics that are needed to transition from a petro-chemical to a resilient and sustainable net zero economy.

The institute will attract talent from across these different disciplines and they will work together to inform public debate and awareness and Government policy on how to implement the changes that are needed to achieve both net zero and resilient economic growth. Importantly it will educate and train the scientists, managers and professionals who will lead the biobased companies that will deliver the UK's green recovery.

Government funding for the bioeconomy Institute will cover the upfront construction and equipment costs for a new R&D facility at the University of York as well as a phased contribution to staff costs associated with delivery of the Institute's strategic aims. It is anticipated that a further £50m of private sector and other sources of competitive funding will be secured as a result investment into the full Global Bioeconomy Institute programme (estimated to be £130m in total over ten years). Private sector contributions would mainly cover the costs of strategic partnerships around product discovery, development and delivery. The business model for sustainability is based on 20 years' experience gained through the operation of the University of York's prize-winning Centre for Novel Agricultural Products.

II [£15m for capability expansion of the Bio-renewables Development Centre based at the University of York by autumn 2022](#)

The Bio-renewables Development Centre (BDC) is an open access scale up and demonstration facility operating in the TRL 3 – 6 and is located on an industrial estate three miles from the main University Campus. It works with industry and academia to assess the viability of new bio-based processes and products including food and feed, fuels, materials and speciality chemicals such as pharmaceuticals and fragrances.

The range and scale of the BDC's modular scale up facilities will be increased through the BioYorkshire initiative to more effectively meet the demand of businesses seeking to evaluate their innovations at pilot scale and providing a means to showcase these to customers and potential investors. Based upon 10 years of operating experience and interaction with hundreds of businesses, this development will include plant room services, analytical capability, oil processing, bioreactor facilities and waste processing capability to operate across the growing expanse of bio-based technologies.

In all of these technology areas the BDC has been limited in the ability to respond rapidly, as is normally the requirement, to business and academia needs. For example, evaluation of AD feedstock experiments typically takes 1-2 months to simulate a larger scale AD process so the BDC's 8 pilot scale AD reactors are often fully in use when businesses seek support. This project would allow the number of AD reactors to be increased 2 or 3-fold to meet demand. Similarly, small scale bioreactors (the BDC currently has 6) will be increased 3 or 4-fold to meet demand from business for these versatile and much used instruments.

Government funding for developing the capabilities of the BDC will cover the costs of new equipment purchase, commissioning and operation. The size of the BDC team will also be expanded, in terms of capacity and capability, to meet the increased client demand. It is essential to invest in both the advanced equipment, and the staff who can operate it and understand its potential. The revenue funding will support these staff costs and the associated operating costs of the centre. Based on previous experience this Government investment will be matched 1:1 by private sector investment in innovation projects conducted by industries with the BDC.

III £30m for a new “Research Cube” innovation facility with a pilot by winter 2021 and full facility by winter 2023, alongside £5m for a new Packaging Hub by spring 2023

The **Research Cube** involves a new strategic partnership between Fera Science Ltd and Ocado at the National Agri-Food Innovation Campus (NAFIC), near York. The facility will provide a centre where indoor and insect farming research can be conducted, leading the development of advanced biotechnology that will address the global demand for sustainable food production. It will use high throughput robotics to develop and evaluate new crop varieties optimised for production in new sustainable growing conditions, including vertical farms.

The **Packaging Hub** involves a partnership with Fera Science at the NAFIC and will be a food packaging centre focused on development, safety and sensory testing, and pilot-scale manufacture of new reusable materials. These will be used by food, retail, healthcare and consumer goods industries who seek to accelerate the transition from the use of plastic / non-sustainable and environmentally harmful packaging to new, affordable, materials derived from sustainable sources.

Government funding will cover the upfront construction, occupancy and equipment costs for both new R&D facilities and their maintenance and essential operating support until met by 3rd party contract R&D revenues. This project will enable us to leverage additional contribution of £6m from Fera/Capita (subject to qualification review by Capita CRC Board). This contribution is expected to cover: bespoke IP; some parts of the build (e.g. system development and monitoring equipment); bespoke AI/ software for robot process automation and the building of a ‘twin’ prototype unit for de-risking the NAFIC pilot; promotion through sales and marketing of the facility; and some maintenance and operation effort. Fera is also intending to build a dedicated insect bioconversion research unit to support both the insect robotic units of the Research Cube and chitin production (as one primary source of biodegradable packaging base material) for the Packaging Hub. This contribution is a combination of revenue generation and Fera’s in-kind support to the Packaging Hub by investing in packaging testing capability at NAFIC and in its promotion to the user base. Both facilities may also be supported by an in-kind contribution to support occupancy costs at the campus from NAFIC.

These two research hubs are expected to be self-funding after five years. This is based on strong expression of interest in using the research facility confirmed to Fera Science by Syngenta, NIAB, the John Innes Centre, and Rothamsted Research. Fera / Ocado clients expressing interest in insect applications include food and feed production companies (e.g. Mars, Moy Park, 2 Sisters Food Group), food service companies (e.g. McDonald’s, McCain), supermarkets (e.g. Tesco, Sainsbury), and national food associations (e.g. British Poultry Council, National Pig Association, National Farmers Union).

IV £15m for a new Sustainability Learning Centre at Askham Bryan College by FY23

The Sustainability Learning Centre (SLC) will focus on providing both the STEM skills and soft skills that businesses and farms need to innovate and grow. The new academy will run across the three institutions offering training and education that is co-developed with businesses from post-16 T-levels, apprenticeships, higher levels through to post-graduate and continuing professional development. Government funding will enable the College to build and develop a technical, higher level skills training and apprenticeship centre.

The curriculum focus of the SLC would be on sustainable ecosystems management, crisis management of ecosystems, management of waste, sustainable food production, high welfare food

production, provenance and localism in bioeconomy, sustainable energy usage, carbon neutrality and food production, impact and re-training for Environmental Land Management (ELM) schemes.

This learning centre will provide a critical element of the planned comprehensive skills focus for YNY. Alongside Low Carbon Skills Programme, which targets low carbon skills for building, infrastructure, office workforces (discussed in the Skills Chapter), and the BYIC which focuses on basic and applied research on bio-based solutions, the SLC will enable those working with and on the land, to understand and apply the many biobased solutions in practice.

Government funding will be used to build the SLC facilities as well as operating costs for the first four years (FY23 and FY4 in phase 1). Staffing would consist of academic and technical support staff, building maintenance and contribution to central overhead ascribed to the building.

V £10m for a new BioYorkshire Agriculture Incubator Hub at Askham Bryan College by FY24

We will incubate new businesses to commercialise technology, as well as encouraging learners at Askham Bryan Agriculture College to experience applied innovation first-hand – a significant purpose as we strive to see more farm focused people embrace change or diversify with new business models.

Government funding be used to construct 20 business start-up units at Askham Bryan College; specially designed for applied practical and technical businesses. Business units would provide uniquely outside ‘dirty’ space focusing on environmental sustainability and management as well as more traditional office and desktop space. Funding will also be used for the redevelopment of Askham Bryan College’s Horticulture facilities; updated to focus on food production and the integration of STEM skills around the engineering of heat, light, power and irrigation

The aim of the Agriculture Incubator Hubs is to support the development and retention of graduate talent within the North of England. Business support and development would be provided through a collaborative approach with the University of York. Integration of newly formed business skills would form an integral part of existing and future curriculum development.

VI £10m for a Circular Economy Data Hub, active from summer 2022, complete by summer 2024.

The Circular Economy Data Hub (CEDH) will integrate new and existing diverse datasets for business development and accreditation, building on existing knowledge and hardware at Fera Science and the University of York campus.

The CEDH will develop and hold publicly accessible specialist data sets for environmental metrics, including land, water and air, and data instances on flows of materials and waste. It will build on existing expertise in integrating diverse data sets to enhance value and deliver an evidence-base to guide business and public strategies and create economic value in meeting UK and international sustainability goals.

The CEDH provides an opportunity capitalise on the opportunities that advanced IT, artificial intelligence, neural networks, block chain and big data provide to drive bio-based value networks and zero carbon farming. This will be developed in partnership with Capita (subject to qualification review by Capita CRC Board) which could leverage a contribution of c£3m over the three-year period.

Government funding will cover the set-up of the hub with equipment, as well as operating costs for staff, dataset management and marketing overheads. Capita, UoY and Fera Science will support the CEDH with 'in kind' contributions of datasets and marketing of the Hub to its user base.

Government support for the operating costs is expected for a maximum four years, although the funding proposal for Phase 1 only covers RDEL in the first two years. Initial revenue costs reflect significant data management set up and marketing support to create a robust and intuitive database whilst creating awareness through marketing and promotion. After four years it is expected CEDH becomes self-funding through business development and data consultancy fees as industry and academia seek analytical work and insight from the CEDH's data experts.

2. BioYorkshire District Incubator Hubs

Summary:

Bio-based entrepreneurs and SMEs, particularly in our rural areas, do not have local access to facilities and affordable space to start up and scale-up, as this activity and academia networks is largely concentrated in our city and larger towns.

BioYorkshire District Incubator Hubs will provide facilities and affordable space for entrepreneurs across our region – be that rural, coastal or urban. Due to their chosen locations (i.e. change-driven towns with a richness of feedstock, land and business potential), entrepreneurs will have access to resources to develop projects and grow their businesses. Bio-based entrepreneurs and SMES will have access to leading agri-tech and biotechnology experts from BYIC, as well as the breadth of industry and knowledge shared by BioYorkshire Accelerator, who will be active in visiting each hub. These hubs will also be set up to enable **cross-fertilised innovation across different sectors**, such as fashion/textiles or digi-tech.

Developing the Hubs will involve a combination of adapting existing buildings, brownfield sites or new builds, and designed to be a carbon neutral facility. To support this, an anaerobic digester will be established nearby, taking biowaste from the hub and locality to in turn, provide heat and energy for the hub and local community.

The full 10-year BioYorkshire programme comprises the roll-out of eight District Incubator Hubs within each of our districts which each have their own the distinct economic characteristics. In Phase 1, we are seeking **£25m (£20m capital and £5m revenue funding)** between **FY22 to FY24** to construct and **equip three new district hubs and anaerobic digesters in Scarborough (coastal-based), Ryedale (rural-based) and York (urban-based) by February 2023 and kick-start their operations.** Operating costs for the Hub thereafter will be covered by rental income from tenants. Similarly, Government funding will be used to pay for staff to operate each AD, but after three years it is anticipated the income from feedstock providers and energy provision will cover these costs.

We have prioritised these three locations for Phase 1 based on a number of factors, including engagement with existing bioeconomy activity and their accessibility to and from York with UK arterial roads and rail infrastructure.

The case for change

Our vision for the BioYorkshire District Incubator Hubs is to create a space across our coastal, rural and urban breadth that supports entrepreneurs, micro-businesses and SMEs; fostering these businesses to start up and scale-up. Specifically, we will support start-ups that focus on bio-based production of fuel, chemicals and materials, as well as net-zero food, feed, farming and wider land use.

Bio-based entrepreneurs and SMEs do not have access to facilities and affordable space to start up and scale up, particularly in our rural areas. In addition, they lack access to the best available technology and the opportunity to work with internationally leading experts to develop productive bio-based businesses across the expanse of YNY. This is because biotechnology knowledge, research and equipment are usually based within a university or expert science organisation and only communicated within existing academia networks. As a result, business and entrepreneurial skill development is usually city-based and small businesses do not consider setting up elsewhere across the region. When small businesses seek to start manufacturing, city land is limited, unaffordable or with many planning restrictions, which presents challenges in scaling up.

Five options were considered to address the above challenges and foster entrepreneurship across the region:

- Option 1: Develop one central District Incubator Hub in York only;
- Option 2: A hub and spoke approach, with one District Incubator Hub in York and each District Authority of North Yorkshire for a total of eight hubs;
- Option 3: Three District Incubator Hubs: one in a coastal, rural and urban area;
- Option 4: Hubs with proximity to largest industry, largest population and workforce;
- Option 5: Hubs with greatest geographical spread from York and complete feedstock diversity

A qualitative assessment was undertaken for each option, based on the critical success factors for the programme and achieving an optimum balance between costs, benefits and risks. These factors included:

- **Diversity** of industry, feedstock, business and entrepreneur awareness, and skills (e.g. science, entrepreneurship, finance)
- **Accessibility** of feedstock, skilled workforce, and infrastructure to allow export ease
- **Affordability** of land for manufacturing, as well as affordable translation and commercialisation with robust business models
- **Resilience** through specialisms in different areas and local supply chains; stimulating industry growth where there is a particularly unique opportunity e.g. Coastal region with aquaculture, ocean plastics.

In YNY, each local authority has a different area of industry specialisation. The diversity of industry and available feedstock requires a tailored assessment and suitable bio projects will differ by area (e.g. woodland, arable, marine). Therefore from this options assessment, we identified Option 3 (the hub and spoke) as the preferred option on the basis it has most potential to address the market failures that prove a barrier to potential entrepreneurship outside of cities; provide opportunities

across North Yorkshire's regional diversity; and ensure rural and coastal communities are not left behind.

A phased approach to Hub introduction was considered to be the most effective in terms of delivering our vision, as it enables us to learn and modify Hub operations and impact, plus adapt the design and resources as the districts as well as biotechnology and agri-tech progress. Further criteria were considered explored to determine the prioritisation of areas including: pipeline of potential bioeconomy projects and tenant; historic rate of start-up success and survival; appropriate existing infrastructure and land availability; and ease of integration with existing workforce and local school / training / community facilities.

Our offer and proposals to Government

For **Phase 1 of the BioYorkshire programme**, we are seeking **£25m between FY22 and FY24** (see Appendix 5 for RDEL/CDEL breakdown per annum) to deliver **three District Incubator Hubs and anaerobic digesters**. Government funding will cover two thirds of the upfront construction and all equipment costs, as well as three years of staff and overhead costs. Private sector funding of £20m is expected to cover the remaining third of construction as well as purchase or leasing of land and establishing infrastructure.

For phase 1, we have prioritised constructing the first three new District Incubator Hubs and the first three years' operating costs. Thereafter it is expected that tenant charges for hubs and feedstock plus energy income for ADs will cover the future operating costs. For all three hubs, we are now moving to the feasibility stage of evaluating options to determine the best sites in these areas. The three locations are:

- **A coastal-based Hub in Scarborough**, in order to leverage the marine based biomaterials and differentiated skills from the North Sea industries, the world's largest potato company – McCain Foods, as well the newly established Seagrown; the UK's first offshore seaweed farm. Importantly, this district has higher than average deprivation²⁷ to which the Hub provides the catalyst for new employment opportunities.
- **A rural-based Hub in Malton, Ryedale** which is home to Yorkshire's food capital, the first circular economy market town, two world leading engineering businesses (Ellis Patents and Hydramotion) and the Tofoo company; one of the UK's fastest growing food companies. The district also has the highest business survival rate in the region at 55% (ONS 2017).
- **An urban-based Hub to be known as the Bio-Business Park, York** aligned with the BDC open access facilities in York. In addition to development in the capacity and capability of the BDC facilities (discussed in the previous section), there is an opportunity to provide additional flexible, well serviced lab, office and warehouse space for small businesses. The BDC currently hosts a small number of other businesses within its premises and, as part of BioYorkshire, this model will be developed as an incubator hub providing space for start-ups and SMEs, to establish their own operations while seeking the specific expertise and open access facilities of the BDC.

The District Incubator Hubs will be operated by the BioYorkshire team.

²⁷ In latest Index of Multiple Deprivation 2015 data, it is ranked 90th most deprived out of 326 lower tier local authorities with three LSOAs in Scarborough town within the most deprived 1% in England

The Incubator Hub space will be delivered through a public/private partnership model; working with a developer who will co-fund and co-own the new business unit facilities.

Federation of Small Businesses (FSB) Development Manager, North Yorkshire states “We are keen to see the world leading bioeconomy expertise of our region shared with the smallest businesses and see this project BioYorkshire, as not only helping businesses to achieve net zero, but as an enabler to kick start greater innovation and skills development. We feel this project will have far reaching and long term impact, not only on the transformation of businesses to carbon neutrality, but in fostering greater entrepreneurship and enterprise in the biotech sector and beyond, and we are confident that the continued collaboration and approach proposed can deliver this effectively.”

3. BioYorkshire Innovation Accelerator

Summary:

BioYorkshire Accelerator’s primary purpose is to address the lack of connectivity between academia, industry, investors and the public sector, as well as between industry sectors to promote adoption of and investment in innovation. There are three key areas of focus: fostering connectivity; encouraging bio-based entrepreneurship; and bringing global visibility to BioYorkshire as a CoE.

In Phase 1 of the BioYorkshire programme **we are seeking £15m of revenue funding between FY22 to FY24 to roll-out the Accelerator resource (£3m) and match funding incentives (£12m) across the region and industries.** These activities will be supported by a consortium of organisations, including the LEP and Federation of Small Businesses; spearheaded by BioVale, the University’s existing bioeconomy network and training organisation. Importantly Accelerator activity can start immediately the programme is approved, since it is not reliant on new builds or equipment. These activities will take place across BYIC, the District Incubator Hubs, as well as speaking at and taking part in events across the world.

The case for change

Many bio-based innovations in the region remain at concept stage (rather than progressing to commercialisation) or struggle to scale-up operations. This is because traditional access to capital - particularly for start-ups, microbusinesses and SMEs - is limited due to long timescales and uncertainty on return on investment. Private sector investment also does not account for benefits from innovation accrued to other industries. This innovation market failure is particularly acute in the bioeconomy because the sector lacks the established business models for innovation that are available in other sectors, such as pharmaceuticals.

The lack of knowledge of the potential benefits and value that can be extracted inhibits potential R&D exploration alongside the lack of connectivity across sectors for mutual benefit, where insights could be shared, e.g. the attributes of potato starches in clothing or 3D printing or where one industry waste would be another industry’s raw material.

The aim of the BioYorkshire Accelerator is to create awareness of the possibilities and the connections whilst de-risking the translation of proof-of-concept bio-innovations to commercialisation. This will be done by focusing on three areas:

- **Connectivity:** Expanding the existing integrated cluster, BioVale, the Accelerator will leverage capability from the LEP, Innovate UK and other private organisations to strengthen connectivity between academia, SMEs, industry and investors to accelerate knowledge transfer and IP commercialisation across industries and foster new supply chains. A key activity will be investor engagement and financial partnering as well as responding to emerging industry needs, skills, knowledge and data capture and transfer.
- **Entrepreneurship:** The BioYorkshire Accelerator will offer strategic advice, mentoring and training for entrepreneurs as well as clean growth audit, transition and clinic services. Importantly it will offer competitive match funding to de-risk private investment in innovative entrepreneurial spin-outs, start-ups and scaleups. Specialist teams will enable entrepreneurs in the BioYorkshire District Hubs to access the skills and technology provision in Innovation Central, connect entrepreneurs and SMEs to larger businesses, support development of new inter-sectoral value and supply chains based on wastes and by-products, connect investors to new investment opportunities.
- **Global Visibility:** Yorkshire is already the most widely recognised English region internationally for the bioeconomy. The BioYorkshire Accelerator will build on this global profile and existing connections with international clusters to confirm YNY as the UK's Go-To place for biobased innovation. It will partner with clusters in Asia and the USA, connecting international businesses and investors to BioYorkshire research, innovation and SMEs. We will also support a programme of exhibitions and trade missions to showcase our businesses and innovation capabilities and attract inward investment and open export markets.

Examples of known challenges where solutions are already sought:

- *What might be the business model where a second company can extract value from the first company's waste stream?*
- *What different markets and features can be identified for farming to create a viable market for wool based packaging? What is the financial structure for hemp to be grown at a commercial quantity for housing and with a secured contract?*
- *How can microplastic be commercially and consistently removed from digestate?*
- *What high value can be extracted from racing stables waste/ tofu/ shellfish waste?*
- *How can plastic packaging for frozen food be replaced with a biobased, compostable alternative that remains safe for food use and robust for transit, handling and 18 months storage at -18%?*
- *How can crops be grown commercially with 90% less water?*

We will achieve this by expanding the existing integrated cluster, BioVale which is already recognised internationally in attracting and providing critical connectivity between the many different sectors engaged with the bioeconomy and building further partnerships with potential organisations such as

the Federation of Small Businesses , Confederation of British Industry, Barclays Eagle Labs, and National Farmers Union.

BioVale is a not for profit company which provides support to build the region’s capability and reputation as an innovation cluster for the bioeconomy and ensures that it fully exploits new business opportunities in this sector. Their activities include giving regional businesses access to the latest bioeconomy research and expertise ; providing specialised training, facilities, funding and other support; facilitating networks, dialogue and partnerships amongst the region’s bio-based innovators and their supply chains; promoting the region’s bioeconomy assets to export markets, investors, policy makers, and funders; and connecting with global markets via formal linkages with European clusters and BioVale-organised trade missions. In an emerging, disruptive sector, BioVale provides tailored entrepreneurial training for start-ups and, via the THYME project, post-graduate students and early career researchers.

*“We know that there is value to be added to organic by-products from our operations. BioVale gives us streamlined access to a knowledge base that can help us do that.” **Christine Parry, Co-products Development Manager, AB Agri***

Our offer and proposals to Government

For Phase 1 of the BioYorkshire programme, **we are seeking £15m of revenue funding between FY22 and FY24** (see Appendix 5 for breakdown per annum) **to deliver the first phase of the Innovation Accelerator resources** across YNY. £3m will be used for resourcing and £12m for match funding incentives.

Resource funding is expected to cover a team of five people incorporating BioYorkshire oversight, operations and administration as well as expanding the BioVale reach and events, plus five people focused on developing and supporting entrepreneurs before and in district hubs (training, advising, evaluating). Resources will be responsible for delivering the following activity:

Locally

- Facilitating competitions to provide match funding to new innovations which includes promotion, project assessments/due diligence, monitoring and evaluation
- Providing advice and support to entrepreneurs and SMEs to access funding/capital to start up or scale up their businesses
- Identifying and sharing emerging industry needs, knowledge data capture and transfer learnings for best practice to District Incubator Hubs occupants
- Establishing the culture of entrepreneurship in YNY as the Golden Triangle of the North
- Connecting universities and industry to provide research and advice on carbon reduction, extracting value from waste, circular and bioeconomy, signposting to relevant Innovation Central partners

Nationally and globally

- Promoting YNY as the UK’s CoE for bioeconomy innovation
- Meeting with private sector investors to attract inward investment

- Offering effective and practical relocation support
- Sharing research and discoveries that deliver solutions for societal, environmental and economic challenges

It is our intention that the Accelerator network and resource has the potential to step-change connectivity across the bioeconomy and so become the Trade Body for this industry and its players. In achieving this, the Accelerator will become a membership and fee-based organisation thus covering its ongoing operating costs. In Phases 2 and 3 of the BioYorkshire programme, the Accelerator activity would continue as well as introduce monitoring and evaluation of the match funding activity.

DRAFT

10 Energy

Strategic context

Tackling climate change and reducing our Greenhouse Gas (GHG) emissions is one of the biggest challenges facing our society and must be tackled on a global, national and local front. This has been recognised by Government in its legal commitment to reach net zero by 2050²⁸ and in our own decarbonisation approach; with our Local Industrial Strategy (LIS) ambition to become Carbon Neutral by 2034 with the further ambition to become England's first carbon negative region by 2040 and move towards a circular economy.

The scale of our ambition is made possible by our unique innovation and industrial capabilities; our nationally significant business base in low carbon energy (such as Drax); along with the diverse and extensive landscape and natural capital owing to our rural geography. Taken together, this means we have the potential to host future large-scale Carbon Capture, Usage and Storage (CCUS) plants and deploy high capacities of renewables²⁹.

Many sectors will have to take significant action to meet the net zero target and in doing so there is a clear need for a locally-led, place-based approach in particular energy solutions, including decarbonising heating systems; improving energy efficiency; and local renewable electricity generation to meet current and future growth needs. This is alongside embedding low carbon across all of our traditional policy areas – from transport, housing and town centres through to skills and business support.

Beyond the environmental and health benefits of reducing emissions, there are significant economic opportunities locally and nationally in the transition to low carbon energy technologies with growth in new high-value industries and more productive, higher-paid jobs. Seizing these economic opportunities will be critical to a successful economic recovery from COVID-19 and locking-in a 'new reality' in the medium term which supports long-term policy objectives.

We adopted our Local Energy Strategy in February 2019, and in November 2019 became the first Local Enterprise Partnership (LEP) to develop and start implementing a Circular Economy Strategy to transform the region to a circular economy.

We have developed a network of over 200 partners and wider stakeholders to support the implementation of these strategies and deliver a range of collaborative projects. We have developed a pipeline of low carbon energy projects and collaborative circular economy initiatives. For example, we are working with partners (including Yorkshire Water and the University of York) to trial an innovative portable anaerobic digestion facility in Malton, which is part of a wider initiative to create the UK's first Circular Malton Town. We are also developing programmes to support organisations to decarbonise. For example, we have established an SME programme, called ReBiz, to support businesses become more resource efficient and adopt circular operating models.

²⁸ Following the Committee on Climate Change (CCC) May 2019 report 'Net Zero: The UK's contribution to stopping global warming'

²⁹ Element Energy (2020) Carbon Abatements Pathway Study

We are now working as a region, alongside private sector partners, on a Carbon Abatement Pathway Study with support from Element Energy³⁰, which is due to be complete by early 2021 and aims to establish a comprehensive roadmap of interventions for delivery by Government, York and North Yorkshire (YNY) authorities and industry against our ambition of becoming a carbon negative region by 2035.

Whilst we are advanced in our approach, through our work to date developing our Local Energy Strategy, LIS and Carbon Abatement Strategy, we have identified a number of critical challenges in the delivery of our ambition. These include:

- **National policy uncertainty** – means that it is difficult to develop a robust roadmap of local and national interventions up to 2035 that will get us to carbon negative.
- **The scale of the challenge in addressing housing retrofit** – 68% of YNY’s housing stock must be raised to a minimum of EPC level C, costing an estimated £8-18 billion. High upfront costs and slow return of investment in reduced energy bills, are compounded by a high proportion of dispersed, off gas grid homes.
- **Low renewable energy generation within the region** – due to a lack of capacity and capability for project development and a lack of availability for funding for feasibility studies, national and local policy barriers,
- **Low innovation in low carbon energy generation scheme** – Due to difficulty securing finance for projects looking utilising innovative business models.
- **Financing smaller, ‘low value’ projects** – despite growing interest in ESG investing, investors simply do not have the time or resources to invest in individual low value projects leading to a dislocation between projects and available funds. We need a high number of these smaller, ‘low ticket’, energy projects to reach carbon-neutral targets within the region.
- **Reliance on CCUS to decarbonise** – decarbonisation of the region and national grid is reliant on scaling up rapidly emerging CCUS technology and putting in place the infrastructure required to transport, store and use the captured carbon.

Against this background, we are seeking to work jointly with Government to develop and finalise our long-term roadmap to carbon negative, and secure support for the roll-out of short-to-medium term interventions. These interventions have been identified through our work to date as being key to addressing our decarbonisation challenges and offering significant economic opportunities for our region and the national economy.

Specifically, we have six proposals to Government, which are:

1. **Joint working to develop and deliver YNY’s Roadmap to become a Carbon Negative Region**
2. **Funding for a 5year place-based Low Carbon Housing Retrofit Programme**
3. **£8m for regional-level capacity and feasibility work for strategic low carbon energy projects**
4. **£42m for a Low Carbon Energy Generation Demonstrator Programme**
5. **Joint working with Government to develop and implement a pan-Northern Regional Green Bond**
6. **Joint working with Government to accelerate the roll-out of CCUS technology**

³⁰ Element Energy (2020) Carbon Abatements Pathway Study

The detail of each of these proposals is outlined below.

Our proposals for low carbon energy

1. Joint working with Government to develop and deliver our Roadmap to become a Carbon Negative Region

Summary:

Whilst YNY are very supportive of the decarbonisation work Government are undertaking on a national level, we believe there is a need to establish a local level Road Map for achieving carbon neutrality. This roadmap will set out the investment and interventions needed to achieve carbon neutrality. Moreover, our region has the potential to go beyond carbon neutral and be carbon negative by 2040, but this will require a strategic and holistic approach to the planning and delivery of interventions in our region.

We have already completed a significant amount of work through our Carbon Abatement Study, working in partnership with key local players to develop a comprehensive and deliverable Road Map for decarbonising our economy, with an aim to finalise this work by early 2021. **It is critical that this work locally fits into the national approach and, to ensure this alignment, we are seeking joint working with Government over the next 12 months to finalise our Road Map to become carbon negative and deliver it over the medium-term.**

From this joint working we will be able to capture lessons learnt from our work to inform wider national policy and tackle challenges faced in implementation that cannot be solely resolved regionally.

The case for change

Decarbonising our economy is a sizeable task and requires a holistic policy, planning and delivery approach to tackling the challenges faced on the road to Government's Net Zero target and our objective of being carbon negative, as well as seizing the economic and social opportunities offered in achieving this structural change.

As stated above, we are developing a Roadmap Towards Carbon Negative, in collaboration with private sector partners, to identify a series of decarbonisation pathways for key sectors of our economy, including transport, buildings, industry, power and land use, land use change and forestry (LULUCF) and agriculture.

We are aiming to finalise the Strategy by early 2021, which will establish a comprehensive and deliverable roadmap for decarbonising our economy, including low carbon energy and circular economy measures. Implementing these measures will require action from industry, our local authorities and Government.

The key output of this work will be a deliverable Roadmap for YNY to become carbon negative, including plans for low carbon electricity and heating, CCUS deployment and moving towards a circular economy. This roadmap will define the optimal mix of technologies and measures to be deployed in the region to deliver decarbonisation and wider benefits to our communities, businesses and environment.

This work is also being used to shape our COVID-19 economic recovery plan; ensuring that any short-term interventions contribute to reducing carbon emissions, as well as stimulating our economy and benefitting local communities.

The carbon abatement pathways we are developing are based upon three potential alternative scenarios:

- a max ambition scenario (aiming for carbon-neutral by 2034);
- high hydrogen scenario (carbon-neutral by 2038); and
- balanced hydrogen scenario (carbon-neutral by 2038).

Key industry partners, including Northern Powergrid, Northern Gas Networks, Drax and Yorkshire Water, are already highly engaged in the work due to their instrumental role in delivering a pathway to carbon neutral and beyond to carbon negative. As a region, we recognise the importance of establishing these relationships to ensure we leverage and maximise private sector action in our region, and in turn get maximum VfM from any local intervention.

However, it is also critical that our plan fits into a national approach of achieving net zero and that any local intervention aligns with, and does not substitute, Government policy intervention and investment. The delivery of all pathways is highly dependent on forthcoming national policy, particularly around decarbonising heat, energy efficiency, hydrogen and CCUS. Recent Department for Business, Energy and Industrial Strategy (BEIS) consultations on aspects of low carbon heating³¹³² and CCUS³³ suggest a considerable amount of work is currently underway in Government to progress policy forward. However there remains a lack of overarching steer for local regions to progress our own plans to tackle decarbonisation in our regions, particularly with respect to long term business models for new technology and infrastructure support.

Our offer and proposals to Government

As we continue to develop and finalise our Carbon Negative Roadmap, we are seeking to work jointly with Government to:

- Develop and establish a Carbon Negative Roadmap for YNY by early 2021 setting out the investment and interventions needed to achieve carbon neutrality
- Take lessons learnt from our region as a “trailblazer” to inform national policy and for other MCAs and local areas to follow Implement the Roadmap, including a collaborative approach for addressing challenges faced in implementation that cannot be solely resolved regionally

To develop the Carbon Negative Roadmap, we are seeking to work with Government by:

- A Government representative to sit on our Carbon Negative Circular Economy Steering Group (who meet every two months)
- Relevant Government representatives to attend 5 sector-specific workshops throughout August and September 2020 to co-design policy recommendations to implement findings from the Carbon Abatements Study

³¹ BEIS (2020) Future support for low carbon heating

³² BEIS (2020) Heat Networks: building a market

³³BEIS (2019) Carbon capture, usage and storage: business models

ANNEX 2

- Meetings every 6 months to progress solutions to challenges which have national implications

2. Funding for a 5-year place-based Low Carbon Housing Retrofit Programme

Summary:

Decarbonisation of existing buildings and homes is a fundamental but challenging requirement in the transition to net zero. Given the upfront costs of retrofit for energy efficient and low carbon heating, public intervention and innovative funding and financing approaches will be required in order to decarbonise the existing property stock at pace and scale.

Our region has a high portion of energy inefficient housing, with 68% of our housing stock (257,000) currently below EPC Level C, with a high number of off gas grid properties (~71,000) which face additional barriers to decarbonisation. Whilst YNY are supportive of Government's proposed scheme to support the fuel poor off gas grid properties, this leaves 66% of our housing stock (249,000 homes) still requiring retrofit.

There is a strong case for a place-based solution to address this gap; tackling the location-specific characteristics of our housing stock and building a strong local value chain, including maintenance and repair. **We are seeking funding for a 5-year, place-based Low Carbon Housing Retrofit programme, commencing in FY22, to provide whole retrofit solutions for private housing targeted at decarbonising heating and achieving a minimum of EPC Level C.**

Please note a figure will be included prior to submission to government.

This programme will be designed to maximise the use of public funds, unlock additional private capital and will comprise a package of integrated interventions, including: working with industry to achieve cost reduction; establishing low cost financing options; and offering grants to bridge any remaining funding gaps.

The case for change

Homes and buildings in a carbon negative future will have to be energy efficient and heated with low carbon heating systems. Whilst national building regulations (such as Future Homes Standards) are in place to ensure new build homes satisfy these two requirements from 2025, 90% of our country's housing stock in 2050³⁴ will be houses which exist today, thus a major challenge ahead of us is to retrofit our existing housing stock.

The housing retrofit challenge is particularly pronounced in YNY, owing to our region's rural demographics and landscape, with a higher proportion of inefficient, off-grid and older buildings than the national average.

- 68% (257,000 homes) are below EPC level C– compared to 62% nationally³⁵
- 19% (71,000) are off-grid properties – compared to 15% nationally³⁶
- 24% were built before 1919 – compared to 19% UK wide

³⁴ Citizens Advice (2019) Keeping Warm: the future of heat

³⁵ EPC certification data/national housing surveys

³⁶ NNFFC (2019), Evidence Gathering for Off-Gas Grid Bioliquid Heating Options

Ambitious energy efficiency improvements are needed in the 2020s to reduce energy demand and support the technical feasibility of low carbon heating systems³⁷. To become carbon neutral by 2034 we must raise 257,000 homes to a minimum of EPC level C, which through our work to date is to estimated cost between £8-18 billion for energy efficiency measures alone.

Installing a low carbon heating system, such as heat pumps, will be vital to significantly reducing emissions in our region. Approximately 13% of YNY's emissions come from heating our homes. The high number of rural and dispersed off-gas grid houses in our region (c71,000) presents a challenge due to increased costs of retrofitting and difficulty achieving economies of scale. Off gas grid properties should be high priority when tackling the wider heat decarbonisation challenge as their current fuel will likely be carbon intensive.

Improving energy efficiency and installing low carbon heating in homes require upfront costs which certain households in our region will not be in a position to finance themselves, despite the potential long-term savings to their energy bills from efficiency measures. In addition, when current heating systems have come to the end of their useful life and a property owner is faced with the options of replacing with a new solution price factors will often mean a sub-optimal solution with respect to emissions.

It is estimated that efficiency retrofits in YNY will cost between £6,880 and £30,979 per property. The cost varies widely depending on the home fabric type, size, current state and existence of supporting systems. Installation of heat pumps and a low temperature heating system is estimated to cost an additional £10,687 per property³⁸.

Heating solutions also have a considerable lifetime, typically 10-20 years³⁹ which can introduce additional challenges in decarbonisation heating:

- Many existing carbon intensive heating solutions will not be due to be replaced for decades. These properties have no financial incentive to installing a costly low carbon solution. With a low average replacement rate per year the move to low carbon heating will be slow.
- When a system is due for replacement a decision to choose a 'dirtier' solution will have substantial long-term embedded carbon footprint impact and therefore taking the right decision at the point of replacement is imperative to meeting our longer-term goals.

In addition, with two National Parks – Yorkshire Dales and North York Moors – there are building restrictions on properties within the parks which can make retrofitting more challenging and costly. For example, installing heat pumps requires going through a more complex planning process, and installing insulation measures may be more expensive to maintain the features of the property. Collectively, these factors contribute towards fuel poverty especially with off gas properties where the heating is mainly oil or liquefied petroleum gas.

There are some existing and proposed support mechanisms in place to help remove this upfront cost from consumers and encourage retrofitting of inefficient houses and install low carbon heating solutions. These include the Energy Company Obligation (ECO) scheme, the proposed Home Upgrade Grants (HUG) for energy efficiency improvements and the newly proposed Clean Heat Grant (CHG) outlined in the recent BEIS consultation 'Future Support for Low Carbon Heat' to support low carbon heating systems.

³⁷ Element Energy (2020) York and North Yorkshire Carbon Abatements Pathways Study

³⁸ Cost assumed for heat pumps also includes installation of a low temperature heating system £7,175 + £3,512. (Element Energy, 2020)

³⁹ Currie & Brown and AECOM (2019) The costs and benefits of tighter standards for new buildings

The proposed HUG programme is focused on supporting off gas-grid, fuel-poor homes. Through the proposed £2.45 billion pot, we would expect approx. 8,000 homes in our region to receive support (based upon division between Local Energy Hubs). The CHG is still in the early stages of proposal and therefore it is unclear what level of support this will provide our residents.

This leaves up to 63,000 off-gas grid homes in our region and up to 186,000 homes connected to the grid (subject to the number capable of access support through ECO and HUG schemes) which require energy efficiency retrofitting or low carbon heating system installation without clear support.

This gap in support will have to be bridged if we are to meet Government's net zero goals and, as supported by the Energy Systems Catapult⁴⁰, this requires a local approach to the design and delivery of such support. The Catapult's evidence identifies that local design and delivery of housing retrofit programmes will:

- Build local skills in low carbon heating and cooling technicians - reducing installation costs through economies of scale and standardisation.
- Targeting specific populations – focusing on pockets of fuel poverty and areas in need of greater redevelopment and responding to the ability of the local residents to pay.
- Respond to specific characteristics of local housing stock - factors like building age and condition which will be common trends across regions, can be efficiently tackled
- Accommodate wider regional implications – impacts on changing energy demands, such as increased electricity demand from heat pumps, can be addressed locally in line with other regional developments

Our own analysis also identified significant opportunities for economic growth from installing low carbon energy technologies and developing their value chains in the region. For example, analysis undertaken for our Local Energy Strategy identified:

- The economic contribution of energy efficient insulation to our region has the potential to grow from £41m to £62m GVA 2017-2030, and for heat pumps, from £8m to £324m 2017-2030⁴¹ within the area.
- The promotion of domestic energy efficiency measures alone is estimated to generate over 1,000 jobs in the region.⁴²

In addition, improving energy efficiency within housing stock and moving towards 'cleaner' energy sources offer substantial health benefits. There is a clear link between cold homes and ill health, where existing conditions (such as respiratory conditions or mental health conditions) are exacerbated.

Our offer and proposals to Government

To address the challenges facing the decarbonisation of our housing stock **we are seeking funding to establish a place-based, Low Carbon Housing Retrofit Programme delivered over a 5-year period between FY22 and FY26.**

⁴⁰ Energy Systems Catapult (2020) Six Steps to Zero Carbon Buildings

⁴¹ Cambridge Econometrics and Element Energy (2018) Low carbon energy value chains study

⁴² Ibid (Note. 1400 jobs estimated for York, North Yorkshire and East Riding)

The programme will focus on the private housing stock, and support the roll-out of whole retrofit solutions to decarbonise heating and achieve a minimum of EPC Level C.

The **Low Carbon Housing Retrofit Programme** will provide a strategic and holistic approach which:

- **Recognises the interdependency between energy efficiency and low carbon heating systems** (e.g., energy efficiency measures are a pre-requisite to heat pumps);
- **Provides a package of interventions that maximises impact with minimal public spend**, leveraging private sector investment wherever possible; and
- Includes a **phased delivery approach** based on where interventions are most needed and have **maximum impact on our economic and environmental objectives**, and thus VfM.

The programme will combine a package of policy measures and financial support initiatives, including:

- **Working for industry to achieve cost reduction:** Uses market mechanisms to stimulate markets through implement other cost saving interventions such as bulk buying and competitive tenders for long term contracts for a systematic roll out of building level installations (defined within the Roadmap)
- **Commercial models to stimulate market:** Put in place a low-cost finance programme with technology providers, potentially through the use of pay-as-you-save programmes or simple repayment plans
- **Financial support for households:** Provide grants to bridge remaining capital cost gap where necessary with a focus on fuel poor and vulnerable customers.

The Programme will be managed by the MCA and, through its integration with our skills proposal to build technical skills in low carbon installation and the creation of buying power in the region, will benefit local supply chains and offer employment opportunities to local residents. This package of interventions will also create an approach capable of being rolled out nationally, particularly in rural areas which face similar challenges to our region.

Through our ongoing Carbon Abatement Study work for buildings, we are working with stakeholders to map out the role of different players in retrofitting our region's existing housing stock. This will establish a Roadmap of strategic policies and programmes to retrofit existing housing stock by early 2021 and inform a detailed business case for this programme by September 2021. June to September 2020 will be a thorough period of stakeholder engagement to develop a greater understanding of the current retrofit landscape in YNY, existing barriers and the package of interventions that are required to accelerate retrofitting. From November 2020 we will be working with partners to develop the Low Carbon Housing Retrofit Programme, with the business case finalised by September 2021.

3. £8m of development funding for strategic low carbon energy generation projects

Summary:

There is a need to dramatically ramp-up the deployment of low carbon generation in our region from current levels, which are significantly below the national average.

Most of the projects within our region remain in concept stage and in the absence of public support to kick-start their development, will not progress to being 'investment ready'. Local funding constraints mean we lack sufficient capacity and capability to provide this support. However, this investment pipeline is critical to achieving a green recovery from COVID-19.

We are seeking £8 million in revenue funding between FY21 and FY25 to scale up our strategic capacity at the regional level and provide flexible, wrap-around project development support, covering three different services in the development cycle of projects:

- 1) Pre-feasibility support;
- 2) Funding for feasibility studies; and
- 3) Business case development.

This will support development work for local authority-led projects, non-rural community energy projects and innovative projects which involve private and public sector collaboration.

The case for change

To meet the UK's carbon targets to address climate change, the UK must decarbonise its energy supply. The CCC stated in their Net Zero report that renewable generation may have to increase the current levels of c.30-40% to a penetration of wind and solar of up to 65%⁴³ of our growing electricity demand by 2030.

In YNY, to achieve our carbon neutral targets by 2034, we must dramatically ramp up low carbon generation within the region. There are currently comparatively low levels of low carbon energy generation in YNY compared to the rest of the UK. Despite representing 3.4% of the UK's land area, we have just c.0.7% of the countries solar and c.0.6% of the countries onshore wind.

Recent research by Element Energy shows that to meet local and national carbon targets we must significantly increase low carbon energy generation within the region at an average build-out rate of 108 MW/year for Solar PV and 66 MW/year onshore wind until 2030.

Utility scale generation will address some of the required build-out rate and is a mature and buoyant market which is well supported through the private sector. However, there are certain types of projects that will not progress within public support to kick-start their development, which include:

- **Local authority led projects** - as an emerging priority within the Climate Action Plans being developed by our local authorities, we are looking to develop and own low carbon energy projects, such as smaller scale Solar PV and onshore wind projects.

⁴³ Committee on Climate Change (2019) Net Zero - Technical Annex: Integrating variable renewables into the UK electricity system

- **Non-rural community energy** – there is potential within our key towns in Selby, Scarborough and Richmond to develop community energy schemes, but these towns are too large to access the Rural Community Energy Fund (RCEF). Projects could include on-site renewable energy generation for schools, town halls and leisure centres.
- **Innovative, multi-party projects** – these projects include a consortium of partners (such as a group of businesses on an industrial site coming together to develop a project for on-site renewable energy generation) or are seeking more innovative approaches where more in-depth feasibility is required (such as development of a portable anaerobic digestion facility).

These projects face barriers which do not allow them to be developed through to becoming 'investment-ready'. Within our Local Energy Strategy project pipeline, 14 out of the 20 projects identified as potentially playing a major role in decarbonising the energy system remain at concept stage. These projects support the delivery of our placed-based strategic priorities within our Local Energy Strategy:

1. Support towns, rural communities and businesses benefit from energy independence
2. Create an energy smart City of York
3. Develop 'resource efficiency clusters'
4. Create a circular agri-food sector

The pipeline encompasses a range of opportunities, including those to decarbonise our energy supply, such as low carbon community energy projects, creating a network of small-scale anaerobic digestion facilities, and renewable energy generation on industrial sites.

The barriers which are holding back the development of these types of project include:

- **Feasibility study funding** – Feasibility studies consider factors such as technology and commercial viability to identify indicative costing for that project and assess if it is worth further development. These play an important role in progressing projects from concept stage to detailed development (e.g. progressing planning and consents work and working up detailed business plan). However, current funding sources for locally led feasibility work in low carbon energy generation, such as the recently made available £100k for feasibility studies from YNY LEP's LGF, tend to be ad-hoc and small-scale. This is particularly the case for the project types listed above. Due to resourcing implications and the perceived risk levels, local authorities and the private sector are reluctant to provide upfront capital for these types of feasibility studies. This market failure means that many potentially successful projects are never delivered.

YNY LEP recently made £100k available for low carbon energy feasibility studies, which was substantially over-subscribed with £1.2m of LEP support requested from local authority partners and the private sector. Proposal applications included community energy projects, on-farm anaerobic digestion and biomass pellets. This evidences the demand for feasibility study funding and the value of a feasibility study funding pot to draw potential projects out and advance them beyond concept stage.

- **Identifying viable commercial model**– The rurality of the region reduces the commercial viability of some low carbon energy projects, requiring more innovative funding models to be developed which de-risk investment. This work to progress projects from feasibility stage to investment-ready

requires the development of a detailed business case. However, access to support and expertise to develop more innovative business models to establish robust business cases is a key barrier.

- **Local capacity and capability** – alongside funding constraints technical and business case work, within our LEP and across local authority partners we lack the capacity and in certain technologies the technical expertise to oversee and deliver this work at the scale and pace required.

There is a clear opportunity here to accelerate the development of low carbon energy projects through the feasibility stage and develop a robust business plan to get them to a stage of being investment-ready and deliverable as early as possible in the 2020s.

Our offer and proposals to Government

We are seeking £8m of revenue funding between FY21 and FY25 to support development work for low carbon energy generation projects. This will enable us to scale up our strategic capacity at the regional level and provide flexible, wrap-around project development support, covering the concept, feasibility and business case stages as follows:

1. **Concept-stage development work (pre-feasibility)** – This will provide capacity at the YNY level to identify and prioritise the low carbon energy generation opportunities that have maximum potential in our region and develop ‘concepts’ up to the stage where a feasibility study can be commissioned. This will enable us to accelerate and expand upon our current project pipeline.
2. **Feasibility studies for prioritised projects** – We will create a funding pot for feasibility studies by local projects in energy generating technologies. The fund will be administered by the MCA and will be prioritised and allocated to individual projects through a robust assessment processes, building on the significant experience of the LEP in this space. This will involve a quarterly call for projects process, wherein proposals will be assessed against key prioritisation criteria, including strategic fit, VfM, affordability, deliverability and social value.
3. **Business case development** – We will create a funding pot to support the development of projects post-feasibility stage and establish a robust business case. This support would be expected to move projects to the ‘investor ready’ stage. This will similarly involve a quarterly call for projects, wherein proposals will be assessed against key prioritisation criteria, including strategic fit, VfM, affordability, deliverability and social value.

This £8 million funding proposal over 5 years between FY21 and FY25 comprises of:

- £1m to establish a team of three within the MCA to undertake concept-stage analysis and policy development; develop project plans; design and manage the funding processes for feasibility and business case support; and provide wrap-around support to accelerate development of projects.
- £5 million to provide funding for up to 50 feasibility studies over the programme duration. These will be procured externally, rather than carried out in-house due to the range of technical expertise that will be required. However, the MCA team will oversee these commissions.
- £2 million to procure external technical support to establish robust business cases for projects to reach investor-ready stage, with an expectation of supporting up to 50 projects. It is expected that not all projects at feasibility stage will feed through to business case stage, but at the same time support may be required from other projects that come forward which have already been developed to feasibility stage through other mechanisms.

Due to the types of projects being supported, state aid assessments will be required, and match funding will be sought where possible. (Match funding requirements will be developed in further detail for types of projects)

4. £42m Low Carbon Energy Generation Demonstrator

Summary:

Increasing low carbon generation in our region is a key component to meeting our carbon neutral negative ambitions and contributing towards the Government's Net Zero target. However, many projects which represent close-to-market solutions face barriers in accessing funds to demonstrate their innovative business models or trial new technologies.

We are seeking £42million of funding between FY22 and FY27 for a Low Carbon Energy Generation Demonstrator. The 5-year programme will look to support an estimated 15 low carbon energy projects through a grant which will be match funded by applicants. Candidate projects are expected to be within one of the following areas:

- Community Energy Demonstrator Projects
- Novel technologies demonstrator projects
- Business model innovation projects

The programme will demonstrate projects that operate at an area-wide and/or whole-systems scale; delivering substantial carbon savings, energy supply resilience and employment opportunities through the technology value chain. The programme will also provide an approach that can be replicated in other areas across the country, thus providing solutions that will enable us to 'build back better' both regionally and nationally in a green recovery from COVID-19.

The case for change

Alongside the barriers associated with project development for proven technologies, a further barrier to increasing low carbon energy generation in our region is the deployment and testing of more innovative technology types. Whilst large scale energy projects with well-established commercial models can easily access investment (e.g. utility scale solar and wind), projects that trialling innovative technologies and/or rely on more novel business models are not readily investable by the private sector. However, these solutions will play a critical role in achieving carbon neutrality (linking into our policy objectives to decarbonise transport, housing and other sectors) and the potential to provide cheaper energy services to local residents and businesses. The commercialisation and roll-out of these new technologies also supports the creation of new industries and new, more productive employment opportunities for local residents.

In the context of our economic and demographic characteristics, we have identified particular opportunities to demonstrate:

- **New business models in community energy (urban and rural)** – alongside the emerging business cases being brought forward under the Rural Community Energy Fund, there has been appetite within towns, such as Selby, Scarborough and Richmond to develop community energy schemes. Community-level renewables have a proven track record elsewhere in the UK, but the very small uptake in North Yorkshire shows that the market needs support in our region.

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- **New bio-energy technologies** – Projects trialling new technologies that link into our regional priorities are often viewed as high-risk investment area. These include projects in bioenergy which leverage the strengths in the circular economy and agriculture, as well as projects with CCUS and hydrogen production with carbon capture.
- **Business model innovation in the rural and circular economy** - Innovative business models seeking to address rural challenges and further reduce carbon via embedding circular economy practices often face challenges to accessing funding due to their novel approach and need for collaborative working across multiple industries. For example, coordination across nature reserve management, council land management, food supply and distribution and anaerobic digestion at R&D and industrial scale to assess the potential for a more flexible feedstock mix for anaerobic digestion across a network of plants.

However, the private sector alone will not bring forward these solutions at the scale and pace necessary to decarbonise our region.

Our offer and proposals to Government

We are seeking £42m funding over 5 years between FY22 and FY26 to create a Low Carbon Energy Generation Demonstrator Programme.

The Programme will provide match grant funding to businesses to support the delivery of projects which demonstrate emerging technologies at scale and/or validate new business models, and represent close-to-market solutions which:

- **increase local low carbon energy generation** and support YNY to become a net energy exporter, as well as **support energy resilience**
- **provide an area-wide scale approach**, such as community-scale or town-scale projects. For example, trialling emerging technologies that particularly align with the challenges in our rural communities, such as an innovative portable anaerobic digestion facility to use sewage sludge as a feedstock which would otherwise be required to be transported to a central processing facility in York.
- **provide a whole-systems approach**, such as blending of community renewable generation, storage and heat projects provide an area-wide approach. For example, community-scale renewable energy projects at Hovingham, Helmsley and Malton, whose feasibility and business case are currently being funded by the Rural Community Energy Fund, could be made more wide-ranging and ambitious with grant funding to support more innovative generation and distribution models
- Provide a model/approach that is **replicable in other areas** across the region
- **offer the potential for substantial carbon savings, social value, productivity growth and employment opportunities**, such as renewable energy technology value chain opportunities

The demonstrator will not be used to support large industrial renewables generation, e.g. for solar and wind, as these are already considered to be viable without subsidy and will not provide local community benefits that this fund is designed to foster.

This £42m 5-year programme will be managed by the MCA, and is expected to cover:

- £1m to establish a team within the MCA administer the fund, undertake due diligence on applications, and support project delivery; and
- £41m to provide match-funding to support a portfolio of approximately 15 demonstrator projects, which we have estimated based on our experience of ERDF low carbon projects and HNDU proposals and the types of projects likely to be supported by the Fund (with fewer high-cost projects expected relative to these programmes).

Applicants will be expected to provide match funding for their proposed demonstrator project. A prospectus will be developed setting out the specific themes/scope of the Fund and its objectives. Applicants will need to identify how their proposals support these, the specific market failure/challenge the project is seeking to address, why public funding is required and an options analysis that evidences why their proposed project is the best solution to address the identified challenge. Applicants will also be required to provide the costs/funding structure, assessment of the deliverability of the project and proposed timescales, with key milestones. This process will build upon the appraisal process established for YNY's effective delivery of our LGF allocation.

5. Working with Government to develop and implement a pan-Northern Regional Green Bond

Summary:

We have a large volume of small-scale low carbon projects in our local authority pipeline which are self-funding in the long run but require upfront financing. The costs of PWLB borrowing have increased, and whilst there is a significant amount of private capital available, this tends to be invested into funds rather than individual projects due to the disproportionately high transaction costs of relatively small-scale, and often low return, low carbon projects.

An innovative approach to financing is therefore required which delivers a high volume of low carbon local authority projects in our region and across the North. Through our work as part of the NP11, we have identified a pan-Northern municipal 'Green Bond' as offering significant potential to deliver a high volume of projects, flexibility to fund projects of any size, and cost savings compared to PWLB.

We are seeking support and input from Government as we develop our proposals to use the UK municipal bond agency to raise a circa £300 million Green Bond for an estimated 20 local authority projects across the North, which we expect to be deliverable between FY23 and FY26.

The case for change

We have a high volume of small-scale low carbon energy projects in our local authority pipeline (with a typical value of £5m to £30m), as well as those within our Local Energy Hub and our partners across the North, which are self-funding in the long-run but require upfront financing to make them happen. Projects in the pipeline include Solar PV projects on public and commercial estates, projects that have a whole system approach (such as Solar PV, EV charging infrastructure and battery storage), and district heat networks. Collectively these projects could make a material contribution to the transition to net zero as well as levelling up the national economy, by creating employment opportunities through the local renewable energy value chain in the installation and maintenance of low carbon infrastructure.

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Recent analysis completed by the University of Leeds⁴⁴ found that in aggregate across the York, North Yorkshire and the East Riding and Kingston-Upon-Hull area, £5.9 billion could be profitably invested in small scale renewables and in energy and fuel efficiency, generating annual savings of £0.96 billion and paying back the investment in 6 years. This would also equate to a reduction of energy bills of 41%, create 32,000 jobs and reduce carbon emissions by 39% relative to current levels.

However, with the October 2019 raise in the Public Works Loan Board (PWLB) rate, local authorities are now faced with a higher cost of borrowing from Government⁴⁵. This limits local authorities' ability to use PWLB to finance low carbon projects, as many projects in local authority pipelines offer a low return on investment, making them unviable in the face of increased debt service costs.

At the same time, there is a growing amount of private capital available for investment in low carbon or 'green' sectors as investors look to support their ESG policies. However, the relatively small-scale nature of low carbon projects means they can have disproportionately high resource requirements and transaction costs which are unattractive to investors. As a result, many private sector funds do not invest in low carbon projects but rather ESG equity funds, with much of this private investment going into tangible liquid assets, such as mutual funds and exchange traded funds. This aggregation enables diversification across a wide range of projects instead of having full exposure to a single project or technology type.

There is therefore a significant disconnect between the volume of private capital available in the market – which could offer a cheaper source of finance to PWLB – and the projects themselves receiving the required investment.

An innovative approach to financing is therefore required which delivers a high volume of low carbon local authority projects which individually have relatively low levels of return. Working with our partners in the North through the NP11, we have undertaken options analysis of alternative financing approaches to PWLB which enable the aggregation of small projects into a larger pot, creating a more attractive proposition to investors. These options include: a pan-Northern bond; community municipal bonds; and an investment fund.

The choice between PWLB, a pan-norther Green Bond and a community municipal bond will depend of the specifics of individual projects. However, we have identified a pan-Northern 'NP11 Green Bond' as offering the most potential to deliver a high volume of projects, as well as the flexibility to fund projects of any size. It also has the potential to offer savings compared to PWLB. Based on a credit rating of Aa3⁴⁶, a Northern Green Bond would yield at 0.8-1%⁴⁷, which would amount to a saving of £6m for £500m worth of projects⁴⁸. This in turn offers the potential to deliver a higher volume of projects, or projects with a lower rate of return but a larger environmental and economic impact. Green bonds on a municipal level are also widely used in every other developed country, as shown in Figure 13.

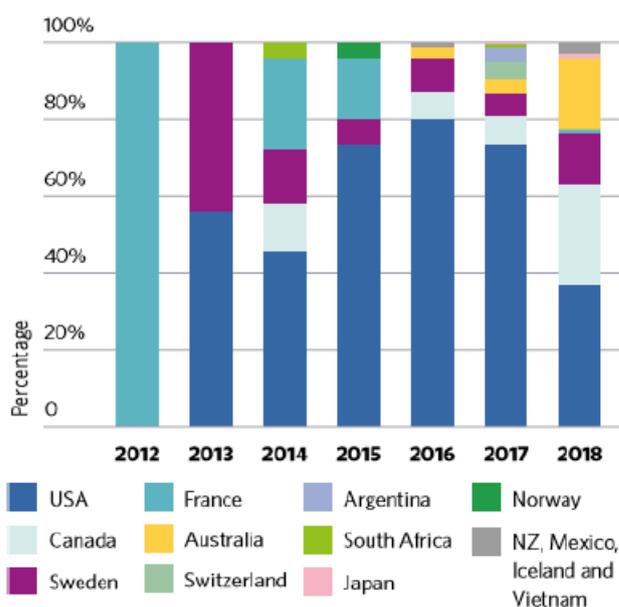
⁴⁴ University of Leeds (2018) Energy and Low Carbon Development Opportunities in York, North Yorkshire and East Riding and Kingston-Upon-Hull: An Economic Analysis

⁴⁵ As of 27th March 2020, the 5-year PWLB rate was 2.1% and 5-year UK Government Gilts are currently 0.2%.

⁴⁶ Average credit rating of Local Authorities

⁴⁷ Based on estimates of Gov +60-80bps

⁴⁸ In addition, in March 2020 Lancashire County Council raised a £350m bond through the UKMBA which was issued at SONIA +80bps

Figure 13. Market Share of Municipal Green Bond Issuance

Source: Climate Bonds Initiative 2018 Green Bond report

Our offer and proposals to Government

Municipal green bonds have been shown to be an effective way to draw upon investment from non-public funds to finance local authority low carbon projects. Over \$200bn of green bonds were issued last year however the UK vastly lags behind every other major developed country in this area. This evidences the need for the UK Government to proactively support the raising of green bonds in the transition to a net zero economy.

We have identified the opportunity to use the UK municipal bond agency (UKMBA) to raise a circa £300 million Green Bond for an estimated 20 local authority low carbon energy projects, primarily consisting of solar and onshore wind projects, which we expect to be deliverable between FY23 and FY26. This programme has the potential to reduce 0.47 MtCO₂ by 2030 and increase renewable energy generation by 348 MW of installed capacity resulting in 560 Gwh/yr of energy generation⁴⁹. In practice, the performance of the environmental impact of the projects would be monitored and reported annually.

We are seeking support and input from Government as we develop our proposals as detail over the coming months, in recognition of the NP11 Green Bond's nationally significant role in helping to deliver Government's levelling up and net zero agendas.

6. Joint working with Government to accelerate the roll-out of CCUS technology in our region

Summary:

CCUS is set to play a pivotal role in the decarbonisation of the UK economy, particularly when it comes to decarbonising emissions from the power sector and industry. However, without a

⁴⁹ Analysis by Element Energy, on the assumption all 20 projects are delivered

defined business model for carbon sequestration and a clear roadmap to developing the required supporting infrastructure CCUS currently faces material barriers to deployment.

Given the scale of the challenge and the need for a national approach, we are seeking to work with Government to accelerate the roll-out of CCUS technology in our region. With Drax Power Station located in our region, we believe we bring a unique and informed perspective of the specific barriers faced in the nascent industry and through joint working we will identify blockers to change and co-developing policy and industry solutions.

The case for change

CCUS is set to play a pivotal role in the decarbonisation of the UK economy, particularly when it comes to decarbonising emissions from the power sector and industry. In their 2019 Net Zero report, the CCC stated that to meet net zero “CCS is a necessity not an option” with their scenarios assuming an aggregated annual capture and storage of 75-175 MtCO₂ in 2050. In recent years there has been growing Government support for CCUS technology, with publication of the Carbon Capture, Usage and Storage Action plan in 2018, followed by £26 million of Government funding awarded in 2019 to advance the roll out of the technology, and a further £800 million announced in the March 2020 Budget aiming to support at least two CCUS sites in the UK in the 2030s.

Within our region, CCUS is positioned to make a significant contribution towards our carbon negative ambitions. Drax Power Station has undergone significant retrofitting from the significant carbon emitter it once was and now plans to stop burning coal in early 2021 and become carbon negative through the adoption of bioenergy carbon capture and storage (BECCS) by 2030.

In our Carbon Abatement pathways study, CCUS is also shown to play a key role in decarbonising industry, particularly in the glass and chemical sector⁵⁰. For industry, process emissions are directly from the raw materials or process, so can only be addressed by CCUS or through changing the production process. The majority of process emissions in the region are from the glass sector. Within the carbon abatements study, it is expected that CCUS is implemented during the 2030s for large plants in the glass and chemicals sector, enabling negative emissions in plants burning bioenergy (BECCS) by 2038.

Through our work to date on our Carbon Abatement pathways study, independent analysis and modelling has shown that no pathway reaches net zero without negative emissions from Drax using BECCS. Under a maximum ambition scenario, the region can become carbon neutral by 2034 providing that BECCS is fully operational at scale by Drax by 2030. Under this scenario, Drax can sequester over 17MtCO₂ per year by 2040. To put this figure into context, the region’s current total emissions stand at 7.7MtCO₂.

North Yorkshire is expected to host large-scale, centralised power plants and export most of its power. Early CCUS and hydrogen infrastructure is likely to be located around Drax in Selby, therefore YNY is positioned to be a net power exporter compared to some of its neighbouring regions, such as West Yorkshire, which has limited distributed generation and is likely to rely on electricity imports.

Drax plays a critical role in the Zero Carbon Humber cluster, providing its pioneering developments of bioenergy carbon capture and storage (BECCS) to create the world’s first negative emissions

⁵⁰ Element Energy (2020) Carbon Abatement Pathways Study

power station, enabling a hydrogen economy and large-scale carbon storage across the Humber.⁵¹ The cluster will accelerate decarbonisation across the wider Yorkshire region and reinforce the UK's position as a global leader in clean growth.

There are however a number of key challenges to unlocking this CCUS potential:

- **The need for significant supporting infrastructure** - This includes the need to deploy CO₂ transport infrastructure as BECCS (17 MtCO₂/yr), CCS CCGT (5-7 MtCO₂/yr) and EfW CCUS (0.2 MtCO₂/yr) represent a CO₂ storage requirement of 22-24 MtCO₂/yr by 2040. This compares to the total injection capacity of 30 MtCO₂/yr of all the four offshore sites that underwent detailed appraisal studies off the East England coast⁵².
- **Insufficient financial incentives for businesses** - Within the current system, there is a lack of financial incentives for businesses to become carbon negative. Therefore, there is a clear need for Government to work with industry to ensure that these incentives exist (e.g., carbon pricing) for large scale CCUS.

Due to the material effort involved in creating a CCUS and hydrogen industry in our region, there is a need for a coordinated and well-articulated plan to build CCUS and Hydrogen infrastructure. A network of CCUS and hydrogen infrastructure will be the backbone that unlocks decarbonisation for multiple industries and energy generation players, therefore having a defined plan is particularly important to provide longer-term confidence from investors, drive the development of technologies (such as large-scale low carbon hydrogen turbines) and allow existing energy generation (such as energy from waste plants) to plan for CCUS retrofits.

There is a pressing need for current action as the required infrastructure has a material lead time. Our Carbon Abatement Pathway Study work to date has identified the need for completion of R&D of CCUS technologies by the early 2020s and planning for the construction of initial CCUS and hydrogen infrastructure for deployment towards the end of the decade.

Developing CCUS technology and hydrogen technology will preserve jobs by enabling energy intensive industries to continue to operate and thrive⁵³. By building on the existing skills, innovation and infrastructure across Yorkshire and the Humber, CCUS roll-out will deliver new jobs and export opportunities for British businesses, supporting the region recover from the impacts of COVID-19.

Our offer and proposals to Government

To unlock the contribution CCUS can make towards our carbon negative plans, as well as the Government's own net zero target, we are seeking to work jointly with Government to accelerate the roll-out of CCUS technology in our region. This joint working would include two areas of focus:

1. Joint working with BEIS, other relevant Government departments and local partners to ensure a coordinated approach to roll out the required infrastructure for CCUS.
2. Joint working with BEIS, other relevant Government departments and industry to develop a funding model and financial business case for industry to go beyond carbon-neutral to carbon negative.

⁵¹ <https://www.zerocarbonhumber.co.uk/>

⁵² Element Energy (2020) Carbon Abatements Pathway Study

⁵³ <https://www.zerocarbonhumber.co.uk/>

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Joint working is expected to involve regular meetings, identifying blockers to change and co-developing policy and industry solutions. Due to the urgency for progressing CCUS in the country we will look to start this joint working in early 2021 to work towards a clear CCUS pathway being established by FY23 and a funding model in place by FY25.

DRAFT

11 Natural Capital

Strategic context

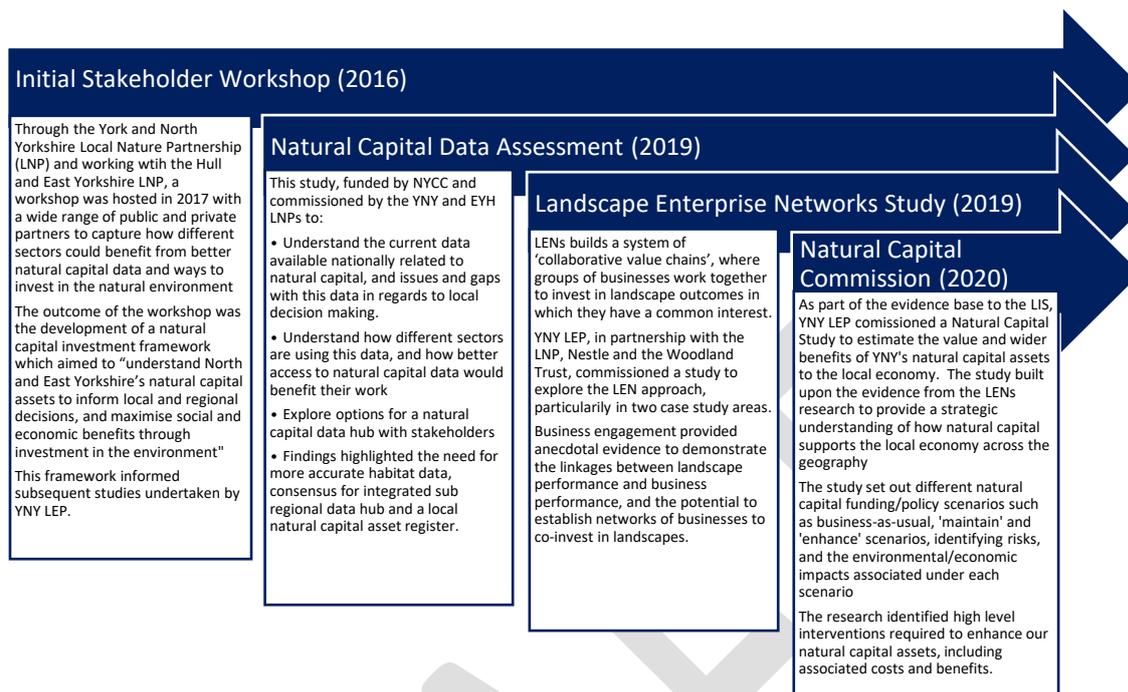
We have the ambition to be a circular, carbon-negative region, and pioneer innovative farming and land management approaches and climate change adaptation solutions which supports clean growth and helps to level up our national economy. With two National Parks, three Areas of Outstanding Natural Beauty, over 70% of our geography being used for agriculture, natural capital representing 11% of our GVA⁵⁴, and the ability of natural capital to sequester carbon, we are uniquely positioned to meet this ambition.

Department for Environment, Food and Rural Affairs (DEFRA) set out in their 25 Year Environment Plan several policies to use and manage land sustainably, recover nature and enhance the beauty of landscapes and connect people with the environment to improve health and wellbeing. Due to the prominence of agriculture within our region and importance of our landscapes to our businesses and communities, we are uniquely positioned to support the delivery of Government's Plan and commitment to net-zero emissions by 2050.

We have conducted a significant amount of work over the past four years to build partnerships for collaborative working, identify the national data available on natural capital and existing gaps, and identify opportunities for the public sector and businesses to co-invest in landscape outcomes in which they have a common interest (see Figure 14).

⁵⁴ Spanning the sectors of agriculture, food and drink, and tourism as well as forestry, manufacturing, biotech and water

Figure 14. Overview of York and North Yorkshire's (YNY) key strategic natural capital engagement and research to date



Earlier this year, we commissioned a Natural Capital Study to identify the key natural capital assets in our area, their value and benefits to our local economy, and – under several policy scenarios – the economic and environmental impact to the region by 2050.

This analysis found that under a 'business as usual' (BAU) scenario, we risk continued degradation of our natural capital, a 5% loss in the sector's GVA, and a deterioration in greenhouse gas (GHG) emissions owing to our region's high proportion of degraded peatlands, which will continue to emit carbon unless they are restored.

Due to the rural nature of our region and high dependency on natural capital, we are on the frontline of increasingly frequent weather extremes and other climate change impacts. Flood risk damage and disruption creates costs for our residents and businesses; drought risks cause significant disruption to agriculture and our wider industries; heatwaves cause disruption to productivity (especially in the construction, utilities and farming sectors); and we are at increased fire risks, especially on the upland moors, which could increase air pollution and pose costs to our tourism industry. Meanwhile some biodiversity losses may be irreversible.

However, through a step-change in both policy and investment compared to BAU, we can:

- **Achieve a 2.9MtCO₂e increase in GHG sequestration** by 2050, with an increase in the quality and quantity of priority habitats such as woodland, peatland, species-rich grassland and wetland, and the priority species reliant upon these habitats
- **Grow our natural capital economy by 31%** by 2050, worth £946m in GVA, through the expansion of existing direct industries, such as forestry and tourism (increasing by 102% and 33% respectively), as well as supporting the growth of indirect industries such as food manufacturing and bio-tech (by 8% and 136% respectively).

- **Develop healthier communities and improving the wellbeing of our workforce** through increased access to green space, which enables recreation, active travel and more inclusive environments. In addition, good quality urban green infrastructure **attracts inward investment and talent**, as well as improving welfare.
- **Improve our climate change resilience** in the event of floods, heat waves and/or droughts in the region, which also provides cost savings to both businesses and residents.
- **Take a catchment area approach** to flood mitigation considering both upstream investment alongside flood alleviation work.
- **Improve our air quality**, leading to reduction in deaths related to air pollution.
- **Improve our water quality**, due to reduction in pollution incidents and sedimentation.

Using natural capital to sequester carbon is an opportunity to support the UK in meeting its carbon targets but developing mechanisms and markets to fund GHG sequestration and emissions reduction at scale remains a key challenge.

To achieve this, we need innovative policy approaches which provide sustainable funding mechanisms in the long term.

We are taking a two-phased approach to our natural capital programme, as shown in Figure 15:

Figure 15. YNY Natural Capital programme



We are seeking support from Government to deliver the three elements of Phase 1 of our natural capital programme, which are:

1. **£2m revenue funding for the development of a Natural Capital Investment Plan by 2022, working with national partners, and scaling-up of our regional capacity to oversee the implementation of the Plan**
2. **The roll-out of a Tier 2 and Tier 3 trial for DEFRA's Environmental Land Management (ELM) scheme in 2021, alongside joint-working with DEFRA to co-design how the full scheme is rolled-out in 2024**

ANNEX 2

3. £10m Natural Capital Innovation Challenge Fund which will develop and test new commercial models that support increased private investment in our natural capital

The detail of each of these proposals is outlined below.

1. Development of a Natural Capital Investment Plan working with national partners

Summary:

There is currently a fragmented landscape for planning, funding and delivering natural capital investments in our region, as well as a lack of good data for informed decision making. Whilst we work closely with our different national partners and have invested significant local resource into development of our policy evidence base to date, we need a more strategic, integrated and long-term approach to investing in our natural capital if we are to progress local and national environmental objectives at an accelerated pace.

We are seeking £2m of revenue funding over the next five years (FY21 to FY25). In the first two years we will scale up our capacity at the regional level and develop a Natural Capital Investment Plan by 2022, working in partnership with the Environment Agency, Natural England, Historic England and the Forestry Commission. In FY23 onwards, revenue funding will be used to build our regional capacity to develop and deliver the Plan's pipeline of interventions.

The Natural Capital Investment Plan will provide an integrated spatial plan of interventions in our region over the next 25 years; a framework for prioritising interventions; powers required to support delivery; a funding strategy for delivering our prioritised programme; and a performance monitoring approach.

The case for change

The enhancement of our natural capital in a way that supports our ambition to be a circular, carbon-negative region requires a strategic, coordinated and long-term approach to the planning and delivery of investment. However, our ability to do this is currently limited by several factors, including:

- **A fragmented landscape.** The benefits of natural capital crosses many policy areas, including place-making, health, environment, and businesses. Because of this the scope of interventions do not fall neatly into one department or delivery agency, resulting in fragmented funding and decision-making. Our local and regional plans for capital investment need to align and integrate with those of the DEFRA 'family' organisations (i.e. Environment Agency, Natural England, and Forestry Commission), as well as our own economic and spatial plans, in particular the emerging LIS, Spatial Framework and Local Development Plans.
- **Lack of good data for informed decision making.** In our 2019 Natural Capital Data Assessment undertaken by Aecom, we identified that much of the existing natural capital data is incomplete and/or not up to date. This impacts our ability to develop effective policy and investment proposals and, in turn, understand and monitor the benefits from investing in natural capital. In our 2020 Natural Capital Study undertaken by Eftec, we identified a number of specific information gaps:
 - Current soil condition, and the role of improved soil management in outcomes for carbon, agricultural production, biodiversity and water management
 - Links between the extent and quality of natural capital assets and:

- Inward investment into the region
- Workforce health and therefore productivity
- Ecosystem-dependent spending in the tourism and leisure industries
- **Intervention beyond ELMs.** Whilst it is recognised and strongly supported that DEFRA’s proposed ELM scheme is intended to deliver significant natural capital benefits, it will not deliver all of the change required. Not all land managers will be eligible to apply for the ELM scheme and it is possible that not all those who are eligible for the scheme will choose to take part. We need a holistic approach which addresses these gaps to ensure opportunities to maximise protection and enhancement of our critical natural capital.

Our offer and proposals to Government

We are seeking £2m of revenue funding over five years between FY21 and FY25 to scale up our capacity at the regional level and develop a Natural Capital Investment Plan, working jointly with the Environment Agency, Natural England, Historic England and the Forestry Commission. Our aim is to have the Plan in place by the end of 2022. In FY23 onwards revenue funding will be used to build our regional capacity to develop the pipeline and oversee the Natural Capital Investment Fund in Phase 2 of our programme.

The Natural Capital Investment Plan will build on the significant research and relationship-building we have invested in to date and establish a holistic route map to achieving the environmental and economic outcomes set out in our “Enhanced Natural Capital” scenario. The Plan will provide: a detailed list of natural capital interventions over the next 25 years; how these interventions will be prioritised; and how this prioritised programme will be funded through a combination of public and private sector funding, and across different public sector funding programmes.

The Natural Capital Investment Plan is a proto Local Nature Recovery Strategy, and we would work closely with Natural England and our local authorities to make sure there is no duplication in this area once the Environment Bill receives Royal Assent.

We will take learnings from the ELMs Tier 2 and Tier 3 Trials and the £10m Innovation Challenge Fund (proposed below) to inform where we can leverage private sector contributions and what areas ELMs alone is not able to cover.

To develop the Natural Capital Investment Plan, we are seeking to work with Government by:

- Inviting representatives of the DEFRA family to sit on our Steering Group for the development of the Plan (meeting monthly) to ensure an integrated, strategic and long-term approach
- Bi-annual meetings to discuss the development of local priorities which have national relevance, co-design interventions and progress solutions to challenges which have national implications

The funding will be used to establish a team of five within the MCA over the five-year period, comprising a team lead, two natural capital project officers and two natural capital data officers. This team would lead on:

- Overseeing the development of an integrated and comprehensive Natural Capital Investment Plan, including liaison with partners. This includes the YNY local authorities, the LEP and LNP, the DEFRA family, the National Parks and AONBs, Northern Forest, Yorkshire Peat Partnership,

Yorkshire Marine Partnership, catchment partnerships, and key stakeholders such as the National Farmers Union (NFU) and Country Land and Business Association (CLA) and Water Companies.

- Development of business cases/models for innovative approaches to funding the interventions identified in the Plan. This includes Landscape Enterprise Networks, local carbon offsetting, green infrastructure, natural flood management, green brokerage systems, and potential additional powers required. Pilots for these types of interventions would be funded through the Natural Capital Innovation Challenge Fund (proposed below), enabling lessons learnt to refine our approaches.
- Data development and creation of a natural capital data hub/portal to create a reliable evidence base for partners to access easily a range of data on natural capital to enable better decision making and collaboration, plan investment in natural assets and record changes in natural capital over time by a variety of partners in different sectors.
- Development of a recording and monitoring system that captures any natural capital investment back into the data hub. This would need to recognise work by ELMS, landscape projects and biodiversity net gain.

2. Tier 2 and Tier 3 ELMs trials and joint working with DEFRA to co-design how ELMs will operate locally

Summary:

DEFRA's draft proposals for the ELM scheme recognise the role of local areas in incentivising the management of land in a way that delivers locally targeted environmental outcomes, as well as contributing to national objectives.

We are seeking to work with DEFRA to co-design and test the national support programme alongside a targeted spatial Tier 2 and Tier 3 trial in YNY.

We have carried out much of the groundwork in building relationships with local farmers and land managers, meaning we are ready to start co-design work right away in 2020 with a view to establishing a Tier 2 trial at scale and a transformational landscape scale Tier 3 trial in 2021. This would inform the full roll out of the ELM scheme from 2024 onwards.

We are uniquely placed to trial Tier 2 and Tier 3 ELMs and inform DEFRA on how the ELM scheme will operate locally and nationally, owing to our:

- **Established relationships with an engaged farming community that is open to change,** providing us with direct insight into the local challenges that farmers are looking to address as they take their business forward.
- **Extensive experience in delivering positive environmental outcomes from land management interventions and partnership working,** including three existing ELM scheme trials, the largest nature recovery land management project in England, and projects such as the Foss Catchment Project, which is being managed by North Yorkshire County Council (NYCC) on behalf of the Environment Agency and delivered by the Yorkshire Wildlife Trust.

- **Successful working relationship with DEFRA** on business support initiatives, such as through the LEP's Grow Yorkshire programme.

DEFRA has already recognised the significance of our region to the design of the ELM scheme in the 2-year Payment by Results trial managed by Natural England and the Yorkshire Dales National Park and involving over 30 farmers, an ELM test and trials project involving our Forest of Bowland, Nidderdale and North Pennines AONBs and a further test and trials project in the North York Moors National Park (NYMNP). Building on this and drawing on our vision, established relationships with our farming sector and strong partnership working with DEFRA, we want to provide an exemplar which can drive change across the UK.

The case for change

As we look to the future, and our ambition to be England's first carbon negative region, the way we farm and manage the land must form a key part of our carbon negative transition. Whilst YNY has the potential to sequester an additional 2.9MtCO₂e through environmental measures⁵⁵, projections show that our agricultural sector will struggle to decarbonise, with emissions from the sector predicted to increase by 2% with existing policies under BAU.⁵⁶

Each year our region's farmers benefit from £140m from EU's Common Agricultural Policy (CAP), whilst the farming sector in our region is worth £210m, meaning this public subsidy is essential to the profitability of 70% of our farms.

We support Government's view that the UK's departure from the EU and the CAP provides us with a unique opportunity to redesign our agricultural policies to allow us to meet our environmental ambitions, while supporting the sustainability and growth of our farming sector.

We see this as a critical pillar to enhancing our natural capital assets and ambition to become a circular, carbon-negative economy, with effective land management underpinning extensive supply chains and networks of consumption which supports both local and national economic growth.

As a region, we have the ideal conditions to drive and create change in agriculture, owing to our:

- Diverse agricultural mix encompassing all types of agriculture;
- Nationally significant share of the agricultural sector, which represents 5% of the sector's GVA nationally⁵⁷
- Large areas of high value natural environments - some 46% of our geography is designated as either National Park or AONB - supporting a significant tourism sector worth £919 million annually;
- Significant food manufacturing sector - 42% of our manufacturing is Food and Drink; three times more concentrated here than nationally; and
- Distinct specialism in agri-food innovation – our region has received 40% of all Innovate UK funding for agri-tech since 2004.

⁵⁵ Eftec (2020) North and West Yorkshire Natural Capital Study

⁵⁶ Element Energy (2020) North and West Yorkshire Emissions Reductions Pathways

⁵⁷ <https://www.ons.gov.uk/economy/grossvalueadded/gva/datasets/nominalandrealregionalgrossvalueaddedbyindustry>

Building on these assets, we want to be at the forefront of the opportunity offered by the ELM scheme and work with Government to inform the design of the scheme to be rolled out in 2024. As part of this, we want to launch a Tier 2 and Tier 3 trial in our region which helps DEFRA in its pilot phase to identify what actions can have the most success locally, and drive change not only in YNY, but across the rest of the UK in the long term.

We are uniquely positioned to work with DEFRA on this owing to our vision, established relationships with our farming sector, and existing partnership working with DEFRA.

We bring an **informed understanding of the local challenges that farmers are looking to address** as they take their business forward in this time of change. Through a survey of our farming businesses conducted in 2019, one of the main challenges identified related to how to develop new income streams from conservation and environmental improvements. This links to the scope of the ELM scheme and demonstrates an appetite to embrace new ways of working. We have an engaged farming community that is open to change, and a route to engage with these via our established relationships with relevant organisations such as the NFU, CLA, Yorkshire Agricultural Society, Farmer Network and many more.

We also have **extensive experience in the delivery of environmental outcomes associated with land management interventions and partnership working**, which can inform the development of ELMs locally and nationally. Examples include:

- An **ELM trial managed for DEFRA by Natural England and the Yorkshire Dales National Park, compares the effectiveness of the ‘Payment by Results’ approach** in two different areas and for different environmental outcomes: grassland in the Yorkshire Dales (on species-rich meadows and grassland for breeding waders) and arable land in East Anglia (delivering plots of winter bird food and flower-rich mixes for pollinators). The trial involves over 30 farmers, is taking place over two years and has been running since September 2018.
- An **ELM test and trial managed for DEFRA by the North Yorkshire Moors National Park Authority**, which builds on the Authority’s experience of developing and delivering previously successful land management schemes. The project comprises two tests and one trial. Firstly, the project will identify which public goods farmers and land managers within the NYMNP want to deliver and consequently identify which public goods are less popular and/or more demanding to deliver. The Authority will demonstrate how this relates to the 25 Year Environment Plan. Secondly, a tool will be developed that models the economic impact of attaching different values (payments) to the delivery of different public goods and the impact this has on different farming sectors active within the NYMNP. Finally, the project will identify and develop a range of delivery mechanisms that allow for the appropriate delivery of public goods.
- The **Forest of Bowland, Nidderdale and North Pennines AONBs are involved in an ELM test and trials project** that aims to lay the foundations for a resilient, profitable and environmentally sustainable agricultural sector by building on long-standing collaborations with farmers and land managers to create a locally configured and locally delivered agri-environment programme alongside wider rural development funding and business support.
- With the North Pennines AONB, the Yorkshire Dales National Park Authority is about to start the largest nature recovery land management project in England (*Tees-Swale: locally connected*). Using lessons learned from the ‘Payment by Results’ trial, the project is working with clusters of farmers to support high-nature value farming to restore, expand and connect priority habitats on an unprecedented super-landscape-scale. At the same time, this work will deliver multiple other

public benefits including climate change mitigation, flood-risk management and increasing people's well-being.

- Well established collaborative working amongst regional and national partners. A prime example is the Foss Catchment Project. On behalf of the Environment Agency, NYCC is managing a project delivered by the Yorkshire Wildlife Trust that aims to address a wide range of water quality and environmental objectives on largely intensively farmed land along the River Foss which feeds into York. The Foss has a history of contributing to serious flooding within York. The project aims to deliver additional public benefits by helping to reduce flood risk.

Finally, and demonstrated in part to the examples listed above, we have already **established a strong working relationship with DEFRA**. Initially this took the form of hosting regional consultation events on the future of agricultural subsidy via the LEP. This working relationship subsequently developed, with senior DEFRA representation in the launch of the Grow Yorkshire initiative, which aims to bring together key local farming and land management bodies to inform national policy making and agricultural and behavioural change on farms. The Grow Yorkshire programme gives us a strong platform from which to roll out a successful Tier 2 and Tier 3 trial in our region in collaboration with DEFRA.

Our offer and proposals to Government

We are seeking to work with DEFRA to co-design and test the national support programme alongside a targeted spatial Tier 2 and Tier 3 trial in our region. Through this joint working we also hope to discuss how national and local delivery can work in collaboration.

We have carried out much of the groundwork in building relationships with local farmers and land managers, meaning **we are ready to start co-design work right away in 2020 with a view to establishing a Tier 2 trial at scale and a transformational landscape scale Tier 3 trial in 2021**. This would inform the full roll out of ELMS from 2024 onwards.

We recognise at this stage it is too early to clarify the exact scope of a trial. This needs to be taken forward in a collaborative co-design approach with our local farmers and institutions. However, we envisage a trial, or trials, which works at landscape or catchment scale to achieve environmental impact and economic benefit at scale. To achieve significant behavioural change requires close engagement with local stakeholders to buy into and shape the nature of a trial.

From a policy perspective, the key challenges we are looking to address through a Tier 2 trial include:

- **Behavioural change** – perhaps the most important factor in changing farming practices, is changing the behaviour of our farmers and land managers. There has been some great work on this already within the region via the Wensleydale Payment by Results Trial, which has demonstrated marked increases in the impact by empowering farmers and making use of their understanding of how to optimise their landscape.
- **Making the ELM scheme work for different types of farming** – with a diversity of agricultural landscapes in the region, YNY has an opportunity to test the ELMs model in both high value landscapes such as AONBs and National Parks, as well as arable areas.
- **Relationship between land management and tourism** – the region is already making real steps forward to understand how agriculture and land management relates to the tourism industry. For example, Fountains Abbey and Studley Royal World Heritage Site, operated by the National

Trust, is looking to work with farmers in the River Skell upstream catchment to manage flooding of the site through better land management practices.

- **Shortening agri-food supply chains and connecting farming to communities** – which can increase the value that is accrued to growers and producers and connect local communities to their surrounding agricultural environment.
- **Connection to sustainable and circular supply chains** – as a sector which creates significant bio-wastes and by products, we will seek opportunities to increase the utilisation of these and create added value from these resources. Reducing overhead costs and increasing incomes is a key issue that our farmers are interested benefitting from.
- **Regenerative farming** – the role that farming plays in regenerating our natural ecosystems will be fundamental, and something we expect will be supported via the ELM scheme, both in terms of livestock and arable farming. Within the region we have some developing expertise around the emerging practice of regenerative farming which we are keen to develop and expand as a key part of a more sustainable approach to agriculture.
- **Soil, water and air quality** – the reduction in environmental disbenefits of agriculture will be a key element that we look to take forward and optimise via the ELM scheme. The region benefits from some specific innovation assets that can support this, such as the Centre for Crop Health and Protection (CHAP), which has the world's largest mesocosm for simulations in natural aquatic environments under controlled conditions to test and demonstrate how practices impact on water quality, along with testing sites such as the Stockbridge Technology Centre.
- **Climate adaptation** – establishing a more resilient region is particularly important to our strategic planning for the future. Farming and land management practices are a key element of how our green and blue infrastructure are managed, and farmers potentially have a key role in terms of water management to slow the flow and mitigate the impact of downstream flooding events.
- **Climate mitigation** – whilst the agricultural industry is currently a net emitter of carbon emissions, our local ambition to become carbon negative means it is essential that we support the industry to reduce emissions, particularly methane from livestock which can have an immediate effect on cooling the climate, along with carbon sequestration through increased organic matter in soils, tree planting and new carbon capture crops.

Examples of projects we would consider trialling for a Tier 3 trial include:

- **Significant carbon capture through a pan Yorkshire woodland creation project** increasing deciduous woodland cover in Yorkshire by 49,000ha (increasing woodland cover from 6% to 12% by 2040) and capturing 392,000 tonnes CO₂ per year. This would significantly progress the Northern Forest development.
- **The restoration of 30,000 ha of upland peat** (blanket bog) across Yorkshire by 2040 (30% of total proportion of NY's peat) storing 1,320,000 tonnes CO₂ per year

This along with the measures outlined above would contribute to our ambition of becoming the first carbon negative region by 2040.

3. Natural Capital Innovation Challenge Fund

Summary:

DEFRA's 25 Year Environment Plan recognises the critical need to increase private sector investment in order to enhance our natural capital. However, as public goods, the market undervalues natural capital, leading to under investment and natural capital degradation which generates negative externalities such as water pollution, deforestation and poor soil quality.

More innovative policy and public sector intervention are required to create market mechanisms which capture and monetises the financial benefits to businesses from investing in the natural environment.

We are seeking £10m over five years (FY22 to FY26) to operate an Innovation Challenge Fund to increase private investment in our natural capital. The Fund will:

- i. Support engagement and set-up costs to establish a Landscape Enterprise Network in our region; and
- ii. Support two forms of funding competitions: small scale grants of up to £25,000 for smaller projects to develop new concepts over a short timescale; and up to 50% match-funding for of between £25,000 and £500,000 for larger projects. These funding competitions will be open to businesses, NGOs and public bodies, however all proposals will be specifically targeted at identifying and demonstrating new models for increasing private investment in natural capital.

The case for change

Research has shown that there is no easy way for private investment to take place to support issues affecting businesses like flood alleviation or increasing resilience in the supply chain.⁵⁸ It is challenging for individual businesses on their own to impact the performance of landscapes and hence see benefits of natural capital improvements to their own business. This contributes to under-investment in natural capital and results in negative externalities, such as water pollution, deforestation and poor soil quality.

DEFRA's 25 Year Environment Plan recognises the critical need to increase private sector investment in order to enhance our natural capital. More innovative policy and public sector intervention are required to create market mechanisms which capture and monetises the financial benefits to businesses from investing in the natural environment.

Through our work to date we have identified a range of opportunity areas for catalysing private sector investment in our natural capital, these include:

- **Supporting businesses to co-invest in landscapes to improve performance** – this would include new commercial models that aggregate demand and enable multiple businesses to invest in natural capital to deliver benefits to their own business and the wider landscape e.g., improve flood resilience, better quality natural capital assets to attract and retain talent.
- **Developing local carbon offsetting schemes that cover a range of habitats** - including woodland, peatlands, wetlands, grasslands, hedgerows, and kelp forests. These can be linked to existing and

⁵⁸ 3Keel (2019) The case for doing business with Yorkshire's landscapes

planned local initiatives, e.g. Northern Forest, Yorkshire Peat Partnership, catchment partnerships, Yorkshire Marine Nature Partnership.

- **Developing and delivering green infrastructure pilots** – for example, to retrofit industrial estates, business parks, large housing sites with green infrastructure which promotes climate change adaptation and mitigation, such as green roofs, walls, hedgerows, rainwater harvesters, etc.
- **Improving the coastal environment and increasing value from coastal assets** – this could include growing of seaweed and other marine assets that could also provide opportunities for carbon sequestration. This work would link well with activity being developed by the recently established Yorkshire Marine Nature Partnership.
- **Improving quality and access to natural capital for public health** – this could include models which link the relationship between natural capital and health benefits, such as projects which improve access and/or quality of specific areas.

Our offer and proposals to Government

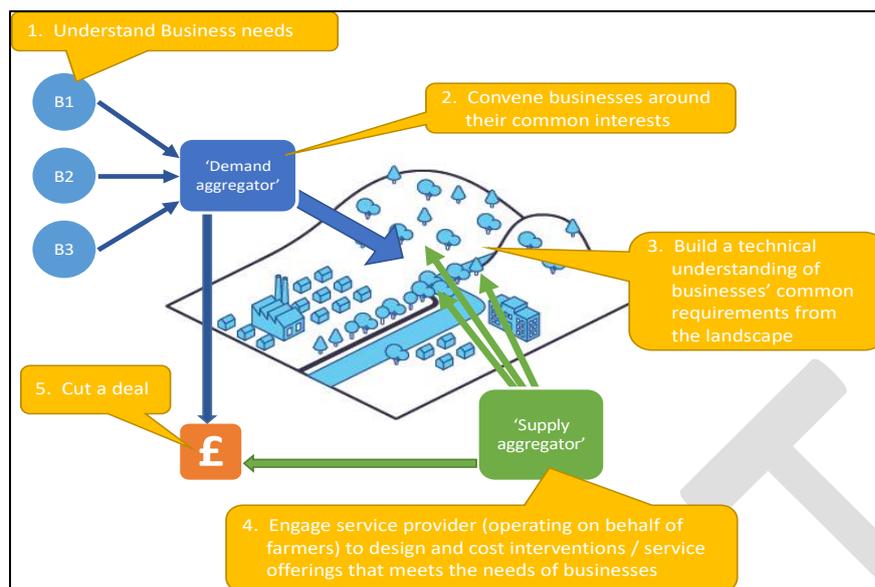
We are seeking £10m over five years (FY22 to FY26) to operate an Innovation Challenge Fund for natural capital, which will:

1. Support engagement and set-up costs to establish a Landscape Enterprise Network (LEN) pilot in our region; and
2. Support two forms of funding competitions, covering smaller and larger projects.

The details of each of these are outlined below.

I Landscape Enterprise Networks pilot

DEFRA highlighted the potential of the LENs approach for catalysing private sector investment in natural capital in its 25-year Environment Plan, and there are now around seven LENs pilots being developed and delivered across the UK. LENs is designed to link businesses in a region with a common commercial interest to invest in the landscapes that influence their ability to operate. These investments are then delivered by farmers and land managers. Figure 16 provides an overview of the LENs process and concept.

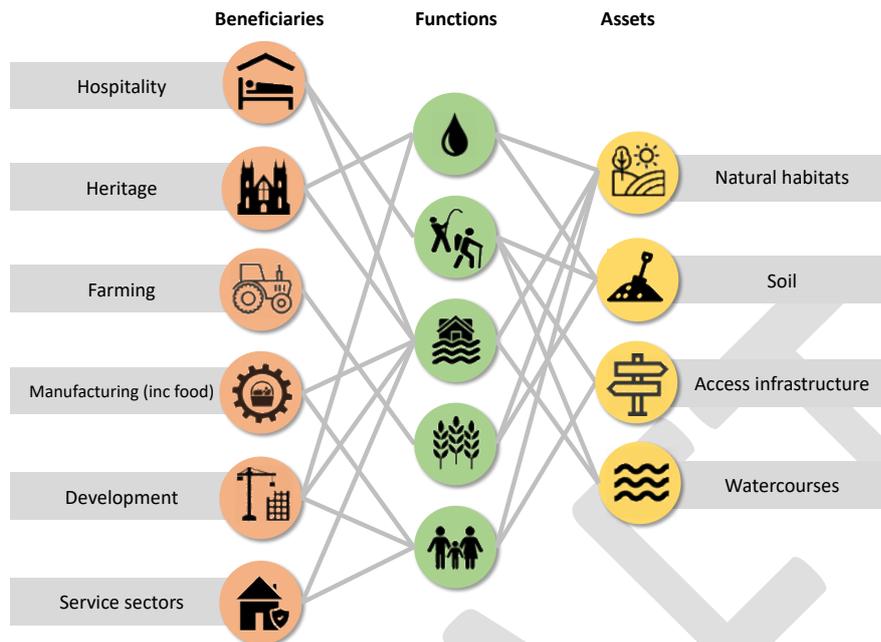
Figure 16. Overview of Landscape Enterprise Networks

Through the LEP and in partnership with our LNP, Nestle and the Woodland Trust, we commissioned a study in 2019 to investigate the potential of the LENs in our region.

Our research identified several opportunities where organisations in our region could share a common interest in forming a LENs. An example includes the area around Ripon and Fountains Abbey, linked by the river Skell (See Figure 17). This is a quintessential Yorkshire landscape; characterised by mixed farming, sporting estates and historic monastic ruins. The quality and performance of the landscape plays a role in the success of many local businesses, from local SMEs to larger businesses downstream in York.

YNY LEP, alongside NYCC colleagues, the National Trust, and 3Keel are undertaking initial work to engage businesses in the Ripon area and identify business needs in the landscape. We have started to engage with a recently formed Ripon Business Improvement District (BID) and exploring the opportunity for business within the BID to be part of the first cohort of businesses to invest.

Figure 17. Example of Ripon and Fountains Abbey's natural capital assets providing a range of functions to local beneficiaries



We will use funding from the Challenge Fund to pilot LENS in our region. Funding will cover the initial LENS 'set-up' costs, comprising revenue funding for undertaking network opportunity analysis, engaging commercial organisations, identifying focus areas/common interests, developing the proposed interventions, and establishing delivery models.

The pilot will include a small number of 'transactions' or 'deals' between organisations and land managers. Public capital funding will be used to match fund the investment from businesses to increase impact. This blended model of public and private finance is currently being trialled in Cumbria via an ELMs test and trial with the National Trust and Green Alliance. We would use lessons learnt from the trial to develop an approach which ensures that the public funds are deployed in a way, and at scale, that is complementary to business interests and their willingness to invest. Through the existing LENS pilots in the UK, we have seen that public funds can act as a catalyst or confidence-builder in transactions. We want to test this approach and understand how a blended model can increase investment in landscapes and hence improve its performance and associated benefits.

Aligning public funds with private sector investments provides the opportunity to maximise impact and ensure interventions do not compete. In relation to peatland restoration, 3Keel's research has shown that to realise the full potential of the ranges of funding sources for peatland restoration, and to match the scale and urgency of peatland restoration, mechanisms will be required to ensure different funding sources are at least additive, and do not compete, block, or cancel each other out⁵⁹. Furthermore, they found that a lack of integration between public and private schemes can also lead to unrealistic carbon prices for the market (as happened with the Woodland Carbon Guarantee) and lead to lasting damage to the market if sellers believe these prices may be offered again by Government at some future date.

⁵⁹ 3Keel, Forest Carbon and Newcastle University (May 2020) Funding Peatland Restoration: Options analysis for optimising public-private funding of peatland restoration, for carbon and other ecosystem functions

II Challenge Fund Competitions

We are seeking to run innovation funding competitions to encourage private sector investment in natural capital assets. We envision setting specific ‘challenges’ to the market to which businesses, NGOs and public bodies would be eligible to respond and apply for funding for their proposed solution. Examples of challenges include green infrastructure pilots, increasing value from coastal assets, improving quality and access to natural capital for public health. The funding process would be designed and administered by the MCA.

All proposals will be expected to focus on identifying and/or demonstrating new commercial models for increasing private investment in natural capital.

We envisage two elements to the Challenge Fund:

- **Small scale grants up to £25,000 (no match funding required).** The focus will be on smaller projects designed to trial new concepts/initiatives over shorter timescales or to provide pieces of equipment/support that might be required to deliver part of an existing project. In order to remove barriers to uptake of the grant, no match funding would be required. These grants are expected to be taken up by community groups, local authorities and consortiums of small businesses for relatively small-scale projects. It is expected that for these types of projects match funding would be difficult to obtain due to lack of commercial return on investment. For example, when benefits may be public goods, and/or when land is used for environmental value, rather than commercial value. These grants would require a less complex application process.

Through our past experience⁶⁰ we have seen offering small-scale funding with no match required encourages smaller entities to apply for funding, resulting in applications becoming oversubscribed when active. A recent example in North Yorkshire for an environmental partnership fund received £62,590 worth of project applications for a £25,000 grant fund. The grants supported small charities, schools, parish councils and small businesses to carry out habitat creation projects, enhance green spaces and school grounds for wildlife and people, expand rare plant nurseries to become more commercial, and invest in specialist machinery for management of specialist habitats. The grants also led to projects with the involvement of large numbers of volunteers and local communities.

- **Match funding between £25,001 and £500,000 (50% match funding required - cash and/or in kind).** These larger grants would require a more detailed application process and a commitment to more comprehensive monitoring processes. At the lower end of the grant size these grants might support specific projects of modest scale by a single organisation but at the upper end, the funding stream is designed to allow for supporting much larger consortium projects. Larger funding amounts would allow pilots to be delivered at scale, testing innovative approaches with a variety of actors. For example, a large-scale strategic pilot to improve the coastal environment, delivering a package of measures to reduce coastal erosion, support seaweed farming and marine biodiversity.

A prospectus will be developed setting out the specific challenges and their objectives.

Applicants will need to identify how their proposals support these, as well as the specific market failure/challenge the project is seeking to address, why public funding is required and an options analysis that evidences why their proposed project is the best solution to address the identified

⁶⁰ 2018 North Yorkshire and York LNP Community Fund (applications up to £5000); 2020 East Riding of Yorkshire Year of Green Action Fund (applications up to £1000).

challenge. Applicants will also be required to provide the costs/funding structure, assessment of the deliverability of the project and proposed timescales, with key milestones. This process will build upon the appraisal process established for YNY's effective delivery of our LGF allocation and LEADER programme.

We have the capacity and capability to deliver this fund, as evidenced by our LEP's two LEADER programmes between 2015-2020 (funded through the European Agricultural Fund for Rural Development) in the Yorkshire Dales and North York Moors, Coast and Hills. The North York Moors, Coast and Hills programme delivered £2.23m of funding across 68 projects, and the Yorkshire Dales programme delivered £2.33m of funding across 79 projects.

The Innovation Challenge Fund will build on lessons learnt from the delivery of the LEADER Programme, for example the importance of having a project officer to support applications and develop a robust appraisal process that ensures pilots deliver against emerging priorities within the Natural Capital Investment Plan.

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Appendix 1. Transport challenges and proposed solutions/indicative pipeline of interventions

Table 6. *Transport challenges and proposed solutions/indicative pipeline of interventions*

Transport challenge	Devolution proposals
Reliance on petrol and diesel vehicles,	<p>Funding for a roll out of publicly available EV charging facilities across our region</p> <p>Funding to deploy ultra-low emission public transport across our region</p>
Urban congestion	<p>Revenue funding settlement for bus services to support COVID-19 economic recovery</p> <p>Devolved 5-yearly Integrated Transport Settlement for the YNY region</p> <p>Five Year Indicative Programme</p> <ul style="list-style-type: none"> • Harrogate Transport Improvements Programme (£50m) • Scarborough Transport Improvements Programme (£30m) • York Park & Ride and Public Transport Capacity and Route enhancements (£20m) • Smarter Travel improvements in York, e.g. traffic signal management (£10m) <p>Longer Term Aspiration</p> <ul style="list-style-type: none"> • Connectivity improvements on key radials: Selby – York, Harrogate –York (£50m)
Poor interurban connectivity (especially east-west)	<p>Revenue funding settlement for bus services to support COVID-19 economic recovery</p> <p>Devolved 5-yearly Integrated Transport Settlement for the YNY region</p> <ul style="list-style-type: none"> • Five Year Indicative Programme • A59 Harrogate to Skipton Journey Time Reliability Improvements (£20m) • A1237 York Outer Ring Road Dualling • Phase 3 (£20m) • Improvements to A59 and A1079 routes into York (£50m)
Poor rural connectivity and lack of	<p>Revenue funding settlement for bus services to support COVID-19 economic recovery</p> <p>Funding to deploy ultra-low emission public transport across our region</p>

Transport challenge	Devolution proposals
alternatives to the private car	
Poor resilience of our road network	<p>Devolved 5-yearly Integrated Transport Settlement for the YNY region</p> <p>Longer Term Aspiration</p> <ul style="list-style-type: none"> • Swaledale landslips (£20m) • Key transport pinch points in York during flood events (£20m)
Poor access to the rail network	<p>Devolved 5-yearly Integrated Transport Settlement for the YNY region</p> <p>Longer Term Aspiration</p> <ul style="list-style-type: none"> • Stations at Thirsk, Seamer, Crosshills, Haxby (£50m) • Improved sustainable access and interchange to York Station (£30m) • Improved interchange within York Station (£50m)

Appendix 2. Indicative pipeline of Mayoral Towns Fund projects

Table 7. *Indicative pipeline of Mayoral Towns Fund projects*

Area of investment	Phase 1 (FY22 - FY26)	Phase 2 (FY27 and FY31)
Smart and Enterprising Towns	<ul style="list-style-type: none"> • Scarborough: FAbLab+ which comprise digital labs, learning resource and co working centre • Whitby: Establishment of Whitby Digital Co-working Hub in flower gate centre. 	<ul style="list-style-type: none"> • Skipton: Phase 2 Skipton Triangle, an incubation space and live/work development
Active and Transformed Towns	<ul style="list-style-type: none"> • Phase 1 LCWIP plans in Harrogate, Knaresborough, Selby, Northallerton, Bedale, Stokesley, Skipton, Settle, Malton and Norton, Pickering and Scarborough • Phase 1 congestion reduction schemes in Harrogate and Knaresborough • Harrogate to Knaresborough Cycleway • Harrogate Station Gateway improvements • Scarborough Rail station improvements. • Selby Places and Movements Study • Bedale and Thirsk: public realm improvements - including improved pedestrian areas and central events space • Phase 1 - Green Transport Links Catterick Garrison – Feasibility Study • Malton and Norton, Pickering: infrastructure and connectivity study • Scarborough Market Square and borough wide green/ blue space network to include reduction in vehicles and increased pedestrianisation of resorts • Scarborough and Whitby wayfinding infrastructure • Skipton, Settle: Outdoor Town, walking and cycling links from town to Dales 	<ul style="list-style-type: none"> • Phase 3 LCWIP in Malton and Norton • Ryedale: Bus/Rail interchange redevelopment

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Area of investment	Phase 1 (FY22 - FY26)	Phase 2 (FY27 and FY31)
	<ul style="list-style-type: none"> • Phase 2 LCWIP plans Harrogate, Knaresborough, Selby, Northallerton, Bedale, Stokesley, Skipton, Settle, Malton and Norton, Pickering and Scarborough • Knaresborough congestion reduction schemes Phase 2 • Selby station improvements • Selby: implement remainder of highway and public space projects from Selby Places and Movement Study • Thirsk Railway Station improvements • Phase 1 - Green Transport Links Catterick Garrison • Scarborough transport interchange 	
Cultural and Heritage Towns	<ul style="list-style-type: none"> • Selby: street dressing e.g. heritage shop wrappings, interpretations, Street and pavement marking, street art and enhancement of public realm • Thirsk cultural offer • Northallerton and Thirsk Virtual heritage trails • Richmond: Phase 1 street dressing • Malton and Norton: High Street Regeneration • Malton and Norton: Support re-building and recovery of tourism and hospitality sector • Malton and Norton: Support re-building and recovery of cultural, creative and heritage sector • Craven: Otley Street Arts House • Phase 1 Scarborough Fair • Whitby and Filey: Cultural events programmes • Craven: Youth Market • Craven: New public square • Skipton: CCTV, footfall, market sales and visitor augmented reality tours 	<ul style="list-style-type: none"> • Selby Abbey Visitor Centre £3m

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Area of investment	Phase 1 (FY22 - FY26)	Phase 2 (FY27 and FY31)
	<ul style="list-style-type: none"> • Remodelling and development of Northallerton Forum • Richmond: Phase 2 street dressing • Malton/Norton High Street Regeneration Project (continuation) • Milton and Assembly Rooms Cultural Centre and Creative Economy Hub • Remodelling and development of Northallerton Forum • Richmond: Phase 2 street dressing • Malton/Norton High Street Regeneration Project (continuation) • Milton and Assembly Rooms Cultural Centre and Creative Economy Hub • Phase 2 Scarborough Fair 	
Living and Circular Towns	<ul style="list-style-type: none"> • Land management agreements across all towns • Zero Waste Richmond and Catterick • Catterick Garrison expansion project 'green initiatives' • Leeds Liverpool Canal green route Skipton to West Yorkshire • Malton and Norton: business grant schemes for zero carbon/waste employment sites • Scarborough: Mere and Olivers Mount Masterplan • Malton and Norton Anaerobic Digester • Malton and Norton: business grant schemes for zero carbon/waste employment sites 	
Growing Towns	<ul style="list-style-type: none"> • Settle: Anley Crag, business park, access and infrastructure - • Richmond: Strategic acquisition of designated employment land at Colburn 	<ul style="list-style-type: none"> • Selby: Crosshills Access Road and flood mitigation

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Area of investment	Phase 1 (FY22 - FY26)	Phase 2 (FY27 and FY31)
	<ul style="list-style-type: none"> • Richmond: feasibility study on Scotch Corner and Catterick Centrals junctions. • Richmond: feasibility of Catterick Shute Road Redevelopment • Selby: Park access road • Richmond: continued feasibility studies and preparing funding bids • Malton/Norton: A64 – Musley Bank Junction • Malton/Norton: A64 – New Junction with B1257 Broughton Rd • Scarborough Sap investment 	<ul style="list-style-type: none"> • Richmond: Colburn Business Park, Shute Road • Malton – Norton link road and bridge • Skipton: Phase 1 Skipton Triangle infrastructure • Settle: Enabling infrastructure to Whitefriars housing and business units

Appendix 3. Housing Proposals – case study sites which illustrate our viability challenges

Table 8. *Case Study Housing Sites in YNY*

Site	Policy context (including affordable housing requirement)	Outcome/Affordable Homes Delivered	Affordable Homes lost or stalled
Riccall, Selby (rural)	High scheme costs on this rural site are in part associated with the need for an entrance road. Requests for a higher grant rate to cover these costs have been refused by Homes England (HE) on the basis that the LPA has access to Section 106 money. The Council is using the S106 money to fund alternative affordable housing investment locally in its own stock, which is not eligible for HE funding.	Stalled site; no homes delivered to date.	12 units stalled
Airton, Yorkshire Dales National Park	A site of four shared ownership homes, a product which does not currently attract Homes England funding. The site does not attract private developers (too small, also National Park local occupancy rules deter developers) and has been on the market for several years. In 2018, Craven DC agreed to purchase the site and was encouraged by Homes England to apply for grant based on new flexibilities and the site having exception site attributes. However, the bid was unsuccessful, the site was unviable due to a mains water pipe running through it, and the site languished. A site immediately adjacent, but outside of the development limits and which is therefore a genuine RES, has now come forward and should be eligible for grant funding.	Stalled site; no affordable homes delivered to date.	4 shared ownership delayed
Former Austin Reed site, Thirsk	On a brownfield site delivering 112 homes in Hambleton, no affordable units are being delivered due to the vacant building credit, despite early intentions to attempt to broker a deal for 6 units on behalf of HE. Despite Local Plan policy requiring 45 units of affordable housing (40% on a	112 market homes under construction; no affordable homes.	45 lost

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Site	Policy context (including affordable housing requirement)	Outcome/Affordable Homes Delivered	Affordable Homes lost or stalled
	market town site) no affordable housing is being delivered on this site.		
Ingleby Arncliffe	Rural village site of 18 units, which has numerous access, utilities, energy, and drainage issues which will increase development costs and reduce viability. There will be a section 106 attached, related to local lettings, but this may jeopardise the ability to obtain Homes England grant for the scheme.	Site delayed; progress very slow. We have been working this scheme up over an 8-year period, throughout this period we have had full support of the community.	18 stalled units
North Northallerton	Local Plan policy should have resulted in 116 units of affordable housing (40%) being delivered as part of Phase 1 (291 units overall). However, infrastructure requirements led to a reduced affordable housing requirement of 39 units (13.4%) being agreed for Phase 1 due to viability issues. Subsequent viability issues, and other significant abnormal costs, have meant that no affordable homes were delivered through the Section 106 agreement on Phase 1 . The issues were exacerbated by higher than anticipated land values, but on a strategic site necessary to be brought forward. These pressures have arguably also affected the design and quality of homes delivered. It is understood that Heylo used Homes England grant to purchase 16 units to sell as shared ownership, however their model does not meet the primary need identified in the area, which is social and affordable rented.	16 grant funded affordable shared ownership homes at 50% of OMV or over. No affordable rent. No unsubsidised affordable housing delivered on a site of 291 market homes.	100 lost
Sowerby Gateway, Thirsk	Infrastructure requirements associated with delivering a new road junction, school and other requirements on this strategic site meant that the final phase of the development delivered no affordable housing.	No affordable housing units delivered in Phase 3	This should have delivered 40% affordable homes.

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Site	Policy context (including affordable housing requirement)	Outcome/Affordable Homes Delivered	Affordable Homes lost or stalled
Scarborough – various rural schemes	There are a small number of schemes locally which Scarborough Borough Council have topped up using commuted sums in order to improve their viability. This then means that the amount of section 106 funds available to use to support delivery of more affordable homes which would not be eligible for Homes England funding is reduced	Homes delivered but local resources to invest in additional affordable housing elsewhere depleted.	£110k of commuted sums was committed to 2 schemes to date. This would potentially result in the loss of at least 4 affordable homes elsewhere as we would normally apply a max. of £25K grant per unit for schemes requiring commuted sum monies.
Heworth Gas Works, York	Site for 607 apartments. Local Plan affordable housing requirement for 20% (121) on site provision for affordable housing although reduced to 104 due to Vacant Building Credit. District Valuer appraisal identified significant abnormal costs for items such as removal of gas infrastructure and ground remediation.	Affordable housing provision equivalent to approximately 10% total approved: 40 apartments and £2.715m contribution (subject to viability review if no reserved matters application).	Equivalent of 43 affordable homes lost, taking commuted sum into account.
British Sugar, York	Site for 1,100 homes. Local Plan affordable housing requirement for 20% (220) affordable housing provision on site. District Valuer appraisal identified significant abnormal costs for items such as provision of new infrastructure and ground remediation.	3% affordable housing approved (33 homes) but subject to on-going viability review.	187 lost

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Appendix 4. Phased delivery of Low Carbon Skills Programme

Profile of projected activities against the revenue and capital spend from the National Skills Fund to up-skill the existing workforce, returners and jobseekers to gain the vocational skills required by a low carbon economy.

Table 9. *Phased delivery of Low Carbon Skills Programme*

Year	1	2	3	4	5
Maturity phase	Development and Design Local low carbon market is small and new	Implementation Low carbon pathfinder businesses are in operation market is still immature	Consolidation Local low carbon market is growing	Managed Local market is maturing national low carbon market is in growth mode.	Optimised and sustainable Local and national low carbon market is maturing and competitive
£10m funding from the National Skills Fund	Expanding existing programmes. e.g. Skills Village to deliver short-term programme Developing a collaborative programme for delivery in Years 2-5 Building capacity through the development of regional provider workforce for the priority programmes Enhancing payments to trainers from Industry	Deliver collaborative Low Carbon Skills programme across the region Building training capacity through the development of training providers workforce. Implementing co-designed dual professional approach Provision of a training premium for inefficient delivery	Working with industry to understand the medium-term skills and workforce needs to collaboratively identify needs and gaps and plan provision Regional delivery model created for additional low carbon programmes Established dual professional approach Establishment of the CoE within region and development of	Implementing regional delivery plan to meet industry workforce needs Reviewing capacity Efficiency and effectiveness reviews of provision Monitoring efficacy KPIs with Employers. Evaluation of cross subsidy model for out of region income generation Development of out of regional low carbon services	Review and enhancement Refining efficacy KPI's Development of longer-term programme (beyond year 5)

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Year	1	2	3	4	5
	<p>Co-design of dual-professional approach</p> <p>Enhanced engagement, communication and support for the low carbon opportunities</p>	<p>Embedding existing programmes and creating new delivery models</p> <p>Enhanced training opportunities targeted at SME's willing to re-skill to low carbon technologies</p> <p>Evaluation of business low carbon requirements</p>	<p>out of region services</p> <p>Creating new programmes in new delivery models</p> <p>Establishing efficacy KPIs with Employers</p> <p>Providing low carbon transformation case studies and building the low carbon community</p>	<p>Providing low carbon businesses insight into the low carbon business demand</p>	
CoE for Low Carbon Training	<p>Feasibility study and options evaluation</p> <p>Development of Strategic Outline Business Case (SOBC)</p>	<p>Development of Outline (OBC) and Full Business Case (FBC)</p>	<p>Dynamic supply and demand platform for low-carbon economy</p>	<p>Developing the UK low carbon community through collaboration initiatives</p>	<p>Supporting the international Low carbon community through innovative partnerships and communities of practice</p>

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Appendix 5. BioYorkshire 10-year programme

Table 10. *Ten-year BioYorkshire programme (£ millions)*

Capital											
Year	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
Innovation central	25	89	37	10	9	0	0	0	0	0	170
District innovation hubs	4	8	8	9	9	6	0	8	8	4	64
Innovation accelerator	0	0	0	0	0	0	0	0	0	0	0
Total	29	97	45	19	18	6	0	8	8	4	234

Revenue											
Year	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
Innovation central	0	11	13	15	15	12	9	9	8	8	100
District innovation hubs	0	2	3	1	3	3	0	0	2	2	16
Innovation accelerator	1	5	9	7	12	6	12	12	8	8	80
Total	1	18	25	23	30	21	21	21	18	18	196

Total											
Year	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
Innovation central	25	100	50	25	24	12	9	9	8	8	270
District innovation hubs	4	10	11	10	12	9	0	8	10	6	80
Innovation accelerator	2	5	9	7	12	6	12	12	8	8	80
Total	30	115	70	42	48	27	21	29	26	22	430

Note: costs of the programme for FY25 and beyond are indicative estimates.

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Table 11. *BioYorkshire Innovation Central – Phase 1 costs and funding requirements (£ millions)*

		FY22	FY23	FY24	Total
Bioeconomy Institute at the University of York					
	Capital funding proposal	5	50	25	80
	Revenue funding proposal		5	5	10
	Subtotal - funding proposal	5	55	30	90
	Expected match funding			5	5
Biorenewables Development Centre					
	Capital funding proposal	4	6		10
	Revenue funding proposal	0.5	2	2.5	5
	Subtotal - funding proposal	4.5	8	2.5	15
	Expected match funding			2	2
Research Cube and new Packaging Hub					
	Capital funding proposal	7	19	6.5	32
	Revenue funding proposal		1	1.5	2.5
	Subtotal - funding proposal	7	20	8	35
	Expected match funding	3	1	2	6
Sustainability Learning Centre					
	Capital funding proposal	5	8		12
	Revenue funding proposal		1	1	2
	Subtotal - funding proposal	5	9	1	15
	Expected match funding	1	0.2	0.2	1
BioYorkshire Agriculture Incubator Hub					
	Capital funding proposal		5	5	10
	Revenue funding proposal		0	0	1
	Subtotal - funding proposal		5	5	10

		FY22	FY23	FY24	Total
	Expected match funding		3	0	3
Bio-science data eco system hub					
	Capital funding proposal	5	1	1.0	6
	Revenue funding proposal		2	2	4
	Subtotal - funding proposal	5	3	2	10
	Expected match funding	1	1	2	3
TOTAL FUNDING PROPOSAL		25	100	50	175

Table 12. *BioYorkshire District Incubator Hubs – phase 1 costs (£ millions)*

		FY22	FY23	FY24	Total
District Incubation Hubs					
	Capital funding proposal	4	8	8	20
	Revenue funding proposal		2	3	5
TOTAL FUNDING PROPOSAL		4	10	11	25
	Expected match funding		4	2	6

Table 13. *BioYorkshire District Incubator Hubs – phase 1 costs (£ millions)*

		FY22	FY23	FY24	Total
Innovation Accelerator					
	Revenue funding proposal	2	5	9	15
TOTAL FUNDING PROPOSAL		2	5	9	15

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ANNEX 3

A Mayoral Devolution Deal for York and North Yorkshire

Summary of our proposal to Government

[July 2020]

DRAFT

1 Introduction

Our vision:

For York and North Yorkshire (YNY) to become England's first carbon negative economy, where people with the skills and aspiration to reach their full potential, earn higher wages and live healthy lives in thriving communities.

York and North Yorkshire (YNY) is a vibrant, diverse and resilient economy, with a GVA of over £19bn and population of 825,000, our region covers 8,300 sq. km and represents one quarter of the Northern Powerhouse. Our proposal presents ambitious plans for devolution; creating a lasting partnership between Government and our region, and ensuring we have the necessary resources and powers to stimulate our economy in the recovery from COVID-19 and 'build back better' over the medium to longer term.

We are committed to securing the strongest possible devolution deal for York and North Yorkshire and propose a MCA with all YNY Local Authorities as constituent members. We will ensure governance arrangements enable strategic leadership at a Mayoral level alongside robust democratic accountability.

We see a Mayoral Devolution Deal for YNY as a critical opportunity for Government to spearhead its local growth and devolution agenda; providing an exemplar to the rest of the North and indeed places across the country for a successful Mayoral model in non-metropolitan city regions. This summary paper outlines our proposals to Government for the Devolution Agreement. Our proposals across each policy area have been put forward on the basis they pass five 'tests' – they must:

- 1) Accelerate economic recovery from COVID-19;
- 2) Support the levelling up of our national economy and economic prosperity for all;
- 3) Deliver on national and local climate change commitments;
- 4) Support the priorities and principles of the YNY Local Industrial Strategy (LIS); and,
- 5) Enable delivery that is more efficient and effective through a place-based, locally tailored approach.

The table below summarises our devolution proposals and the rest of this summary paper outlines each of our proposals by policy area. This is accompanied by a separate, longer-form document which sets out the detail of each and supporting evidence for each of our proposals.

These proposals have been developed with, and are supported by, all Local Authorities within York and North Yorkshire and by the York and North Yorkshire Local Enterprise Partnership (YNY LEP).

We are now looking to progress discussions with Government on the scope of a Mayoral Deal for YNY at pace. We have prepared the ground with our Local Authorities to support detailed discussions over the summer, with the objective of establish a Devolution Agreement with Government alongside the Autumn Budget.

York and North Yorkshire Devolution Deal – Summary of Proposals							
<ul style="list-style-type: none"> £750m (£25m p.a. over 30 years) Mayoral Gainshare Allocation Devolved Local Growth Fund Devolved Shared Prosperity Fund 							
Transport	Digital	Towns and Cities	Housing & Planning	Skills	Business and Innovation	Energy	Natural Capital
Funding Proposals							
<ul style="list-style-type: none"> £250m devolved 5-Yearly Integrated Transport Settlement for the YNY region, as well as revenue funding for pipeline development activity £52.5m funding to deploy ultra-low emission public transport across our region £50m funding to roll out publicly available EV charging facilities across our region £36m funding settlement for bus services to support COVID-19 recovery Devolved and consolidated mayoral transport settlement 	<ul style="list-style-type: none"> Devolve £520m DCMS funding for fibre connectivity across the region £20m Mayoral Smart Investment Fund 	<ul style="list-style-type: none"> £230m devolved Mayoral Towns Fund £64m York Place Fund 	<ul style="list-style-type: none"> £96m Strategic Housing Investment Package: <ul style="list-style-type: none"> £1m matched funding to scale up YNY's strategic planning and delivery capacity £45m funding to establish a revolving credit fund to accelerate the delivery of Off Site Manufactured affordable homes Commitment to a higher grant rate per to plot for rural affordable homes £50m funding to address viability challenges driven by infrastructure and enabling costs 	<ul style="list-style-type: none"> £10m of revenue, as well as capital funding, for a Low Carbon Skills Programme Devolved AEB 	<ul style="list-style-type: none"> £215m for Phase 1 BioYorkshire Programme: <ul style="list-style-type: none"> £175m BioYorkshire Innovation Central £25m BioYorkshire District Incubator Hubs £15m BioYorkshire Innovation Accelerator 	<ul style="list-style-type: none"> Funding for a 5-year place-based Low Carbon Housing Retrofit Programme £8m of development funding for strategic low carbon energy generation projects £42m Low Carbon Energy Generation Demonstrator 	<ul style="list-style-type: none"> £2m funding for the development of a Natural Capital Investment Plan and work with national partners £10m Natural Capital Innovation Challenge Fund
Wider Proposals							
<ul style="list-style-type: none"> Local flexibility over English National Concessionary Travel Scheme statutory requirements Statutory transport plan powers Bus franchising powers Enhanced joint working with Highways England and Network Rail 	<ul style="list-style-type: none"> Co-design of the roll-out of the Shared Rural Network in the YNY region 		<ul style="list-style-type: none"> Spatial plan powers Land assembly and CPO powers Mayoral Development Corporation powers Strategic Partnership with the MoD 	<ul style="list-style-type: none"> Joint working with Government to establish a Centre of Excellence for Low Carbon Technology Skills Enhanced joint working with Government: <ul style="list-style-type: none"> Joint working with the Careers Enterprise Company and National Careers Service Influence spend on unutilised apprenticeship levy funding Stronger links with DWP Joint working with Government to align local and national programmes 	<ul style="list-style-type: none"> Co-development of a Yorkshire Tourism Plan between YNY and Visit Britain to increase high value tourism Support for the redevelopment of Harrogate Convention Centre Support for AMRC Scarborough Enhanced joint working with UKRI and DIT 	<ul style="list-style-type: none"> Joint working with Government to: <ul style="list-style-type: none"> Develop and deliver YNY's Roadmap to become a carbon negative region Develop and implement a pan-Northern Regional Green Bond Accelerate the roll-out of CCUS technology in our region 	<ul style="list-style-type: none"> Tier 2 and Tier 3 ELMs trials and joint working with DEFRA to co-design how ELMs will operate locally

2 Devolved Place-Based Funding – Gainshare, future LGF and the Shared Prosperity Fund

The development of an effective recovery strategy from COVID-19 requires investment and interventions which not only stimulate local economies in the short-term, but seizes the opportunity to address long-standing structural challenges of raising productivity, levelling up the country and supporting the transition to a high-value, low-carbon economy wherein all communities can benefit from, and contribute to, future growth.

Devolved, place-based funding will enable us to plan and invest on a more strategic, long-term and integrated basis across our LIS priorities for Ideas, People, Infrastructure, Business Environment and Places. This flexibility will enable us to maximise the impact of investment against our Good Growth objectives and economic recovery from COVID-19, and ultimately deliver better Value for Money (VfM) for the UK taxpayer from these funding programmes.

We have three key proposals:

- 1) £750m of funding in the form of a Gain Share / Investment Fund settlement, comprising £25m per annum over a 30-year period.** Providing this settlement as revenue funding would provide us with maximum flexibility to invest on an integrated basis and drive economic growth. However, we accept Government's resource constraints, and as such we are seeking a funding split of 25% capital, 75% revenue;
- 2) An extended LGF fully devolved as a multi-year "Single Pot" funding settlement to the MCA** which can be deployed against local priorities alongside the Gain Share settlement, in line with a robust assurance process to be agreed with Government; and
- 3) To work with Government, as a large LEP geography with a city, coastal deprivation and diverse towns alongside some of the most deeply rural areas in country, to develop a fair and fully devolved funding allocation from the UK Shared Prosperity Fund which both addresses the levelling up agenda for the North and works at a national level.**

3 Transport

Our transport network is essential to the health of our economy and the economic prosperity of our communities. We need a transport network that is reliable and efficient to facilitate inclusive economic growth and the recovery from COVID-19, whilst also supporting our ambitions to be a carbon negative region. However, given the expansive nature of our region and mix of urban and rural settlements, we face some unique transport challenges, including: a significant reliance on the private car, and in particular petrol and diesel vehicles; poor interurban connectivity (especially east-west) and rural connectivity; and poor access to the rail network, alongside issues of urban congestion and poor air quality.

We have five key transport proposals:

3.1 Devolved 5-yearly Integrated Transport Settlement for the YNY region

We are seeking a 5-yearly integrated transport settlement of **£250m (£50m per annum) over the period of FY22 to FY26** which can be deployed flexibly against our transport priorities and support our region's economic and spatial plans for growth. **We are also seeking revenue funding to provide increased local capacity to develop and oversee the delivering of the 5-year investment**

programme. This builds on Government’s commitment early this year to provide other MCA areas with 5-yearly local transport funding settlements (from a £4.2bn national pot).

3.2 Funding to deploy ultra-low emission public transport across our region

Bus vehicle emissions are a significant contributor to our local air quality issues and Greenhouse Gas (GHG) emissions. Our three major settlements of York, Harrogate, and Scarborough all have a number of declared Air Quality Management Areas or locations close to declaration limits. In addition, the largely rural characteristics of our bus market mean we face unique challenges in the transition from diesel-engine road vehicle (DERV) buses to ULEVs in our region, specifically:

- Our small, independent bus operators face commercial viability challenges due to the incremental capital costs of ULEV vehicles and supporting infrastructure; and
- Our dispersed population requires longer-distance bus services in areas that are poorly served by traditional charging infrastructure.

We have begun to deliver electric buses in our area where possible, including in York and Harrogate. However, we need a step-up in funding to support a more strategic approach that will facilitate the take-up of ULEVs across our region at the pace and scale required to meet local and national decarbonisation objectives. **We are initially seeking £52.5m funding to commence the first two phases of a three-phase programme for the roll-out of ULEV buses over the next five years:**

- 1) **Phase 1 – FY21 to FY23 (£27.5m):** Deployment of electric vehicles (EV) in York as part of an ‘All Electric Bus Town’ by FY23 and undertaking business case work in FY22 for Phases 2 and 3 to identify preferred solutions for the roll out of ULEVs across North Yorkshire, including engagement with local bus operators;
- 2) **Phase 2 – FY23 to FY24 (£25m):** Deployment of ULEVs in larger North Yorkshire settlements, such as Harrogate and Scarborough, having completed the business case work and engagement with operators in Phase 1; and,
- 3) **Phase 3 – FY24 to FY25:** Deployment of ULEVs in the region’s more rural areas –. This will require further funding to deliver, once detailed work has been completed to identify suitable ULEV solutions for use in rural context and a business case has been established. We are seeking a commitment from Government to consider the business case once it has been developed (anticipated by FY24/25).

3.3 Funding for the roll out of publicly available EV charging facilities across our region

YNY is the largest MCA in terms of both geographical area and road length. The resultant long journey distances alongside the relatively sparse population and limited nature of the electrical grid infrastructure make delivering the necessary step change in EV charging infrastructure to meet our carbon negative region ambition expensive and difficult to deliver.

We are seeking up to £50m funding over the next three to five years to deliver a programme for the roll-out of public EV charging in our cities, towns and rural areas across our region. This will allow us to provide for visitors and workers in our town, our resident population and people undertaking longer distance trips, especially to our remoter areas. This will increase the uptake of electric vehicles in our region, reducing carbon emissions and support a green economic recovery from COVID-19.

3.4 Revenue funding settlement for bus services to support COVID-19 recovery

The impact of COVID-19 on the bus market will be more keenly felt in our region given the significant areas of sparse rurality; potentially leading to a permanent loss of services and smaller operators (which make up a significant proportion of our bus market). This will hamper the post COVID-19 recovery of our visitor economy, stall housing development and growth, and risk social isolation of our deprived and vulnerable communities. As part of our COVID-19 Economic Recovery Plan, we are seeking:

- 1) **£36m of funding over the 5-year period of FY21 to FY25 to help secure the recovery of our bus market to pre pandemic levels.** £2m funding would be used to pump-prime services in response to COVID-19; £33m would be used to develop existing areas of under bus provision in North Yorkshire; and £1m would be used to develop and implement technology-based solutions, based on the principles of Mobility as a Service (MaaS); and
- 2) **Local flexibility over ENTS statutory requirements**, such as enabling the use of technology (e.g. smartphones), instead of the statutorily required pass, as well as the ability to accept a contribution from passengers for concessionary travel which would provide a critical source of additional funding to aid the recovery of our bus market.

3.5 Enhanced joint working and transport powers

In line with other Mayoral Devolution Deals, through a devolution deal for YNY we are seeking a range of enhanced local transport powers and joint working with Government to. This includes:

- 1) **Statutory Transport Plan Powers** to the Mayor, which involve working with the two Local Highway Authorities (LHAs) to jointly prepare and approve a transport strategy and Local Transport Plans for the region;
- 2) Access to **bus franchising powers**, per the Bus Services Act 2017;
- 3) Responsibility for a **devolved and consolidated local transport budget** for the area of the MCA; and
- 4) **Enhanced joint working arrangements** between the MCA and Highways England and Network Rail to determine shared priorities for the region's strategic road and rail networks and better align local and national transport investment plans.
- 5) **Exploration of further Transport for London powers** for devolution to YNY

4 Digital

High quality and widespread digital infrastructure are essential to the growth of the YNY economy, both because of the general trend towards digital business and service delivery, and our rural geography and relatively dispersed population, which can make physical access between settlements or to major centres slow and difficult. Clearly the importance of digital connectivity is amplified under a "new normal" post COVID-19.

At present the coverage of our region's fibre and mobile broadband significantly lags the rest of the country. The low population density of our region means that telecoms operators are unable to take advantage of economies of scale and have a smaller than typical addressable market by geographic size, making private investment commercially unviable. Public investment in our digital infrastructure, and a step-change in the way this is delivered, is required in order to safeguard the

economic prosperity of our communities and level up our economy within YNY and with the rest of the country.

We have three key digital proposals:

4.1 Devolution of national DCMS funding for fibre connectivity

Whilst levels of fixed coverage and accessibility via superfast and ultrafast broadband are improving in the region, coverage remains significantly below the rest of the country and is considerably variable across the YNY area due to our rural characteristics. Under our existing initiatives we expect 93% of all homes and businesses in the YNY region to have access to superfast broadband by 2023, compared to 95% nationally. Given significant funding has been spent within North Yorkshire to achieve this target, this demonstrates the challenge that a rural region brings.

We welcome Government's ambition to deliver nationwide gigabit broadband by 2025, alongside a £5bn commitment to roll out gigabit broadband to difficult to reach areas of country. However, the scale of the challenge to delivering 100% gigabit broadband in our region is estimated to be c£740m. This is based on information available through the existing Superfast North Yorkshire project including the cost of gigabit broadband and the varying scale of cost across different parts of the County. Assuming a 30% contribution from the private sector, we estimate £520m is required through public sector grant funding.

Given the scale of the challenge, and the limitations of a 'one-size fits all' centralised gap-funding approach, **we are seeking to devolve DCMS/BDUK delivery programmes, supported by £520m in capital funding over the period of 2023/24 – 2035/36 to deliver the rapid completion of 100% Superfast broadband coverage, and working to meet the Government's national target of 100% Gigabit broadband by 2025.** We will build on our track record of delivery via the Superfast north Yorkshire (SPNY) Project to roll-out this devolved programme, where we have developed both the capacity and capability to deliver broadband infrastructure at scale. Through a devolved approach we will deliver faster and to the areas that need it most; leveraging our local knowledge to nurture local providers, stimulate demand within communities and ensure a targeted programme designed for the challenging rural landscape, resulting in an efficient programme delivering gigabit broadband to some of the most rural areas of England.

4.2 Co-design of the rollout of the Shared Rural Network in the YNY region

Whilst YNY is supportive of Government's response to the rural digital divide via the Shared Rural Network, we believe local input is required to inform roll-out in our region to maximise VfM from Government's intervention and ensure our region does not fall further behind the levels of mobile connectivity enjoyed by other parts of the country. In the past we have seen a mismatch between the Government's ambition for mobile coverage and how this plays out specifically in our region. In addition, our own survey data suggests that our coverage is worse than what is reported by Ofcom, therefore underestimating the scale of the challenge in our region.

We are seeking to work with Government and industry partners to co-design the roll out of the Shared Rural Network in our region. We believe we bring an informed, local perspective of where investments should be made and how they should be prioritised in order to ensure VfM and maximise the programme's potential contribution to the region. We also believe through joint working this will in turn identify good practice which can be used more broadly to inform Government's approach to supporting mobile connectivity roll out to the UK's other rural regions.

4.3 £20m Mayoral Smart Investment Fund

High quality digital infrastructure, shared data, and new ‘smart’ solutions have a major role to play in addressing our economic, social and environmental challenges as we build back better in our economic recovery from COVID-19. Smart City technologies – including “Internet of Things” (IoT) devices – have the potential to deliver more innovative, cost-effective services in both the public and private sectors.

However, across our region, poor network coverage is a key barrier to the development of new products and solutions. A programme-based approach to Smart Investment across YNY will enable us to achieve economies of scale, support the rapid deployment of IoT technologies and a step-change in the delivery of smart solutions in our region.

We are proposing to establish a **new £20m Mayoral Smart Investment Fund** to deliver four key projects:

- 1) **Procuring and deploying an extension of the Low Powered Wide Area Network (LPWAN)** across YNY’s urban areas and the wider region;
- 2) **Procuring an initial tranche of sensors** for a variety of use cases across YNY;
- 3) **Running Innovation Competitions** to secure private inward investment, incentivise activity by local businesses and educational establishments, and address our challenges where no commercial off-the-shelf solutions exist; and
- 4) **Establish a Knowledge and Skills Hub** to deliver a combination of roadshows and skills workshops, share knowledge in respect of the Smart Cities investments that we are making, provide visibility of the challenges that we are seeking to address through Smart Cities technologies (including Innovation Competitions), and work with businesses to determine how they can use the LPWAN infrastructure.

The investment will support cost optimisation of existing services in a post-COVID-19 economy, improve resilience of our physical assets, improve safety and security for our population, and create a foundation for private sector innovation and investment in our region.

5 Cities and Town Centres

Cities and towns are significant assets to the local economy and community; serving as important centres for housing, public services, and businesses to thrive and contribute to sustainable growth. They are also key drivers of productivity and national growth. Post COVID-19, we need innovative approaches to help repurpose our towns – transitioning them from shopping destinations to places where people can come together regularly to live, meet, work and have experiences. Achieving this requires a place-based approach and a step-up and acceleration of investment.

We have two key proposals:

5.1 Devolved Mayoral Towns Fund

Each of our individual towns differ in terms of their size, history and economic performance, meaning they face common challenges but to different extents. This includes: an ageing population, poor physical and digital connectivity, lower levels of walking, cycling, public transport use, changing social attitudes to the role of town centres, and the need to protect and enhance the natural environment. Whilst COVID-19 has accelerated some of these challenges, it also presents an opportunity to build back better and unleash the potential of our towns in our economic recovery.

We are seeking £230m of a total £420m to deliver Phase 1 (FY22 – FY26) of our ten-year “21st Century Towns” programme through the establishment of a Devolved Mayoral Towns Fund. This programme addresses both the short-term economic impacts of COVID-19 and the long-term challenges we need to tackle for our towns to thrive as more productive places to live and work. Investment across our towns will be prioritised by the MCA, with targeted and tailored investments in five areas of intervention:

- 1) Smart and Enterprising Towns: investment in digital infrastructure and business hubs for businesses to grow and take advantage of new, smart opportunities;
- 2) Active and Transformed Towns: encouraging a shift to sustainable transport through investment in walking and cycling networks, physical improvements to rail stations, and wider place-making and public realm improvements;
- 3) Cultural and Heritage Towns: targeted investments which aim to regenerate and re-energise our cultural, creative and tourism sectors, particularly in the wake of COVID-19;
- 4) Living and Circular Towns: investment in green and blue infrastructure, and testing circular economy approaches at a micro-scale, to make our market towns more sustainable and resilient to climate change; and,
- 5) Growing Towns: targeted investment to pump-prime housing and commercial development through enabling works such as highway and flood management infrastructure.

A place-based investment programme will enable us to prioritise interventions that have maximum impact on economic recovery, achieve cost efficiency, leverage a greater proportion of private investment into our towns and accelerate delivery, thus achieving better VfM.

5.2 York Place Fund

York is our principal city and considered one of the ‘Best’ places to live due to its nationally significant heritage, culture, welcoming residents and enterprising businesses. York’s visitor economy businesses have been disproportionately affected by the COVID-19 lockdown. Key to our region’s economy recovery is re-establishing and growing our main city.

We are seeking £64m (£3m revenue, £61m capital) for a York Place Fund for investment in six, place-led regeneration and cultural activation projects across York between FY21 and FY26. These projects are:

- 1) Phase 1 of York Castle Museum’s Castle Capital Project;
- 2) York Station Frontage Project;
- 3) York Riverside Walkway;
- 4) Regeneration of Castle Gateway;
- 5) Delivering key initiatives within York’s Cultural Strategy; and
- 6) Transforming secondary shopping areas including Acomb and Haxby.

This pump-prime investment will help to build consumer and visitor confidence in the city and enable residents and visitors to engage with the city in new and exciting ways, ensuring that York remains a quality place to live, work and visit.

6 Housing

The provision of high quality, affordable and well-connected housing is essential to meeting the current and future needs of our residents, as well as the success of our economy. Our current annual completions are c1,400 homes above housing need¹, however, this is not just a numbers game. High-skilled and ambitious workers want to live in quality homes with good access to services, leisure opportunities and well-paid jobs.

We face a number of demographic, economic and environmental challenges which impact our ability to deliver high-quality, affordable homes. These include:

- Limited availability of affordable housing is a barrier to attracting and retaining key workers;
- An ageing population which creates unique requirements in terms of the size, type and tenure of housing to enable people to stay living in their own communities;
- Pockets of isolated deprivation across the region, and particularly in our coastal communities;
- Our dispersed population in rural areas are typically characterised by poor connectivity, which prevents residents from accessing economic and social opportunity;
- Our ambition to become the first carbon negative region raises the bar on what is deemed high quality housing;
- Our rurality across much of our geography creates delivery challenges and high infrastructure costs, impacting viability and our ability to deliver affordable housing; and,
- Specific delivery barriers for larger scale and strategic sites due to a lack of capacity and resource post-planning permission, and also due to up-front project and site development costs.

We have two key housing proposals:

6.1 Strategic Housing Investment Package

The demographic, economic and environmental challenges that characterise our housing market mean that, without additional investment, we will not be able to maintain supply levels whilst also providing high-quality, affordable housing to the levels necessary to meet local need and support the growth and prosperity of our region.

To begin to tackle these long-term challenges, **we are seeking £96m of funding between FY22 and FY26 and several non-financial commitments through a place-based Strategic Housing Investment Package. This comprises four elements:**

- 1) £1m of matched revenue funding** to scale up YNY's strategic planning and delivery capacity at the regional level;
- 2) Working jointly with Homes England to establish a commitment to a higher grant rate per plot to unlock the delivery of additional affordable rural homes, and establish a £45m revolving credit fund to accelerate the delivery of Off Site Manufactured and other Modern Methods of Construction affordable homes;**

¹ Based on the 2018 NPPF methodology, and includes East Riding, who are part of the sub-regional Housing Partnership

- 3) **£50m capital funding to address viability challenges driven by infrastructure and enabling costs**, over and above existing national funding processes (i.e. HIF and the new Single Housing Infrastructure Fund); and,
- 4) **A strategic partnership with the Ministry of Defence and the wider public sector to bring forward c20,000 homes** at released sites within our area.

6.2 Enhanced local planning powers to facilitate the delivery of housing and regeneration

In line with other Mayoral Devolution Deals, through a devolution deal for YNY we are seeking a range of enhanced local planning powers. This includes:

- 1) **Spatial Plan Powers** which will give the Mayor the power to create a Spatial Development Strategy for the YNY area;
- 2) **Land assembly and compulsory purchase powers** which would be complementary to the development of a Spatial Development Strategy and would provide the Mayor with the ability to ensure that development coming forward at a local level is consistent with the Spatial Strategy; and,
- 3) **Power to designate a Mayoral Development Area and to create Mayoral Development Corporations** which will support the delivery of strategic sites in the YNY area.

7 Skills

A critical component of our plans to transition to a carbon negative, circular economy enabling our skilled and experienced workforce to realise their full potential and building career pathways that attract and retain young talent. This is a long-term approach that starts now, by matching young people's appetite for tackling climate change with their expectations for finding local employment opportunities. We must provide clear pathways to good job opportunities for the younger generation, whilst retaining the skills of older workers for as long as possible. New technologies that enable automation, digitisation and the transition to a carbon negative future will demand that people currently in work re-skill in order to remain in productive employment for longer.

We have three key skills proposals:

7.1 Low Carbon Skills Programme

Our vision to become England's first carbon negative region, and indeed meet Government's own net zero targets, will require significant reskilling of the workforce and investment in our skills infrastructure. Meanwhile, the impacts of COVID-19, on top of background trends in automation and the costs to industry of decarbonising, increases the pressure on Small and Medium Enterprises and puts a significant number of jobs at risk. This also presents an opportunity to build back better – providing our residents with the choice of new sustainable, higher-paid jobs and supporting the long-term growth and economic prosperity of our region.

To deliver this vision will requires new and flexible funding that can quickly meet the emerging needs of our region, which is not possible through traditional mechanisms. We are therefore seeking to establish a new, place-based and industry-led Local Carbon Skills Programme, which we will develop and implement to support those businesses whose employees need to re-train to meet the future needs of a carbon negative region. To deliver this, our ask of Government is twofold:

- 1) **£10m of funding, which could be resourced from the National Skills Fund, to up-skill the existing workforce, returners and jobseekers and help them gain the vocational low-carbon skills in immediate demand**, especially from the automotive and construction industry. This includes revenue funding to deliver the training programmes and capital funding for training equipment, alongside funding that will be secured from industry and delivery partners; and
- 2) **Joint working with Government to establish a Centre of Excellence (CoE) for Low Carbon Technology** which will be both a regional hub and national exemplar for a coordinated, industry-led approach to developing a low-carbon workforce and provide a position example of cross-LEP collaboration with the Hull and Humber region.

7.2 Devolved Adult Education Budget

In line with other Mayoral Devolution Deals, we are seeking to devolve the Adult Education Budget, commencing from the academic year 2021/22, subject to readiness conditions. Upon devolution, YNY will be responsible for making allocations to providers and accountable for adult education outcomes in the region, consistent with statutory entitlements. We recognise these arrangements would not cover apprenticeships or traineeships, even though the latter is funded through the AEB.

7.3 Enhanced joint working with Government

In line with other Mayoral Devolution Deals, through a devolution deal for YNY we are seeking an enhanced working relationship with Government across the skills agenda. This includes:

- 1) **Joint working with the Careers Enterprise Company and National Careers Service** to ensure local priorities shape the provision of local careers advice;
- 2) **Influencing spend on unutilised apprenticeship levy funding** to maximise investment in apprenticeships and promote the benefits of apprenticeships to local employer;
- 3) **Stronger links with DWP** to co-design the future employment support for the hardest-to-help claimants; and,
- 4) **Joint working with Government to align local and national programmes** in order to make the most efficient and effective use of skills funding in our region, and ultimately deliver better outcomes for residents and maximum VfM for the taxpayer.

8 Business and Innovation

Creating the right conditions to drive up the productivity of businesses and level up our national economy is more important than ever as we look to economic recovery from COVID-19. Whilst job growth in our region has broadly matched the rest of the UK in recent years, much of this growth has been in lower productivity sectors, particularly the visitor economy. These lower-value sectors have been severely hit by the COVID-19 lockdown. However, the economic recovery from the pandemic also presents an opportunity to build back better, with high value and environmentally sustainable businesses providing better-paid job opportunities for our residents. This needs to build on our unique innovation and industrial capabilities; including our world leading bioeconomy and agri-tech innovation assets, alongside industrial innovation including carbon capture and storage. Together creating an opportunity to increase productivity in our key sectors (agriculture, food and drink, tourism) whilst decarbonising our economy at the scale and pace required.

We have five key business and innovation proposals:

8.1 Co-development of a Yorkshire Tourism Plan between YNY and Visit Britain to increase high value tourism

The visitor economy is a major part of our regional economy, contributing £2.67bn (or 6% of GVA). According to Visit England, North Yorkshire receives the most holiday visitors in Northern England and is third in the UK overall (after London and Cornwall). Whilst much of the region's employment growth has come in visitor economy jobs, one in four of regional jobs pay below the real living wage; increasing to one in three in coastal areas where tourism is most prominent. Reducing seasonal jobs and increasing high value tourism is fundamental to driving productivity in our region and supporting the economic prosperity of our communities. Particularly as the visitor economy is forecast to be one of the most affected by COVID-19.

To help the transition to a higher value tourism sector, we need a strategic approach which brings together public and private sector partners to develop heritage, culture and visitor products alongside complimentary hospitality services (i.e. accommodation, food and drink etc.).

We are seeking to work in partnership with Visit Britain to develop a short and long-term Yorkshire Tourism Plan; increasing the cohesion between national campaigns and local ambitions.

Our proposal is twofold:

- 1) **For DCMS and Visit Britain to formerly become members of the managing board responsible for developing the tourism strategy for Yorkshire**, ensuring alignment of Yorkshire's product offering with Visit England priorities to enable joint investment in future campaigns; and
- 2) In support of our tourism strategy, we propose **Visit Britain host the 2021 Visit Britain International Trade Exhibition 'ExploreGB' in YNY.**

8.2 Support for our proposals to redevelop Harrogate Convention Centre, currently a Nightingale Hospital

Harrogate Convention Centre, currently operating as a Nightingale Hospital, represents an important economic asset to the Region, bringing 157,000 visitors per year and £29m of spend. Investment in the Convention Centre's facilities could increase both the number of visitors to and spend in the Region and will allow us to compete against other National Centres to attract businesses and grow our economy.

We are seeking to work with Government to address the capital funding gap we have identified through our business case work to date. This support would align closely with the Government's economic recovery approach and help to level up the economic performance of our visitor economy.

8.3 Support for AMRC Scarborough

In partnership with the University of Sheffield and private sector partners, we are developing a Strategic Outline Case for a new Advanced Manufacturing and Research Centre (AMRC) satellite location at Scarborough. The AMRC Scarborough will leverage the area's existing, high value manufacturing base and focus on the development of next generation manufacturing processes for existing and emerging sectors in Scarborough and our wider regional economy (including low carbon energy).

We are seeking engagement from UKRI as we develop the business case for AMRC Scarborough with local partners over the next 6 months, and a commitment from Government to consider the business case when it is finalised in the autumn.

8.4 Enhanced joint working with Government

In line with other Mayoral Devolution Deals, through a devolution deal for YNY we are seeking enhanced joint working with Government to coordinate activity around trade, investment and R&D across our region. This includes:

- 1) **Joint working with DIT** to coordinate activity around key sector and market priorities across the region; and,
- 2) **Joint working with UKRI** to support the development and implementation of our LIS, particularly building on local strengths in the bioeconomy, advanced manufacturing, and high value tourism.

8.5 BioYorkshire

Tackling climate change, ensuring a resilient, sustainable supply of key resources and meeting growing food demand will all require innovation and growth in the bioeconomy and forms an essential component of a green recovery programme. We are uniquely placed and ready to pioneer a new, strategic approach to investment in the bioeconomy given our combination of world-leading assets, which include:

- Globally leading institutions in bio-science research via University of York (UoY) and Fera Science, translational facilities (Bio-renewables Development Centre and Crop Health and Protection), and land-based training at Askham Bryan College.
- Significant natural capital – agricultural businesses account for 61% of our land use, and our region includes the UK’s largest area of energy crops.
- A significant cluster of businesses in the food, drink and agriculture industries that provide a market for adopting new bio-based processes, products and services. These industries are three times more concentrated here than nationally, and our region is home to supermarket headquarters such as Asda and Morrisons, and major food and drink businesses such as Nestlé, McCain and Quorn.
- Connectivity into two of the UK’s most significant chemical clusters on the Humber and Tees giving us a direct route to commercialisation of technology via direct transport links and existing relationships between our businesses and institutions.

We have developed the “BioYorkshire” innovation programme with local public and private sector partners which will establish the region as the UK’s global Centre of Excellence for bioeconomy solutions. The programme is expected to require £430m of Government funding over 10 years and leverage a minimum of £570m in third party contributions. **We are seeking £215m of funding for delivery of Phase 1 of the BioYorkshire innovation programme over the next 3 years (FY22 and FY24). There are three elements to the Phase 1 programme:**

8.5.1 BioYorkshire Innovation Central (BYIC)

YNY is home to a high proportion of businesses that are ‘innovation active’ within their own company (i.e. conducted activities such as knowledge transfer, introducing new or improved products or services, or investing in R&D within the past three years). BioYorkshire Innovation Central (BYIC) will develop an innovation ecosystem that connects academia, industry and policy makers and enables knowledge flow between businesses in different sectors.

This ecosystem will enable R&D and roll out of technology across the full range of industries in the bioeconomy, alongside a bioeconomy skills academy aimed at providing both the STEM and soft skills that businesses and farms need to innovate and grow. The academy will run across the three

ANNEX 3

institutions offering training and education co-developed with businesses from post-16 T levels, apprenticeships, higher levels through to post-graduate and continuing professional development. It will include programmes for displaced and newly unemployed people. With our agriculture and business partners we will create a cohort of people with the right mix of skills to match the pace of technology development and ensure innovation translates into jobs and productivity gains both in our region and across the North.

For Phase 1 of the BYIC programme we are seeking **£175m (£151m capital and £24m revenue funding) between FY22 and FY24**, which we expect to leverage a further contribution of £20m in this period, to deliver six, integrated projects:

- 1) £90m for the upfront construction and equipment costs for a new industry facing interdisciplinary **Global Bioeconomy Institute at the University of York** as well as a phased contribution to staff costs associated with delivery of the Institute's strategic aims in collaborative R&D, as well as education and training;
- 2) £15m to increase the capacity and capabilities of the **Biorenewables Development Centre (BDC) in York** through new equipment and additional skilled scientific officers and business development staff across a broader range of biorefinery technologies;
- 3) £35m for the upfront construction, equipment costs and operating costs for a **new Research Cube and Packaging Hub in York**, which are research testing facilities that will house strategic R&D at the **National Agri-Food Innovation Campus and Sand Hutton, in partnership with Fera Science and Ocado**;
- 4) £15m for the construction and operation of a **new Sustainability Learning Centre at Askham Bryan Agricultural College** with learning space and specialised STEM facilities;
- 5) £10m for the construction and operation of a new **Bio-Yorkshire Agriculture Incubator Hub at Askham Bryan College** offering 20 start-up spaces for applied practical and agri-tech business; and
- 6) £10m to invest in the equipment for a **Circular Economy Data Hub distributed across and building on existing knowledge and hardware at Fera Science and the University of York campus** as well as initial operating costs (for staff, dataset procurement and management and marketing).

8.5.2 BioYorkshire District Incubator Hubs

Bio-based entrepreneurs and SMEs, particularly in our rural areas, do not have local access to facilities and affordable space to start up and scale-up, as this activity and academia networks is largely concentrated in our city and larger towns.

Bio-Yorkshire District Incubator Hubs will provide facilities and affordable space for entrepreneurs outside of traditional city locations – be that rural, coastal or urban. The hubs will provide entrepreneurs and SMEs with access to resources to develop projects, including links to BYIC's world leading agri-tech and biotechnology experts and links to the breadth of industry and knowledge via the proposed Bio-Yorkshire Accelerator (see next section). These hubs will also be set up to **enable cross-fertilised innovation across different sectors**, such as fashion/textiles or digi-tech as a wide range of start-ups can rent space in these hubs.

The hubs will be a combination of adapting existing buildings, brownfield sites or new builds, and will be designed to be carbon neutral facilities. To support this, an anaerobic digester will be

established nearby, taking biowaste from the hub and locality to in turn, provide heat and energy for the hub and local community. Thereby demonstrating viable carbon neutral possibilities for all.

In Phase 1, we are seeking £25m (£20m capital and £5m revenue funding) between FY22 to FY24 to construct and equip three new district hubs and anaerobic digesters in Scarborough (coastal-based), Ryedale (rural-based) and York (urban-based) by February 2023 and kick-start their operations.

We have prioritised these three locations for Phase 1 based on a number of factors, including engagement with existing bioeconomy activity and their accessibility to and from York with UK arterial roads and rail infrastructure.

8.5.3 Bio-Yorkshire Innovation Accelerator

Bio-Yorkshire Accelerator's primary purpose is to address the lack of connectivity between academia, industry, investors and the public sector, as well as between industry sectors within and beyond Yorkshire to promote the adoption of and investment in innovation. There are three key areas of focus: fostering connectivity between academia, SMEs, industry and investors; encouraging bio-based entrepreneurship; and bringing global visibility to Bio-Yorkshire as a UK Centre of Excellence.

In Phase 1, we are seeking £15m of revenue funding between FY22 to FY24 to roll-out the Accelerator resource (£3m) and match funding incentives (£12m) across the region and industries. These activities will be supported by a consortium of organisations, including the LEP and Federation of Small Businesses; spearheaded by BioVale, the University's existing bioeconomy network and training organisation. Importantly, accelerator activity can start immediately once the programme is approved, since it is not reliant on new builds or equipment. These activities will take place across BYIC, the District Incubator Hubs as well as speaking at and taking part in events across the world.

9 Energy

Our ambition to become England's first carbon region is made possible by our unique innovation and industrial capabilities; our nationally significant business base in low carbon energy (such as Drax); along with the diverse and extensive landscape and natural capital owing to our rural geography. Taken together, this means we have the potential to deploy high capacities of renewables and host future large-scale Carbon Capture, Usage and Storage (CCUS) plants.

Many sectors will have to take significant action to meet the net zero target and in doing so there is a clear need for a locally-led, place-based approach in particular energy solutions, including decarbonising heating systems; improving energy efficiency; and local renewable electricity generation to meet current and future growth needs. This is alongside embedding low carbon across all of our traditional policy areas – from transport, housing and town centres through to skills and business support.

We adopted our Local Energy Strategy in February 2019, and in November 2019 became the first LEP to develop and start implementing a Circular Economy Strategy. We have developed a network of over 200 partners and wider stakeholders to support the implementation of these strategies and have developed a pipeline of low carbon energy projects and collaborative circular economy initiatives. Against this background, we are seeking to work jointly with Government to develop and finalise our long-term roadmap to become carbon negative by 2040, as well as funding for the roll-out of short-to-medium term low carbon energy interventions to begin delivering on our ambition.

We have six key energy proposals:**9.1 Joint working on YNY's Roadmap to become a Carbon Negative Region**

Whilst we are very supportive of the decarbonisation work Government is undertaking at a national level, this needs to be complemented by a local, place-based approach for achieving carbon neutrality and our local ambition to be carbon negative. This requires a strategic and holistic approach to the planning and delivery of interventions in our region.

We have already completed a significant amount of work through our Carbon Abatement Study, working in partnership with key local players to develop a comprehensive and deliverable Road Map for decarbonising our economy, with an aim to finalise this work by early 2021. **It is critical that this work locally fits into the national approach and, to ensure this alignment, we are seeking joint working with Government over the next 12 months to finalise our Road Map to become carbon negative and deliver it over the medium-term.**

From this joint working we will be able to capture lessons learnt from our work to inform wider national policy and tackle challenges faced in implementation that cannot be solely resolved regionally.

9.2 Funding for a five-year place-based Low Carbon Housing Retrofit Programme

Decarbonisation of existing buildings and homes is a fundamental but challenging requirement in the transition to net zero. Given the upfront costs of retrofit for energy efficient and low carbon heating, public intervention and innovative funding and financing approaches will be required in order to decarbonise the existing property stock at pace and scale.

Our region has a high portion of energy inefficient housing, with 68% of our housing stock (257,000) currently below EPC Level C, with a high number of off gas grid properties (~71,000) which face additional barriers to decarbonisation. Whilst YNY are supportive of Government's proposed scheme to support the fuel poor off gas grid properties, this leaves 66% of our housing stock (249,000 homes) still requiring retrofit.

There is a strong case for a place-based solution to address this gap; tackling the location-specific characteristics of our housing stock and building a strong local value chain, including maintenance and repair. **We are seeking funding for a 5-year, place-based Low Carbon Housing Retrofit programme, commencing in FY22, to provide whole retrofit solutions for private housing targeted at decarbonising heating and achieving a minimum of EPC Level C.**

This programme will be designed to maximise the use of public funds, unlock additional private capital and will comprise a package of integrated interventions, including: working with industry to achieve cost reduction; establishing low cost financing options; and offering grants to bridge any remaining funding gaps.

9.3 £8m to develop strategic low carbon energy projects

There is a need to dramatically ramp-up the deployment of low carbon generation in our region from current levels, which are significantly below the national average.

Most of the projects within our region remain in concept stage and in the absence of public support to kick-start their development, will not progress to being 'investment ready'. Local funding constraints mean we lack sufficient capacity and capability to provide this support. However, this investment pipeline is critical to achieving a green recovery from COVID-19.

We are seeking £8 million in revenue funding between FY21 and FY25 to scale up our strategic capacity at the regional level and provide flexible, wrap-around project development support, covering three different services in the development cycle of projects:

- 1) Pre-feasibility support;
- 2) Funding for feasibility studies; and
- 3) Business case development.

This will support development work for local authority-led projects, non-rural community energy projects and innovative projects which involve private and public sector collaboration.

9.4 £42m for a Low Carbon Energy Generation Demonstrator Programme

Increasing low carbon generation in our region is a key component to meeting our carbon neutral negative ambitions and contributing towards the Government's Net Zero target. However, many projects which represent close-to-market solutions face barriers in accessing funds to demonstrate their innovative business models or trial new technologies.

We are seeking £42million of funding between FY22 and FY27 for a Low Carbon Energy Generation Demonstrator. The 5-year programme will look to support an estimated 15 low carbon energy projects through a grant which will be match funded by applicants. Candidate projects are expected to be within one of the following areas:

- Community Energy Demonstrator Projects
- Novel technologies demonstrator projects
- Business model innovation projects

The programme will demonstrate projects that operate at an area-wide and/or whole-systems scale; delivering substantial carbon savings, energy supply resilience and employment opportunities through the technology value chain. The programme will also provide an approach that can be replicated in other areas across the country, thus providing solutions that will enable us to 'build back better' both regionally and nationally in a green recovery from COVID-19.

9.5 Joint working with Government to develop and implement a pan-Northern Regional Green Bond

We have a large volume of small-scale low carbon projects in our local authority pipeline which are self-funding in the long run but require upfront financing. The costs of PWLB borrowing have increased, and whilst there is a significant amount of private capital available, this tends to be invested into funds rather than individual projects due to the disproportionately high transaction costs of small-scale, and often low return, low carbon projects.

An innovative approach to financing is required which delivers a high volume of low carbon local authority projects in our region and across the North. Through our work as part of the NP11, we have identified a pan-Northern municipal 'Green Bond' as offering significant potential to deliver a high volume of projects, flexibility to fund projects of any size, and cost savings compared to PWLB.

We are seeking support and input from Government as we develop our proposals to use the UK municipal bond agency to raise a circa £300 million Green Bond for an estimated 20 local authority projects across the North, which we expect to be deliverable between FY23 and FY26.

9.6 Joint working with Government to accelerate the roll-out of carbon capture, utilisation and storage technology

CCUS is set to play a pivotal role in the decarbonisation of the UK economy, particularly when it comes to decarbonising emissions from the power sector and industry. Through work to date on our Carbon Abatement pathways study, independent analysis and modelling has shown that no pathway reaches net zero without negative emissions from Drax Power Station using bioenergy carbon capture and storage (BECCS), and we have the potential to become carbon neutral by 2034 if BECCS is fully operational at scale by 2030 (under this scenario, Drax can sequester over 17MtCO₂ per year by 2040 – compared to the region’s current total emissions of 7.7MtCO₂). North Yorkshire is expected to host large-scale, centralised power plants and export most of its power. Early CCUS and hydrogen infrastructure is likely to be located around Drax in Selby, therefore YNY is positioned to be a net power exporter compared to some of its neighbouring regions, such as West Yorkshire, which has limited distributed generation and is likely to rely on electricity imports.

However, without a defined business model for carbon sequestration and a clear roadmap to developing the required supporting infrastructure CCUS currently faces material barriers to deployment.

Given the scale of the challenge and the need for a national approach, we are seeking to work with Government to accelerate the roll-out of CCUS technology in our region. With Drax Power Station located in our region, we believe we bring a unique and informed perspective of the specific barriers faced in the nascent industry and through joint working we will identify blockers to change and co-develop policy and industry solutions.

10 Natural Capital

We have the ambition to be a circular, carbon-negative region, and pioneer innovative farming and land management approaches and climate change adaptation solutions which supports clean growth and helps to level up our national economy. We are uniquely positioned to meet this ambition – with two National Parks, three Areas of Outstanding Natural Beauty, over 70% of our geography used for agriculture, natural capital representing 11% of our GVA, and the ability of natural capital to sequester carbon.

We have conducted a significant amount of work over the past four years to build partnerships for collaborative working, identify the data available to inform policy development, and identify opportunities for the public sector and businesses to co-invest in landscape outcomes. We are looking to build on this work to achieve a step-change in how we plan, prioritise and fund investment in our natural capital as part of achieving a green recovery and decarbonising our economy over the medium to long-term.

We have three key natural capital proposals:

10.1 Development of a Natural Capital Investment Plan working with national partners

There is currently a fragmented landscape for planning, funding and delivering natural capital investments in our region, as well as a lack of quality data for informed decision making. Whilst we work closely with our different national partners, and have invested significant local resource into development of our policy evidence base to date, we need a more strategic, integrated and long-term approach to investing in our natural capital if we are to progress local and national environmental objectives at an accelerated pace.

We are seeking £2m of revenue funding over the next five years (FY21 to FY25). In the first two years we will scale up our capacity at the regional level and develop a Natural Capital Investment Plan by 2022, working in partnership with the Environment Agency, Natural England, Historic England and the Forestry Commission. In FY23 onwards, revenue funding will be used to build our regional capacity to develop and deliver the Plan's pipeline of interventions.

The Natural Capital Investment Plan will provide an integrated spatial plan of interventions in our region over the next 25 years; a framework for prioritising interventions; a funding strategy for delivering our prioritised programme; and a performance monitoring approach.

10.2 Tier 2 and Tier 3 Environmental Land Management trials and joint working with DEFRA to co-design how ELMs will operate locally

DEFRA's draft proposals for the ELM scheme recognise the role of local areas in incentivising the management of land in a way that delivers locally targeted environmental outcomes, as well as contributing to national objectives.

We are seeking to work with DEFRA to co-design and test the national support programme alongside a targeted spatial Tier 2 and Tier 3 trial in YNY.

We have carried out much of the groundwork in building relationships with local farmers and land managers, meaning we are ready to start co-design work right away in 2020 with a view to establishing a Tier 2 trial at scale and a transformational landscape scale Tier 3 trial in 2021. This would inform the full roll out of the ELM scheme from 2024 onwards.

We are uniquely placed to trial Tier 2 and Tier 3 ELMs and inform DEFRA on how the ELM scheme will operate locally and nationally, owing to our:

- 1) Established relationships with an engaged farming community that is open to change,** providing us with direct insight into the local challenges that farmers are looking to address as they take their business forward;
- 2) Extensive experience in delivering positive environmental outcomes from land management interventions and partnership working,** including three existing ELM scheme trials, the largest nature recovery land management project in England, and projects such as the Foss Catchment Project, which is being managed by North Yorkshire County Council (NYCC) on behalf of the Environment Agency and delivered by the Yorkshire Wildlife Trust; and,
- 3) Successful working relationship with DEFRA** on business support initiatives, such as through the LEP's Grow Yorkshire programme.

DEFRA has already recognised the significance of our region to the design of the ELM scheme in the 2-year Payment by Results trial managed by Natural England and the Yorkshire Dales National Park and involving over 30 farmers, an ELM test and trials project involving our Forest of Bowland, Nidderdale and North Pennines AONBs and a further test and trials project in the North York Moors National Park (NYMNP). Building on this and drawing on our vision, established relationships with our farming sector and strong partnership working with DEFRA, we want to provide an exemplar which can drive change across the UK.

10.3 Natural Capital Innovation Challenge Fund

DEFRA's 25 Year Environment Plan recognises the critical need to increase private sector investment in order to enhance our natural capital. However, as public goods, the market undervalues natural

capital, leading to under investment and natural capital degradation which generates negative externalities such as water pollution, deforestation and poor soil quality.

More innovative policy and public sector intervention are required to create market mechanisms which capture and monetises the financial benefits to businesses from investing in the natural environment.

We are seeking £10m over five years (FY22 to FY26) to operate an Innovation Challenge Fund to increase private investment in our natural capital. The Fund will:

- 1) Support engagement and set-up costs to establish a Landscape Enterprise Network in our region; and
- 2) Support two forms of funding competitions: small scale grants of up to £25,000 for smaller projects to develop new concepts over a short timescale; and up to 50% match-funding of between £25,000 and £500,000 for larger projects. These funding competitions will be open to businesses, NGOs and public bodies, however all proposals will be specifically targeted at identifying and demonstrating new models for increasing private investment in natural capital.

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CITY OF YORK COUNCIL

EQUALITY IMPACT ASSESSMENT FORM

1	Name and Job Title of person completing assessment	Will Boardman Head of Corporate Policy and City Partnerships
2	Name of service, policy, function or criteria being assessed	Proposed submission of devolution asks to Government
3	What are the main objectives or aims of the service/policy/function/criteria?	<p>Alongside the other neighbouring councils of York and North Yorkshire, the proposal is to submit a set of “Asks” for the Government to consider which would form the basis of a devolution deal for York and North Yorkshire.</p> <p>The “Asks” are based on supporting the following vision: <i>For York and North Yorkshire (YNY) to become England’s first carbon negative economy, where people with the skills and aspiration to reach their full potential, earn higher wages and live healthy lives in thriving communities.</i></p>
4	Date	

Stage 1: Initial Screening

5	What evidence is available to suggest that the proposed strategy/ service/policy/function/criteria could have an adverse impact on quality of life outcomes ¹ for people from the protected characteristics? Document the source of evidence, (e.g. anecdotal, research-including national or sectoral, results of
---	--

¹ See appendix 1

engagement/consultation, monitoring data etc) and assess relevance of impact as: Not relevant / Low / Medium / High.			
Protected Characteristic	Not relevant	L/M/H	Source of evidence that there is or is likely to be adverse impact
a	Race	X	The decision at this point is whether to submit these asks to Government. This would result in the potential for greater investment in the region. Overall, there is no evidence that this would be detrimental to any communities of identify, with the potential for it to be significantly positive. If the asks are submitted and Government responds with a proposed deal, the individual aspects of it will be assessed against each protected characteristic.
b	Religion / Spirituality /Belief	X	
c	Gender	X	
d	Disability	X	
e	Sexual Orientation	X	
f	Age	X	
g	Pregnancy/maternity	X	
h	Gender Reassignment	X	
i	Marriage and Civil Partnership	X	
j	Carers	X	
If you assess the service/policy/function as not relevant across ALL the characteristics , please proceed to section 11.			
If you assess the service/policy/function as relevant for ANY of the characteristics , continue to Stage 2, Full Equality Impact Assessment.			

Stage 2: Full Equality Impact Assessment		
6	Are there any concerns that the proposed or reviewed service/policy/function/criteria may be discriminatory, or have an adverse impact on members of the public, customers or staff with protected characteristics?	
a	Public/customers	
b	Staff	
If there are no concerns , go to section 11.		

If there are concerns , go to section 7 amend service/policy/function/criteria to mitigate adverse impact, consider actions to eliminate adverse impact, or justify adverse impact.		
7	Can the adverse impact be justified? E.g. in terms of community cohesion, other legislation, enforcement etc. NB. Lack of financial resources alone is NOT justification!	
8	What changes will you make to the service/policy/function as result of information in parts 5&6 above?	
9	What arrangements will you put in place to monitor impact of the proposed service/policy/function/criteria on individuals from the protected characteristics?	
10	List below actions you will take to address any unjustified impact and promote equality of outcome (as in appendix 1) for individuals from protected characteristics. Consider action for any procedures, services, training and projects related to the service/policy/function/criteria which have the potential to promote equality in outcomes as in appendix 1.	
Action	Lead	When by?

11	Date EIA completed	
<p>Author: Will Boardman Position: Head of Corporate Strategy and City Partnerships Date: 15/07/20</p>		



Executive**23 July 2020**

Report of the Assistant Director of Regeneration, Economic Development and Asset Management
(Portfolio of the Executive Member for Finance and Performance)

and

The Assistant Director of Communities and Culture
(Portfolio of the Executive Member for Culture, Leisure and Communities)

Library Lawn Lease**Summary**

1. The Council's library operator Explore York Libraries and Archives Mutual Limited ('Explore') have a lease of York Library until 31st March 2034 with communal/shared rights to use: (i) 'Library Lawn' for occasional events and (ii) an associated 'Store' for storage of goods and materials in connection with the operation of York Library. This report seeks permission to grant Explore a lease of the Library Lawn and the 'Store' for exclusive use by Explore for cultural activities.

Recommendations

2. Executive are asked to:
 - 1) Agree to the granting of a lease of Library Lawn and the St Leonards Hospital Ruins (Store) to Explore York and Archives Mutual Limited (Explore) until 31 March 2034 under the terms as set out in the report to enable them to deliver Cultural activities. (subject to consideration by Executive at a later date of any comments or objections received from the public in response to the Section 123 open space notice regarding library lawn referred to below)

Reason: To allow Explore to use the space in connection with the operation of York Explore Library and sublease to third parties to generate income.

- 2) Agree to the publication of notice in local newspaper advertising the proposal to grant a lease, as Library Lawn is 'open space' land used by the public for recreation

Reason: This is a statutory requirement under Section 123 of the Local Government Act 1972 before a lease or other disposal of open space land can be granted by a local authority

Background

3. On 26th March 2019 the Council granted Explore a lease of York Explore library premises commencing 1st April 2019 until 31 March 2034 as part of operating the Council's Library and Archives facilities pursuant to a service contract between the Council and Explore. The Library Lawn and the Store are adjacent to the main library.
4. Library lawn and the Store are owned by the Council and have never been leased before, however Explore have the non-exclusive right under their York Explore lease to shared/non-exclusive use of:
 - (i) library lawn on an occasional temporary basis for the purpose of displays and exhibitions ancillary to the operation of York Explore
 - (ii) associated 'Store' for storage of goods and materials in connection with the operation of York Library.
5. The council no longer need to use the Store and hence it is proposed that Explore be granted a lease of the Store, along with the Library Lawn whereby they can utilise it fully.
6. Library lawn has been the subject of a Time Team excavation in the past which explored the history of the area. It has also been used for a number of festivals – most notably Bloom and as a garden for the people of York. Films have been shown in the Undercroft and there have been theatrical performances towards the tower.
7. The library lawn is considered to be public open space as it is understood that members of the public have occasionally used it for informal recreation. A public footpath/right of way runs in between library lawn and the library building (from Museum Street through to Museum Gardens). The public right of way would not be affected by the proposed lease and access remains to the Multangular Tower and Roman Walls for residents and visitors to enjoy.

Proposal

8. Explore have a long term ambition to develop Library Lawn (as part of the Mint Yard area) into an exhibition space. The Mint Yard as a whole includes the Roman Walls (especially the Multanglar tower), the Anglian Tower and the St Leonard's Hospital ruin. Along with the library building, that gives the history and shows the significant elements of the Mint Yard.
9. Explore's plan is to form a partnership with interested organisations such as; the Council, York Museum's Trust, York Walls, etc. to vision a project that will allow interpretation of the Walls and St Leonards Hospital, using digital technology to show people what happened in the spaces throughout the ages. Having a space to exhibit the archives will allow Explore to tell the history of York through its records and will bring a much loved ruin back into use.
10. The long term proposal will take significant time and funding to achieve, therefore Explore are requesting the ability to sublease the Library Lawn in the short term to enable them to generate income with any proposal be subject to a planning application process.
11. Annex A shows the site plan of Library Lawn with the proposed areas to lease to Explore. The blue outline area shows the part of Library Lawn and the red line shows the part of the St Leonards Hospital Ruins store to be leased to Explore for exclusive use. The brown hatched area shows the public right of way which will not be affected.

Consultation

12. Explore have committed to ensure all stakeholders are consulted when it has firm proposals for Library Lawn in the development of short or long-term plans:
 - a. Local Ward Councillors
 - b. York Explore – Friends of the Archives
 - c. The Council's Archaeologist & City Walls Manager
 - d. York Civic Trust
 - e. York Georgian Society
 - f. Yorkshire Philosophical Society

- g. York Museums Trust
- h. York Minster
- i. Historic England to get advice on the Scheduled Monument Consent implications.

Options

- 13. Members have the option to support or reject the proposed lease to Explore.

Analysis

- 14. This proposal to offer Explore a lease of the library lawn at a peppercorn rent, is a further commitment to support the Council's library and archives service to develop and flourish, whilst offering Explore an opportunity to diversify in generating significant income that will underpin Explores business plan to maintain the level of public libraries in York.
- 15. Explore are best placed to utilise library lawn and this has always been the Council's intention, working collaboratively with wider stakeholders to ensure future proposals can be brought forward by Explore as a social enterprise.
- 16. The option to reject this proposal would limit Explores ability to work with partners on longer term projects and limit the use of Library Lawn to temporary events and activities of a more pop up nature.

Council Plan

- 17. The proposals in this report further the priorities in the Council Plan with regard to: Safe Communities and Culture for all.

Implications

- 18. **Financial** – The proposal is for the Council to lease Explore the exclusive use of Library Lawn and the Store for a peppercorn rent, allowing Explore to generate income from cultural activities that will be reinvested back into our public library and archives service.
- 19. All legal costs will be paid for by Explore and this proposal does not financially risk the Library and Archive contract with the Council.

20. Explore's ability to enter a sub-lease will a third party will require the Council's approval, under the terms of any new lease.
21. **Human Resources (HR)** – There are no HR implications.
22. **Equalities** – There are possible equalities implications in relation to the future use of this space, which should present improvements in attracting a wider audience and use of the Library Lawn. Any specific use of the site subsequently proposed will be the subject of an EIA (Equalities Impact Assessment) conducted by Explore.
23. **Legal** - Section 123 of the Local Government Act 1972 gives the Council power to dispose (including by granting a lease of) for less than open market value/best consideration without needing specific consent from the Secretary of State for Housing, Communities and Local Government provided that the Council is satisfied that:

(i) the purpose of the disposal will facilitate the improvement of the economic, environmental or social well-being of the Council's area

and

(ii) the difference between the price/rent being obtained by the Council and open market value/best consideration is less than £2 Million

(As Library Lawn is 'open space' land used by the public for recreation) Section 123 of the LGA 1972 requires that before any lease is granted by the Council it must:

(a) publish a notice in two consecutive editions of a local newspaper advertising its intention to grant a lease and

(b) consider any comments/objections received in response to the notice

24. **Crime and Disorder** – There are no implications.

25. **Information Technology (IT)** – There are no implications.

26. **Property** – covered in the report Property Services confirm that in their opinion the difference between the price/rent being obtained by the Council and open market value/best consideration is less than £2 Million.

Risk Management

27. In compliance with the Council's risk management strategy the main risks that have been identified associated with the proposals contained in this report are those which could lead to damage to the Council's reputation and failure to meet stakeholders' expectations. The level of risk is assessed as "Low".

Contact Details

Author:

Nick Collins
Head of Asset
Management
Tel: 01904 552167

Chief Officer Responsible for the report:

Tracey Carter
Assistant Director for Regeneration,
Economic Development and Asset
Management

Andrew Laslett
Strategic Services
Manager
Communities and
Equalities
Tel: 01904 553370

**Report
Approved**



Date 30.6.20

Charlie Croft
Assistant Director for Communities and
Culture

**Report
Approved**



Date 30.6.20

Specialist Implications Officer(s)

Patrick Looker
Finance Manager
Tel No. 01904 551633

Gerry Allen
Senior Solicitor
Tel No. 01904 552004

Wards Affected: Guildhall Ward

For further information please contact the author of the report

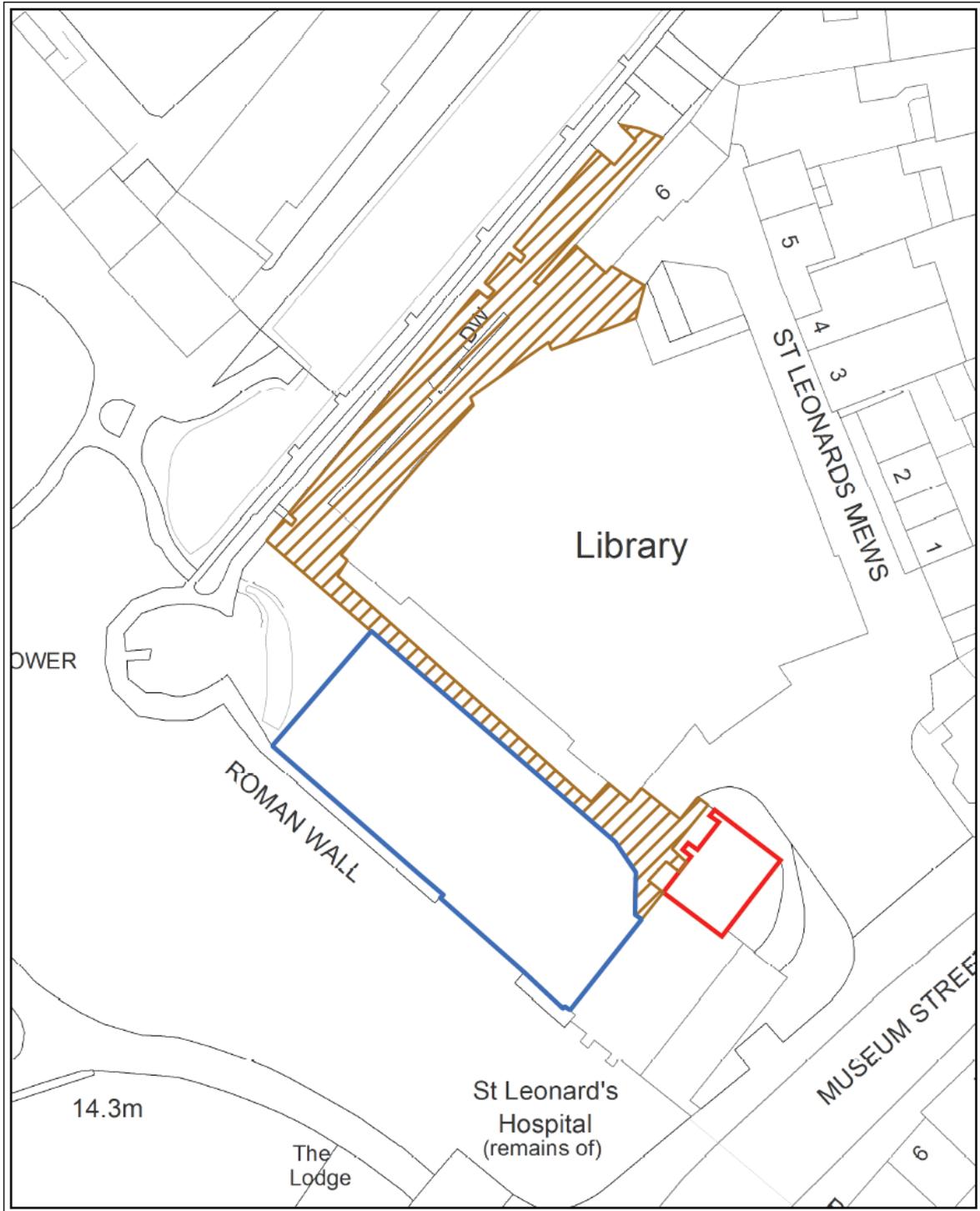
Background Papers: None.

Annexes

Annex A – Lease Plan

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Annex A (Blue line = Library lawn, red line = St Leonard's Hospital ruins store, brown hatched = Public right of way)



 CITY OF YORK COUNCIL	York Explore Lease Plan		
	SCALE 1:500	DRAWN BY: KLM	
Asset & Property Management	Asset & Property Management		Drawing No.
<small>© Crown copyright and database rights 2019 Ordnance Survey 100020818</small>			

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Executive**23 July 2020**

Report of the Deputy Chief Executive / Director of Customer & Corporate Services

Portfolio of the Executive Member for Finance and Performance

Finance and Performance Outturn 2019-20**Summary**

- 1 This report provides a year end analysis of the overall finance and performance position. This is the final report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.
- 2 Some key achievements include securing funding to transform the front of the railway station and investment was also made to enable local bus companies to make their vehicles more environmentally friendly by retrofitting their vehicles with cleaner exhausts to support our Zero Carbon ambitions.
- 3 In addition, the work of the Local Area Coordinator (LAC) and Social Prescribing programme continue to be at the forefront of national policy development in connecting people to local solutions and activities. Along with the CCG we supported York Mind with match funding to make a successful bid to the Department of Health and Social Care to expand the roll out of their Arts Award Programme which supports mental health and wellbeing. New community involvement posts have been created, including one focussed on working with minority groups.
- 4 Whilst the year end position is positive, there remain considerable financial challenges looking ahead into 2020/21 and beyond. The financial impact of COVID-19, alongside the delivery of £4m of budget savings outlined in the February 2020 budget council report, as well as dealing with underlying issues experienced during 2019/20, will again require careful monitoring.
- 5 The council's overall financial health provides a strong platform upon which to meet these financial challenges and good progress has been made with the achievement of savings in the year. Whilst some areas

have experienced slight delays, as set out in the report, overall progress is good and areas of delay have generally been mitigated by other savings in relevant areas.

- 6 The 2020/21 budget agreed in February 2020 provided for significant growth in adults and children's services budgets and made proper provision for all known cost increases. This, combined with a track record of effective budget management, gives confidence in the council's future financial stability. This financial stability allows the council to invest in key priority areas.

Recommendations

- 7 The Executive is asked to:

- 1) Note the year end underspend of £128k.
- 2) Note the finance and performance information
- 3) Note the use of Brexit funding as outlined in paragraphs 13-14

Reason: To ensure significant financial issues can be appropriately dealt with.

Financial Summary

- 8 The council's net General Fund budget for 2019/20 was £123m and the provisional outturn position is a net underspend of £128k.
- 9 This position is consistent with previous years where expenditure has been within the overall approved budget. It is also consistent with the reports during the year which, whilst highlighting a number of pressures, have also set out the clear expectation that expenditure would be within budget.
- 10 During February the city experienced flooding as a result of Storm Dennis, when river levels rose to over 4m above normal levels. This resulted in additional costs and some loss of parking income during the final quarter of the year.
- 11 The COVID-19 pandemic began during the last few weeks of the 2019/20 financial year and at the end of March the Council received a first tranche of Government funding support for COVID-19 expenditure and used £184k of this funding to support expenditure incurred in the year. Whilst the pandemic did not materially impact on the overall 2019/20 outturn position, it will have a significant impact on the Council's finances in

2020/21 and possibly for a number of years to come. The worst case estimate of the budget gap could be in the region of £23m.

- 12 An overview of the outturn, on a directorate by directorate basis, is outlined in Table 1 below and the key variances are summarised in Annex 1.

2018/19 outturn		2019/20 budget	2019/20 Monitor 3	2019/20 Draft Outturn
£'000		£'000	£'000	£'000
+896	Children, Education & Communities	25,252	+1,594	+1,560
-282	Economy & Place	18,956	-615	-351
-428	Customer & Corporate Services	20,261	-664	-672
+946	Health, Housing & Adult Social Care	49,981	+3,633	+3,612
-1,285	Central budgets	8,922	-1,143	-2,355
-153	Sub Total	123,372	+2,805	+1,794
-648	Contingency		-500	-500
				-1,422
-801	Total	123,372	+2,305	-128

Table 1: Finance overview

Reserves and Contingency

- 13 The February 2019 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.4m (equating to 5% of the net budget). At the beginning of 2019/20 the reserve stood at £7.4m and, as part of the budget report, approval was given to maintain this level of reserve in 2019/20 thus giving some headroom above the minimum level to take account of the continued risks facing the council, in particular the scale of future reductions on top of those already made. In addition, the budget report outlined significant risks associated with major capital projects, reduction in New Homes Bonus and health budgets. The report also contained a strong recommendation that revenue reserves should be increased over the next couple of years, in recognition of the current risks the council faces.

- 14 On the general contingency, the Executive was advised within the Monitor 3 report that there remained an unallocated balance of £500k and that it was being assumed this remaining balance may be needed to support some of the general pressures outlined in the Monitor 3 report. This has been necessary and therefore the contingency has been used to fund expenditure in 2019/20.
- 15 A review of reserves has been completed in line with the CIPFA financial code. This review has identified £1.4m of available reserves as follows:
- £184k from the COVID-19 support grant to match the additional costs incurred during 2019-20
 - £429k from additional pay reserve
 - £500k from pay and pensions reserve
 - £309k from the Lendal Bridge reserve
- 16 These reserves have been identified as having no specific future risks or liabilities held against them and therefore this report proposes that these reserves are released so that they can be used to support statutory services relating to Children and Adults, ensuring the Council maintains safe and improving services in these areas.
- 17 In February 2020 Executive received a report on the financial strategy which contained a section on the adequacy of the council's reserves. The review of reserves has considered any future commitments and the overall balance of risk. It is the view of the s151 officer that these reserves can be released without impacting on the financial sustainability of the council and this is a prudent approach to managing the current financial pressures being faced.
- 18 As part of the Government's Brexit plans it has established the 'EU Settlement Scheme' which is the mechanism by which EU, EEA or Swiss citizens and their families can apply to continue living in the UK. On the current timetable, applications have to be made by 30 June 2021. It was agreed at Executive in August 2019 that Citizens Advice York was best placed in terms of location, experience, organisation ability and level of trust to provide support to York EU residents that might need help and funding of £9k was agreed.
- 19 It is now proposed that a further £9k is allocated to CAY to continue providing this service. In addition, £10k of this funding has been allocated to ensure the chip checking service through registrars is free.

Loans

- 20 Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There are 2 loans in this category. Both loans are for £1m and made to Yorwaste, a company part owned by the Council. The first was made in June 2012 with a further loan made in June 2017 as agreed by Executive in November 2016. Interest is charged on both loans at 4% plus base rate meaning currently interest of 4.1% is being charged. All repayments are up to date.

Performance – Service Delivery

- 21 The Executive for the Council Plan (2019-23) agreed a core set of indicators to help monitor the council priorities and these have provided the structure for performance updates in previous versions of this report. The indicators have been grouped around the eight outcome areas included in the Council Plan.
- 22 Data and information in this document covers new information from Quarter 4 of 2019-20. There has been a big impact on the normal processes and functions within the Council due to COVID-19 and so some data will be available later in the year and reported in a future Monitor.
- 23 Latest data for each of the strategic indicators in data tables grouped by Council Plan theme, along with brief written updates are presented in Annex 2, where new data has been released since the last Monitor.
- 24 Progress has been made in a number of Council plan areas with examples in Council plan areas being;

Well paid jobs and an inclusive economy

- 25 The Executive Member for Economy and Strategic Planning agreed an outline process to develop an inclusive economic strategy, developed in partnership with residents and with the business community. To support the development of the strategy, a process similar to that used for the MyCastleGateway, MyYorkCentral and MyCityCentre consultations is proposed, building on the methodology used in that work. Beyond the publication of the strategy, those businesses, organisations and communities involved in its development will be invited to join a new Economic Partnership for York.
- 26 The Guildhall redevelopment is in construction with a completion date mid 2021 which will provide flexible modern office space for small businesses.

A Planning application has been submitted for commercial space as part of the Castle Mills scheme. Work has commenced to explore the use of CYC land on York Central to support small businesses, in line with the wider occupier strategy.

Getting around sustainably

- 27 During March 2020, the council welcomed news that at least £14.5 million funding had been secured to transform the front of York station into a fitting gateway to the city. West Yorkshire Combined Authority confirmed that the scheme would be funded from its £317 million allocation from the Transforming Cities Fund. The fund aims to improve journeys by bus, rail and bike whilst supporting Zero Carbon ambitions.
- 28 CYC continues to play an active role in lobbying for improved rail connectivity for York. The Council has regular meetings with the rail industry, Department for Transport and HS2 and is an active participant in Transport for the North, West Yorkshire Combined Authority and East Coast Mainline Authorities group. Provision to re-establish a station in Haxby is contained within the Local Plan and we will work with stakeholders to develop any potential proposal that may come forward in the future.

Good Health and Wellbeing

- 29 CYC is a leading member of the Health and Wellbeing Board. The Board has reaffirmed its commitments to improving the wellbeing of local people. The All Age Learning Disability Strategy was launched by the multi-agency Learning Disability Partnership. Over the coming year, detailed action plans will be developed by four priority working groups. The Mental Health Partnership is leading the city's drive to implement the Trieste Model, enabling people to gain the support they need for their mental health and wellbeing at home, or in the least restrictive environment possible.
- 30 York's Local Area Coordinator (LAC) programme and Social Prescribing programmes continue to be at the forefront of national policy development. The expansion of LAC remains a priority for Adult Social Care reflecting our asset based approach, alongside the expansion of Talking Points. These continue to reduce waiting times for social care referrals and are connecting people to local solutions and activities through the LAC's.

A Better Start for Children and Young People

- 31 CYC and the CCG have supported York Mind with match funding to make a successful bid to the Department of Health and Social Care to expand the roll out of their Arts Award Programme. The project focuses on expansion of provision to a wider age group, expanding the variety of 'life skills' themes into sessions. The purpose is to support the mental health prevention and recovery agendas, and enhance integration between local authority and CAMHS provision.
- 32 A capital programme has been put in place for improving York's play areas including a process for a) carrying out a quality assessment of CYC and local councils' play areas, b) using the assessment to direct investment, and, c) allocating a fund to be used to contribute to larger scale investments in partnership with community groups.

A Greener and Cleaner City

- 33 A study was commissioned in early 2020 to look at the current waste collection methodology and the options for achieving provision of green bins to more houses, kerbside food waste collection and the range of plastics currently recycled.
- 34 In January 2020, ahead of launching a Clean Air Zone, the council awarded over £1.6 million to five bus companies to make their vehicles more environmentally friendly by retrofitting their vehicles with cleaner exhausts to meet the Euro VI emission standard. A total of 93 buses were to be retrofitted or replaced. The grant allocations meant that bus emissions would gradually decrease as the new buses came into service.
- 35 During February 2020 the council prepared to take action to protect the city from flooding due to Storm Dennis. Measures were put in place to protect homes and businesses and to keep the city open. The council deployed over 6,000 sandbags and 200 one-tonne sandbags to help protect the most vulnerable properties and had 25 pumps operating across the city to clear the water. Front line teams were working 24/7 and worked closely with partners including the York and North Yorkshire Local Resilience Forum, which includes police and fire services as well as North Yorkshire Council, the Met Office and the Environment Agency. Following the flooding, crews were focussed on community areas to start the clean up operation.

Creating homes and world-class infrastructure

- 36 The following strategic indicators have seen a positive direction of travel following the release of new data since the Q3 Monitor:
- Net Housing Consents (Annex 2, paragraph 23)
 - Number of new affordable homes delivered in York (Annex 2, paragraph 25)
- 37 An audit of long-term empty homes in York showed that there were fewer than originally understood. Nationally, York had one of the lowest numbers of empty houses of comparable UK cities with long-term empty homes representing 0.6% of the total, which was also the lowest percentage in the North Yorkshire region.
- 38 We are currently working with Leeds City Region Energy Accelerator to model energy efficiency retrofit improvements to a range of archetypes of council housing stock to reach as close as possible to zero carbon. Additional capital in the budget this year is planned to fund a pilot to be used as a basis to roll out to rest of stock.

Safe Communities and culture for all

- 39 In February 2020, Full Council agreed a four-year, £500,000 funding allocation to York Theatre Royal to enable the theatre to be more accessible to visitors with disabilities. The plans include improving the theatre's accessibility, environmental sustainability and financial resilience and improving the theatre's long-term sustainability.
- 40 The Council has invested addition £250k into a Safer Communities fund, alongside additional highways funding to boost ward funding. Walkabouts around wards have been introduced to identify priority projects with the communities. 2 new community involvement posts have been created to add more community development capacity, including one focussed on working with minority groups.
- 41 A new community programme for Castle Gateway has been introduced which seeks to engage new audiences and communities. The Council is also working with the York Cultural Education Partnership to develop a programme of activity to raise the profile and accessibility of the arts and culture offer with schools. This includes out of school activities and the development of a programme of cultural experiences through better connecting the cultural offer with schools.

An open and effective Council

- 42 The following strategic indicator has seen a positive direction of travel following the release of new data since the Q3 Monitor:
- Customer Services Waiting Times – footfall (Annex 2, paragraph 27)
- 43 There have been a number of ways in which residents have been consulted with during the last six months. Recent consultations during Q4 include:
- York Central
 - York Physical Activity and Sport Strategy 2020-2030
 - Age Friendly York Citizen Group
 - My City Centre York – Local people were invited to have their say on the future of York’s city centre to help the council create a long term vision for the city. The vision will guide investment and shape development and improvement projects in York city centre.
- 44 Ongoing work continues with a wide range of major and minor digital projects. Larger projects include the Transport based STEP programme, continued implementation of the Councils Customer Relationship Management System, replacement of Waste Management System and the procurement of the Managed Services ICT Infrastructure contract. User-centric design principles used within our key programmes of work to ensure they are built around the needs of residents.
- 45 All performance data within this document, and approximately 1,000 further datasets, is made available in machine-readable format through the Council’s open data platform at www.yorkopendata.org under the “performance scorecards” section.

Annexes

- 46 Annex 1 shows the quarterly financial summaries for each of the Council directorates.
- 47 Annex 2 shows performance updates covering the core set of strategic indicators which are used to monitor the progress against the Council Plan.

Consultation

- 48 Not applicable.

Options

49 Not applicable.

Council Plan

50 The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

Implications

51 The implications are:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications related to the recommendations
- **One Planet Council / Equalities** Whilst there are no specific implications within this report, services undertaken by the council make due consideration of these implications as a matter of course.
- **Legal** There are no legal implications related to the recommendations
- **Crime and Disorder** There are no crime and disorder implications related to the recommendations
- **Information Technology (IT)** There are no IT implications related to the recommendations
- **Property** There are no property implications related to the recommendations
- **Other** There are no other implications related to the recommendations

Risk Management

52 An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

Contact Details

Authors:	Chief Officer Responsible for the report:		
Debbie Mitchell Head of Corporate Finance & Commercial Procurement (interim s151 officer) Tel: 01904 554161	Ian Floyd Interim Head of Paid Service		
	Report Approved	✓	Date 14 July 2020
Ian Cunningham Head of Business Intelligence Tel: 01904 555749			
Wards Affected: All			✓
For further information please contact the authors of the report			

Annexes

Annex 1: Directorate Financial Summaries

Annex 2: Performance – Council Plan Outcomes

Glossary of Abbreviations used in the report:

CCG	Clinical Commissioning Group	FTE	Full time equivalent
CYC	City of York Council	GCSE	General Certificate of Secondary Education
CIPFA	The Chartered Institute of Public Finance and Accountancy	JSA	Job Seekers Allowance
DHSC	Department for Health and Social Care	LAC	Local Area Co-ordinator
DTOC	Delayed Transfers of Care	NEET	Not in Education, Employment or Training
DWP	Department for Work and Pensions	NHS	National Health Service

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Annex 1 – Directorate Financial Summaries

Children, Education & Communities

- 1 The outturn shows an overspend of £1,560k, a small improvement from the Monitor 3 report.
- 2 Following the audit and review work initiated by the new leadership team Children's Specialist Services are on a fast paced improvement journey that has resulted in an improvement in the number of cases reviewed. External review has confirmed that decision making on these cases is now appropriate.
- 3 This re-calibration of services has been accompanied by significant financial cost increases. Children in Care numbers have increased from an average of 200 to 240 (this is now on a par with national average of 64 children per 10,000). This has created an increase in both placement and staffing costs for the second half of the financial year. The most recent Improvement Board considered issues in relation to the projected numbers and there is evidence that the number of children entering the care system has now begun to slow. The service re modelling put forward as part of the budget proposals for next year will strengthen edge of care and reunification capacity, which should ensure these numbers continue to stabilise then reduce. However, it does have to be acknowledged that this would be against the national trend of growth and significant overspend in this area, and may be significantly impacted by the consequences of the Covid-19 situation.
- 4 Within support for Looked After Children (LAC) there is a net overspend on placement and associated costs of £1,326k. This includes £424k on fostering, £217k on adoption/SGO/CAO allowances and £562k on Out of City Placements. Work is currently underway to track and challenge our most expensive placements. This has been delayed due to the challenge of moving children during the COVID-19 pandemic, but is now back on track.
- 5 There was a net overspend of £514k within The Glen and Disabled Children's Services budgets, due mainly to delays in implementing the new model of provision for children with the most complex needs that was planned to deliver budget savings. There is now a Board in place driving forward this development and this was on track to deliver these savings, with a restructure planned to be operational

from the end of March 2020. However, this has been paused due to the current situation.

- 6 Children's Social Care (CSC) staffing budgets overspent of £576k, mainly due to more expensive agency staff being used to cover important but hard to fill social worker posts and to provide additional capacity to manage the pace of improvement required. Whilst we are now having successful recruitment campaigns, in order to support new staff to effectively transition into post and maintain the required significant pace of change this additional resource may continue to be required. The service is working towards a target of having no additional agency staff in place from September 2020.
- 7 Adult and Community Learning overspent by £127k, mainly due to a shortfall in course income against budget of £142k, together with an overspend on provision for High Needs students, offset by additional staffing costs charged to grant funded projects.
- 8 Home to School Transport budgets have overspent by £377k. The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport. The changes in legislation to allow EHCPs to ages 19-25, resulting in more students accessing this option, has significantly increased our transport spend accordingly. This is a national budget pressure, and the arrangements that may be required as pupils return to school in September will result in significant additional expenditure. A further paper is being prepared that will outline potential options to deliver significant savings in this area.
- 9 There was a net underspend on staffing of £219k mainly due to vacancies within School Improvement, Skills and the School Services teams.
- 10 The DSG funded SEND budget has overspent by a net £1,749k, almost entirely due to the increased number of specialist out of city residential placements being required. This is in line with national pressure on budgets in this area. The DSG School Improvement budgets underspent by £421k.
- 11 Within school funding, net in year expenditure within the High Needs Block has been £4.064m higher than budgeted for and £5.327m

higher than the funding allocated by government. The major variations compared to budget are as follows:

- Out of City Placements +£1.759m
- Danesgate Alternative Provision +£1.003m
- Post 16 Provision +£0.766m
- Top Up Support to Mainstream Schools +£0.323m
- Special Schools & ERCs +£0.111m

- 12 Further work, as part of the inclusion review that is currently underway, is essential to ensure that high needs expenditure is maintained within the funding available and we will be undertaking a detailed review of the DSG to develop options for an improvement in this position.
- 13 A number of other minor variations make up the overall directorate position.

Economy & Place

- 14 The outturn position for Economy & Place is an underspend of £351k, which is lower than forecast, primarily due to additional costs and reductions in car parking income as a result of the flooding in the final quarter of the year.
- 15 Within transport the areas of underspend were £300k from the drawdown of departmental reserves, £265k from the WYTF levy and £100k from utilising grant funding. These were all planned actions identified at monitor 3 to mitigate the directorate position. In addition there was an underspend across public transport budgets from concessionary fare payments and utilising external contributions to support bus service expenditure.
- 16 A review of maintenance and safety arrangements, alongside the management and administration of fleet, has resulted in additional expenditure being incurred to ensure the continuing operation of a compliant service in line with the standards as directed by operating licence requirements, health and safety and duty of care to transport users. This has resulted in an overspend of £335k, a reduction from the Monitor 3 forecast of £558k, primarily on additional staff brought in to deliver the service more effectively. These costs are reducing

and the service are working to deliver the service within budget in 2020/21.

- 17 Income from council car parks was only slightly above budget, resulting in a surplus of £88k. The flooding events in February saw a 15% reduction in income and March saw a 45% reduction as a result of the impact of the COVID-19 pandemic and lockdown.
- 18 There was an overspend of £211k on highways as a result of additional costs incurred from the response to the February flooding.
- 19 The Trading Standards team successfully prosecuted illegal trading activities and received a share of the proceeds. There were further staff savings from vacancy management and additional income resulting in an underspend of £497k.
- 20 Additional income from the purchase of new properties along with some staffing vacancies resulted in an underspend of £187k within Regeneration & Asset Management.
- 21 Anticipated applications from major developments have slipped into 2020/21 resulting in £206k income shortfall in development management.
- 22 There was an overspend of £481k in waste collection. The main variations were additional staffing costs (£241k) and IT expenditure (£120k). The additional staffing expenditure and investment in a council wide absence monitoring system has reduced the impact that sickness levels have had on the waste and recycling collections and it has also enabled necessary mandatory staff training to be completed without impacting the service. The IT costs have enabled improved cab technology which will enable the efficiency of service delivery to be improved. As in previous years there was a shortfall in budgeted income in commercial waste (£119k). The budget for waste disposal including Allerton Park was £316k underspent as lower tonnages allowed the council to earn additional income from backfilled waste provided by Yorwaste.
- 23 A number of other minor variations make up the overall directorate position.

Customer & Corporate Services

- 24 The outturn position is an underspend of £673k, a small improvement from the Monitor 3 report.
- 25 The main variations include underspends in finance & procurement due to staff vacancies and additional income from schools (£114k) and ICT due to staff vacancies and a range of contract efficiencies (£170k). Additional grants received, along with a number of staff vacancies following a restructure, have resulted in an underspend of £260k on transactional services. A number of other minor variations make up the overall directorate position.

Health, Housing & Adult Social Care

- 26 The outturn position shows a net overspend of £3,612k, a small improvement from the Monitor 3 report.
- 27 As previously reported, ASC is operating in an extremely challenging environment and as a result additional funding of £4.5m has been allocated to the service in the 2020/21 budget. NHS partners in the city are operating with significant deficits. Independent sector care provision is in high demand and is high cost, partly as a consequence of the high proportion of people (65%) who fully fund their care without recourse to the Council, or until their funds are exhausted. Care providers in York have very high occupancy rates compared with most other areas of the country, and they are able to sustain their business without relying on council funded placements. The high employment rate in York limits the health and care system's ability to attract a sustainable workforce into the sector, which in turn contributes to the scarcity of services in periods of additional pressure, such as winter.
- 28 The strategy to bring a sustainable balanced budget is to focus on key areas we believe will make the most impact. The additional funding of £550k received in 2020/21 will support work on the key areas of budget pressure and we will use part of this funding to bring in external expertise. This will help us embed at scale what we are currently doing to improve the budget position.
- 29 Key performance outcomes include

- Reducing the number and spend on permanent residential placements through the use short term intensive support and alternative provision.
- Reducing the spend on home care services through better, more frequent reviewing of care, the use of technology to support people as a default option and strengths based approaches that harness personal strengths and sustain families in their caring roles.
- Reducing the cost of residential and home care coming to adult services through children's service through earlier intervention by adult services to prepare young people with care needs for adulthood.
- Improving uptake of NHS continuing health care services where people are eligible for these.
- Stabilise the rising unit cost of residential and nursing care by agreeing rates with the sector based on the actual cost of care.

30 We are creating a sustainable Adult Social Care leadership structure that

- Drives the principles of strengths based practice, radical help and the use of technology, through the more powerful use of roles such as Principal Social Worker and Principal Occupational Therapist
- Supports the move from dependence on long term services to rapid intensive support in crisis and the scaling down of this through review
- Makes better use of business intelligence and data to move from information to action; turning strategy more quickly into delivery at the frontline
- Reduces cost through better market shaping and the introduction of innovation into the social care market
- Creates clearer operational accountability for budget and performance.

31 Older People permanent residential care overspent by £447k due to a higher number of customers than forecast. The budget was set anticipating an average of 225 customers against an average of 240 customers in 2019/20, with 233 in placement at the year end. Our survey of older people has confirmed that only a small minority aspire to entering permanent residential or nursing care at the end of their lives, however this remains the model of care for many people at present. The slower pace of change towards independent living has put significant pressure on the residential care market and

together with rising fees, this has adversely affected the council's budget.

- 32 The Older People's nursing care budget has overspent by £567k. Although only four more customers have been placed on average than expected when the budget was set, the current net cost is £657 per week against a budgeted weekly cost of £503 per week, as a result of the rise in fees set by providers, rather than reductions in income streams.
- 33 As part of our shift towards supporting as many older and disabled people as possible in their own homes, we have increased the number of home care support hours per week by about 420. The cost of this is approximately £8.3k more per week than was planned for in the budget, giving a total overspend of £524k in 2019/20. This is in keeping with our ambition to support people with more complex needs in their own homes rather than in residential settings. Community led social work and asset based community development are critical to achieving our transformation goals.
- 34 PSI Supported Living schemes are forecast to overspend by £473k due to more customers in schemes than was budgeted. The net cost per customer is £11k per annum greater than budgeted. The schemes are being reviewed alongside the learning disability schemes.
- 35 Learning disability residential budgets have overspent by £1,463k. The numbers placed have risen slightly above budget and the cost of placing each individual has risen by approx. £18k per annum. The average cost of emergency residential placements is £55k higher than in the budget due to a number of high cost customers.
- 36 Supported Living for Learning Disabilities customers continues to be a pressure, overspending by £651k in 2019/20. The net cost per customer is £5k more than in the budget and the average CHC being received per customer is around £19k less than in the budget. We have an ongoing programme of work to address support costs which is having a positive impact on the budget. This is achieved through case by case redesign of support arrangements, working with providers and individuals themselves, and is therefore delivering efficiencies over the longer term. The total savings delivered in 2019/20 as a result of this work was £244k; through closer

management of voids, reduced support packages, increased use of technology and appropriate overnight support.

- 37 Direct Payments for Learning Disabilities customers has overspent by £194k, partly due to the backdated care costs of customers who have become the Council's responsibility (£204k). In addition the average cost per customer for the remaining DP customers has increased by £3k over the budget (£272k). This is offset by an increase in the number of CHC customers direct payment reclaims against the budget, partly as part of the refresh of the DP procedures.
- 38 Learning Disability CSB budgets have overspent by £158k. This is largely due to a reduction in the number of customers eligible for CHC (£119k) and in addition the rate of CHC per customer being received for those customer who are eligible is less than in the budget.
- 39 The Mental Health budgets have also overspent by £780k, predominantly due to more customers requiring residential care. There is a national upward trend in people with mental health needs requiring support from social care. York is not exempt from this. Our focus on prevention and independent living is expected to contain some of the costs of care for the future.
- 40 There has been an overspend of £155k in the Personal Support Service (PSS). Work is being done to improve rota management and a technology pilot called Grandcare, will enable us to review support going into customers' homes with the intention of being able to reduce ongoing care packages.
- 41 There is a £190k underspend across contracted and commissioned services largely due to one contract coming to an end and a delay in starting two further contracts.
- 42 A number of other more minor variations make up the overall directorate position.

Housing Revenue Account

- 43 The Housing Revenue Account budget for 2019/20 is a net cost of £489k. Overall, the account continues to be financially strong and

the outturn shows an underspend of £2,392k, mainly due to capital funding.

- 44 There was an overall overspend on repairs and maintenance of £219k, predominantly due to additional repairs needed during the prolonged period of heavy rain during quarter 3. There were underspends of £152k across project work relating to the delay in painting 200 houses, again due to the wet weather.
- 45 There was an underspend across General Management of £384k primarily due to lower than forecast management recharges (£217k) and underspends arising from vacancies and charges to capital projects (£141k) in both the Housing Operations and Building Services Teams.
- 46 Slippage of capital expenditure has resulted in the expected contribution to the capital programme being reduced by £2m and these funds will be carried forward to 2020/21 to fund the slippage.
- 47 Rental income was £254k lower than budgeted. This is due to a higher number of voids at Ordnance Lane pending the opening of James House. In addition, tenants have moved out of Lincoln Court during capital refurbishment.
- 48 The interest receivable on the HRA credit balances is £399k higher than budgeted due to the continued holding of balances pending the large scale investment in new council house building.
- 49 The working balance position at 31 March 2019 was £24.5m. In the July 2019 budget amendments £2m of the working balance was allocated to fund the capital programmes energy efficiency improvement and decent homes programme to improve the conditions of the HRA stock. The outturn position means the working balance will increase to £26.4m at 31 March 2020. This compares to the balance forecast within the latest business plan of £24.0m.
- 50 There are a number of ongoing implications of the outturn position into 2020/21. It is necessary to reprofile the revenue contributions funding the capital programme slippage of £1,853k into 2020/21 which includes £300k for the Housing ICT project. This leaves a balance of £539k which will transfer into working balances.

- 51 It is proposed that this £539k year end underspend is set aside to fund ongoing pressures of dealing with the pandemic and support the recovery plan across the HRA.

Corporate Budgets

- 52 These budgets include treasury management and other corporately held funds. Significant slippage in the capital programme has been reported in the Capital Outturn report also on this agenda with some £38m that was expected to be spent during the year now proposed to be spent in 2020/21. This delay in spending has an impact on the treasury budgets through lower interest payments/debt repayment. In addition, the Council has been successful in claiming £543k overpaid VAT back from HMRC in relation to historic payments made in respect of leisure services.
- 53 A number of other minor variations make up the overall outturn position.

Annex 2 - Performance – Council Plan Outcomes

- 1 The Executive, for the Council Plan (2019-23) agreed a core set of indicators to help monitor the council priorities and these have provided the structure for performance updates in previous versions of this report.
- 2 The indicators have been grouped around the eight outcome areas included in the Council Plan, and whilst do not cover all areas of activity, do help give an indication of progress and challenges to be tackled under the 8 themes.

Good Health and Wellbeing

Good Health and Wellbeing						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Proportion of adults in contact with secondary mental health services living independently, with or without support	80.00% (Q3 2019/20)	79.00% (Q4 19/20)	➡	Quarterly	National Data 2018/19 58.00%	2019/20 annual data available in November 2020
Delayed transfers of care from hospital which are attributable to adult social care, per 100,000 population (YTD Average)	5.0 (Q3 2019/20)	5.0 (Feb 2020)	➡	Quarterly	National Data 2018/19 3.1	Q4 2019/20 data delayed due to COVID-19
Overall satisfaction of people who use services with their care and support	62.90% (2017/18)	63.80% (2018/19)	➡	Annual	National Data 2018/19 64.30%	2019/20 data available in October 2020
% of reception year children recorded as being obese (single year)	9.28% (2017/18)	9.50% (2018/19)	⬆ Bad	Annual	National Data 2018/19 9.50%	2019/20 data available in October 2020
Slope index of inequality in life expectancy at birth - Female - (Three year period)	5.2 (2017/18)	6.2 (2018/19)	⬆ Bad	Annual	Regional Rank 2018/19: 3	2019/20 data available in Feb 2021
Slope index of inequality in life expectancy at birth - Male - (Three year period)	8.9 (2017/18)	8.4 (2018/19)	➡	Annual	Regional Rank 2018/19: 3	2019/20 data available in Feb 2021
% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excl. gardening)	70.20% (2017/18)	74.90% (2018/19)	➡	Annual	National Data 2018/19 63.20%	2019/20 data available in October 2020

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.
All historic data is available via the Open Data Platform

- 3 There had been a downward trend in the number of days that patients are delayed leaving hospital that are “attributable to adult social care”. In the 12 months to the end of February 2020, which is the latest period for which information has been published by NHS England, there were on average 8 beds per day occupied by people subject to delayed transfers of care attributable to CYC’s adult social care. This is lower than in the previous 12 month period (11 beds occupied per day on average). However, reporting on DToC has been stopped since February due to the COVID-19 pandemic and

there has been no indication from DHSC as to when it will resume (or if it will be reported in the same way when it does).

- 4 The percentage of all adults in contact with secondary mental health services living independently, with or without support, remains within the expected variances for this indicator. During Q4 2019-20, on average 22% of all clients in contact with secondary mental health services were in employment, which has remained stable since the previous year.
- 5 There was an above average participation rate in the National Child Measurement Programme (NCMP) in York during 2018-19: 97% of reception children and 98% of Year 6 children were measured, compared with 95% of reception children and 95% of Year 6 children nationally. The 2018-19 NCMP found that 9.5% of reception children in York were obese, which is not significantly different from the England average (9.7%), although the York figure has risen slightly from the 2017-18 level (9.3%). Of Year 6 children in York, 15.1% were found to be obese in 2018-19, which is significantly lower than the England average (20.1%) and represents a decrease of 2.3 percentage points from the 2017-18 level. There is a wide variation in obesity rates at ward level, and a strong correlation between obesity and deprivation at ward level. The NCMP programme for 2019-20 was discontinued due to the COVID-19 pandemic. At the point the programme stopped the coverage was 38% for year 6 pupils and 57.2% for reception. Whilst some partial data is available for 2019-20, a robust update on child obesity in York may not be available until the end of the 2020-21 measurement year.
- 6 Average Life Expectancy and Healthy Life Expectancy for males in York (80.1 years and 65.5 years) is above the England average (79.6 years and 63.4 years). Average Life Expectancy and Healthy Life Expectancy for females in York (83.4 years and 65.3 years) is also above the England average (83.2 years and 63.9 years).
- 7 The inequality in life expectancy for men in York is 8.4 years. This means there is around a 8 year difference in life expectancy between people living in the most and least deprived areas of the City. This inequality for men has improved (fallen) in the most recent measurement period (2016-18) after three successive increases in previous periods. The inequality in life expectancy for women in York is 6.2 years. This means there is around a 6 year difference in life expectancy between people living in the most and least deprived

areas of the City. This inequality for women has worsened (risen) for two successive periods and we have seen a fall in life expectancy for women living in the most deprived decile in York and a rise for those living in the least deprived decile, However, York is still below the national average for men (9.5 years) and also for women (7.5 years).

A Better Start for Children and Young People

A Better Start for Children and Young People						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Secondary school persistent absence rate (10% absence) (recorded over 6 terms) (relates to prev academic year to financial year shown)	15.50% (2017/18)	13.18% (2018/19)	➔	Annual	Not available	2019/20 data available in April 2021
Voice of the Child - Service Usage and Life Opportunities	Narrative	Narrative	N/A	Quarterly	Not available	Q4 2019/20 narrative available in July 2020
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	74.80% (2017/18)	75.60% (2018/19)	➔	Annual	National Data 2018/19 71.80%	2019/20 data available in October 2020
Average Progress 8 score from KS2 to KS4	0.11 (2017/18)	0.22 (2018/19)	↑ Good	Annual	National Data 2018/19 0.01	2019/20 data available in October 2020
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	69.60% (2017/18)	73.60% (2018/19)	➔	Annual	National Data 2018/19 65.70%	2019/20 data available in October 2020
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English & Maths at KS4	33.20% (2017/18)	29.40% (2018/19)	➔	Annual	National Data 2018/19 27.00%	2019/20 data available in Feb 2021
% of Year 12-13 (academic age 16-17) NEET who possess less than a L2 qualification - (Snapshot)	94.00% (Q3 2019/20)	85.50% (Q4 2019/20)	➔	Quarterly	Not available	Q1 2020/21 data available in July 2020
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

- 8 The impact of Covid-19 is far-reaching on the education sector. The cancellation of the May Pupil Census, Primary Key Stage Assessments and Secondary Key Stage exams means that reporting will look very different for this academic year, or will not be possible. At this point in time, the Department for Education (DfE) have not released information on the national reporting plans.
- 9 Recently released data shows that Secondary school persistent absence improved slightly in 2018/19 to 13.2%, from 15.5% the previous year. Pupils who are disadvantaged and/or have special educational needs are more likely to have higher levels of persistent absence than their peers. Work taking place to develop curriculum pathways is designed to address this issue.
- 10 The May 2020 pupil census was cancelled by the Department for Education due to Covid-19. At this point in time, there has been no guidance released on how attendance data will be presented for the

period that the majority of pupils have been unable to attend school. This will have an impact on reporting of the secondary school persistent absence rate.

- 11 In 2019, the average Progress 8 score for Year 11 pupils was +0.22, which was an improvement on the already excellent performance in 2018. For the third year, York is in the top quartile for all Local Authorities for Progress 8. 73.6% of York's 16 year olds leaving Secondary school in summer 2019 achieved a standard grade (9-4) in both English and Maths. This is an improvement on the previous year (69.6%) and above the National average (65.7%).
- 12 The KS4 landscape is particularly complicated in 2020 due to Covid-19. In March 2020, all GCSE, AS and A level exams were cancelled and will be replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. It is uncertain what form the 2020 results will take at this point in time. Reducing the attainment gap between disadvantaged pupils and their peers is a key priority in all phases of education across 0-19 years. In 2019, the attainment gap narrowed slightly to 29.4%, against a steady national average of 27%.
- 13 The proportion of 16-17 year olds in York who are NEET remains at a similar level to historical trends and there is a correlation with disadvantage, with the majority of young people being from the wards with the highest levels of deprivation. At the end of March 2020, 85.5% of young people who were NEET did not have a Level 2 qualification.
- 14 In Children's Social Care, York has not seen the significant increase in children coming into care that was predicted nationally, and has come to fruition in some areas. As anticipated, the number of contacts and referrals to Children's Social Care has decreased. In a typical year, York receives in excess of 180 referrals a month, on average. During March 2020, we received only 118 referrals.

Well paid Jobs and an Inclusive Economy

Well paid jobs and an inclusive economy						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Business Rates - Rateable Value	£255,273,836 (Q2 2019/20)	£255,929,351 (Q3 2019/20)	➡	Quarterly	Not available	Q4 2019/20 data available in July 2020
Median earnings of residents - Gross Weekly Pay (£)	£512.90 (2018/19)	£574.60 (2019/20)	➡	Annual	National Data 2019/20: £587 Regional Data 2019/20: £539.8	2020/21 data available in October 2020
% of working age population qualified - to at least L2 and above	85.00% (2017/18)	83.20% (2018/19)	➡	Annual	National Data 2018/19: 74.90%	2019/20 data available in July 2020
% of working age population qualified - to at least L4 and above	48.90% (2017/18)	47.90% (2018/19)	➡	Annual	National Data 2018/19: 39.30% Regional Data 2018/19: 33.30%	2019/20 data available in July 2020
GVA per head (£)	25,130 (2017/18)	30,258 (2018/19)	⬆ Good	Annual	Regional Rank 2018/19: 2	2019/20 data available in Dec 2020
% of vacant city centre shops (compared to other cities)	6.70% (Q2 2019/20)	6.53% (Q3 2019/20)	⬇ Good	Monthly	National Data 2019/20 Q1 11.7%	Q4 2019/20 data available in July 2020
% of working age population in employment (16-64)	78.80% (Q1 2019/20)	78.60% (Q2 2019/20)	➡	Quarterly	National Data Q2 2019/20 75.70%	Q3 2019/20 data available in Jul 2020

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- 15 There has been no new data for these indicators since the publication of the Q3 Finance and Performance Monitor but the latest data is shown in the table above. At Q3, the latest data on GVA and vacant city centre shops showed a positive direction of travel and an improved position when compared to national and regional comparators. The final column of the table shows when the next data is due to be made available to us and so will be reported on in future versions.

Safe Communities and culture for all

Safe Communities and culture for all						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of Talkabout panel satisfied with their local area as a place to live	88.45% (Q1 2019/20)	84.47% (Q3 2019/20)	➡	Quarterly	Community Life Survey 2018/19 76.00%	Q1 2020/21 data available in Jul 2020
All Crime per 1000 population	65 (2018/19)	66 (2019/20)	➡	Quarterly	National Data 2019/20 87	Q1 2020/21 data available in Jul 2020
Number of Incidents of ASB within the city centre ARZ	2059 (2018/19)	1689 (2019/20)	➡	Quarterly	Not available	Q1 2020/21 data available in Jul 2020
Visits - All Libraries	1,045,617 (2018/19)	1,023,034 (2019/20)	➡	Quarterly	Not available	Q1 2020/21 data available in Jul 2020
Visits - York Museums Trust (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
% of Talkabout panel who agree that they can influence decisions in their local area	27.37% (Q1 2019/20)	29.06% (Q3 2019/20)	➡	Quarterly	Community Life Survey 2018/19 25.39%	Q1 2020/21 data available in Jul 2020
% of Talkabout panel who give unpaid help to any group, club or organisation	64.98% (Q1 2019/20)	67.17% (Q3 2019/20)	➡	Quarterly	Community Life Survey 2018/19 62.41%	Q1 2020/21 data available in Jul 2020
Parliament Street Footfall	8,445,834 (2018/19)	7,873,858 (2019/20)	➡	Quarterly	Not available	Q1 2020/21 data available in Jul 2020

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- 16 Overall crime levels in York in 2019-20 have remained stable with 66 crimes per 1,000 population compared to 65 in 2018-19. Specifically looking at anti-social behaviour, there has been a decrease in the number of reported incidents in 2019-20 compared to the previous year (1,689 in 2019-20 compared to 2,059 in 2018-19).
- 17 The number of visits to libraries in York has remained stable, with 1,023,034 visits in 2019-20 compared to 1,045,617 in 2018-19. Footfall in Parliament Street has decreased slightly over the last year from 8,445,834 in 2018-19 to 7,873,858 in 2019-20.

A Greener and Cleaner City

A Greener and Cleaner City						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Percentage of household waste sent for reuse, recycling or composting	56.14% (Prov) (Q2 2019-20)	41.66% (Prov) (Q3 2019-20)	➡	Quarterly	National Data 2018/19 35.10%	Q4 2019/20 data available in Jul 2020
Residual household waste per household (kg/household)	104kg (Prov) (Q2 2019-20)	129kg (Prov) (Q3 2019-20)	➡	Quarterly	National Data 2018/19 592.6kg	Q4 2019/20 data available in Jul 2020
Incidents - Flytipping /Cleansing(includes dog fouling,litter)/Graffiti - On Public/Private Land	1995 (2018/19) Flytipping	1960 (2019/20) (Flytipping)	➡	Quarterly	Not available	Q1 2020/21 data available in July 2020
	1943 (2018/19) Cleansing	2578 (2019/20) Cleansing	➡	Quarterly	Not available	Q1 2020/21 data available in July 2020
	183 (2018/19) Graffiti	385 (2019/20) Graffiti	➡	Quarterly	Not available	Q1 2020/21 data available in July 2020
Citywide KPI on air quality (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Carbon emissions across the city (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Level of CO2 emissions from council buildings and operations (Net emissions) (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Flood Risk properties assessed at lower level than 2019 baseline (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Number of Trees Planted (CYC)	329 (Q3 2019/20)	186 (Q4 2019/20)	➡	Quarterly	Not available	Q1 2020/21 data available in July 2020
% of Talkabout panel who think that the council are doing well at improving green spaces	37.92% (Q1 2019/20)	42.14% (Q3 2019/20)	⬆ Good	Quarterly	Not available	Q1 2020/21 data available in Jul 2020
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- 18 The latest provisional data of 42% in Q3 2019/20 shows that the amount of household waste sent for reuse, recycling or composting has decreased slightly from 44% in the same period in 2018-19. The significant change between Q2 and Q3 figures is due to limited “green” collections in the winter period and is the expected within year pattern.

- 19 Provisional Residual waste (i.e. non-recyclable) per household data suggests that the figures have remained stable since last year (132kg in 2018/19 Q3 and 129kg in 2019/20 Q3). The changes between Q2 and Q3 follows the expected in year pattern.
- 20 The number of service calls received due to cleansing (including dog fouling and litter) and graffiti during 2019-20 have both increased since 2018-19 (cleansing from 1943 to 2578 and graffiti from 183 to 385). The number of fly-tipping service calls has remained stable with 1995 in 2018/19 and 1960 in 2019/20.
- 21 During the last six months of 2019-20 there were 515 trees planted by City of York Council, in conjunction with partners. Some of the locations of these trees were:
- Victoria Fields for Interfaith week in partnership with Tremendous;
 - Rawcliffe Country Park for the Woodland Trust national tree planting day in partnership with York Tree Wardens and Tremendous;
 - River Foss (Monk bridge area) in partnership with the Woodland Trust and the River Foss Society.

Creating homes and World-class Infrastructure

Creating homes and World-class infrastructure						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Net Additional Homes Provided - (YTD)	449 (2018/19)	560 (2019/20)	➡	Quarterly	Not available	2020/21 data available in Jun 2021
Net Housing Consents - (YTD)	1,626 (2018/19)	3,466 (2019/20)	↑ Good	Quarterly	Not available	2020/21 data available in Jun 2021
Number of homeless households with dependent children in temporary accommodation - (Snapshot)	21 (Q2 2019/20)	22 (Q3 2019/20)	↓ Good	Quarterly	Not available	Q4 2019/20 data available in Sep 2020
Average number of days to re-let empty properties (excluding temporary accommodation) - (YTD)	35.92 (2018/19)	37.46 (2019/20)	↑ Bad	Quarterly	Not available	Q1 2020/21 data available in July 2020
Energy efficiency - Average SAP rating for all Council Homes	74.28 (2017/18)	70.60 (2018/19)	➡	Annual	Not available	2019/20 data available in Oct 2020
Number of new affordable homes delivered in York	60 (2018/19)	123 (2019/20)	↑ Good	Quarterly	Not available	Q1 2020/21 data available in July 2020
Average broadband download speed (Mb/s)	44 (2018/19)	56.1 (2019/20)	➡	Annual	National Data 2019/20 58.48	2020/21 data available in Jan 2021
Superfast broadband availability	94.90% (2018/19)	93.81% (2019/20)	➡	Annual	National Data 2019/20 94.23%	2020/21 data available in Jan 2021

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- 22 During 2019-20 there were a total of 560 net additional homes completed (compared to 449 in 2018-19). Of these additional homes:
- 87.9% were completed on housing sites;
 - 7% were a result of off campus privately managed student accommodation schemes at The Coal Yard, 11 Mansfield Street and the Fleeting Arms;
 - 3.8% resulted from 'prior approval' i.e. sites benefitting from relaxed permitted development rights to allow conversion to residential use;
 - Changes of use of existing buildings to residential use and conversions to existing residential properties accounted for 23.9% of all completions;
 - Development sites including the Hungate Development Site, the former Terry's Factory site, Germany Beck and the Derwenthorpe Development Site all provided notable completions over the year.
- 23 Figures for 2019-20 show that there were 3,466 net housing consents in 2019-20. This represents a sustained increase in residential approvals over the last three years following a decline experienced during 2016-17. Of these consents the most significant approved sites included;
- 2,500 consents on the York Central site;
 - 425 at the Cocoa Works (Nestle Phase 11) site;
 - 266 homes on Former Civil Service Club & Agricultural Land, North of Boroughbridge Road.
- 24 The average number of days to re-let empty Council properties (excluding temporary accommodation) has increased from 36 days in 2018-19 to 37 days in 2019-20. The increase in Q4 was partly due to a large number of houses requiring major damp work combined with a reduced capacity in the voids team, but it is expected that this indicator will improve through 2020/21.
- 25 The number of new affordable homes delivered in York has significantly increased during 2019-20 with 123 new homes, compared to 60 delivered in 2018-19.

An open and effective Council

An open and effective Council						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Forecast Budget Outturn (£000s Overspent / -Underspent) - CYC	£2,805 (excluding contingency) (Q3 2019/20)	£1,794 (excluding contingency) (Q4 2019/20)	➡	Quarterly	Not available	Q4 2019/20 data available in July 2020
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	11.3 (2018/19)	11.56 (2019/20)	➡	Quarterly	CIPD Public Sector 2018/19 8.5	Q1 2020/21 data available in Jul 2020
Customer Services Waiting Times - Phone / Footfall / Webchat	00:00:21 (Phone) (2018/19)	00:00:21 (Phone) (2019/20)	➡	Quarterly	Not available	Q1 2020/21 data available in Jul 2020
	81.87% (Footfall) (2018/19)	83.78% (Footfall) (2019/20)	↑ Good	Quarterly	Not available	Q1 2020/21 data available in Jul 2020
	90% (Webchat) (Q3 2019/20)	94.4% (Webchat) (Q4 2019/20)	➡	Quarterly	Not available	Q1 2020/21 data available in Jul 2020
Number of days to process Benefit claims (currently Housing benefit)	3.01 (Q2 2019/20)	3.46 (Q3 2019/20)	➡	Quarterly	Not available	Q4 2019/20 data available in July 2020
% of complaints responded to within timescales (currently 5 days)	56.10% (Q1 2019/20)	77.00% (Q2 2019/20)	➡	Quarterly	Not available	Q4 2019/20 data available in July 2020
CYC Apprenticeships	23 (Q2 2019/20)	23 (Q3 2019/20)	➡	Quarterly	Not available	Q4 2019/20 data available in July 2020
FOI & EIR - % In time - (YTD)	80.40% (Q1 2019/20)	83.05% (Q2 2019/20)	➡	Quarterly	Not available	Q4 2019/20 data available in July 2020

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- 26 At the end of March 2020, the average number of sickness days per FTE (rolling 12 months) was 11.56 days compared to 11.3 at the end of March 2019. Proposals for tackling absence were agreed by Executive on the use of a dedicated external team to focus on attendance, and to work with managers and employees on a timely return to work. This service was procured and commenced at the end of September 2019, and whilst it was expected that this would see a short-term increase in sickness due to better recording, which the figures bear out, over the medium and longer-term this would help provide improved practices for managing sickness cases. A number of teams, whom have a higher level of sickness than the overall organisation level, have started to see their sickness levels reduce in Q4, and it is expected than in Q1 2020-21 we will be reporting a slight fall in the overall organisation level.
- 27 In the Customer Centre, the percentage of customers seen within the target waiting time increased from 82% in 2018-19 to 84% in 2019-20.

- 28 Nationally, since the coronavirus (COVID-19) lockdown on 16 March 2020, there were unprecedented levels of demand for Universal Credit. From 1 March to 16 June 2020, the DWP received 3.3 million individual applications for Universal Credit.
- 29 In York, the number of people receiving Universal Credit in York increased 58% from 6,535 in March to 10,330 in April. There was a 60% increase of those not in employment (3,773 in March to 6,040 in April) and a 54% increase of those in employment (2,762 in March to 4,265 in April).
- 30 The JSA claimant count for York also increased from 185 in March to 425 in April.

Getting Around Sustainably

Getting around sustainably						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
P&R Passenger Journeys - (YTD)	4.25m (2017/18)	4.24m (2018/19)	➡	Quarterly	Not available	2019/20 data available in July 2020
Local bus passenger journeys originating in the authority area (excluding P&R) - (YTD)	12m (2017/18)	12m (2018/19)	➡	Quarterly	Not available	2019/20 data available in July 2020
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - roadways	23.00% (2018/19)	20.00% (2019/20)	⬇ Good	Annual	Not available	2020/21 data available in October 2020
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - pathways	3.00% (2018/19)	3.00% (2019/20)	➡	Annual	Not available	2020/21 data available in October 2020
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64) from 2009/10 baseline (2.07m)	2.17m (2017/18)	2.15m (Prov) (2018/19)	➡	Annual	Not available	2019/20 data available in mid 2020
Index of cycling activity (12 hour) from 2009 Baseline (31,587)	116.00% (2017)	120.00% (2018)	➡	Annual	Not available	2019 data available in July 2020
Index of pedestrians walking to and from the City Centre (12 hour in and out combined) from 2009/10 Baseline (37,278)	110.00% (2017/18)	126.00% (2018/19)	⬆ Good	Annual	Not available	2019 data available in July 2020
% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus - excluding cars, Lift, Motorcycle, Train)	71.00% (2017)	73.00% (2018)	➡	Annual	Not available	2019 data available in October 2020

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- 31 New data around cycling activity, numbers of pedestrians walking to and from the city centre and numbers of customers arriving at York station by sustainable modes of transport will not be available until later in the year.
- 32 From newly available 2019-20 data, there has been an improvement in the percentage of the road and pathway network (for roadways)

which is graded poor, or very poor, from 23% to 20%, and this reflects the investment in to the highways maintenance programmes in the last few years.

- 33 Due to the COVID-19 pandemic, there have been dramatic changes to the mobility of the residents living and working in the city. As at the end of March 2020 there had been a 90% reduction in retail and recreation in the city compared to baseline data taken during January. Other changes to mobility included a 50% reduction in grocery and pharmacy, 64% reduction in the use of parks, 84% reduction in the use of transit stations, 65% reduction in people going to their usual workplaces and a 29% increase in people staying in their residences.

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Executive**23 July 2020**

Report of the Corporate Finance & Commercial Procurement Manager
(Interim S151 officer)

Capital Programme Outturn 2019/20 and Revisions to the 2020/21– 2024/25 Programme

Report Summary

1. The purpose of this report is to set out the capital programme outturn position including any under or over spends, overall funding of the programme and an update as to the impact on future years of the programme.
2. The report contains details of the capital investment made during 2019/20 and how this has supported delivery of the Council Plan. Key areas of investment are listed below with further details contained in the body of the report.
 - £2.2m on construction of a purpose built facility to provide short breaks for young people with disabilities scheduled to open in October
 - £2.1m to complete a new gym, changing rooms, two studios and a refurbished sports hall at Burnholme
 - £3.6m to ensure construction work on new homes at Lowfields could start in December 2019
 - £7.8m on the modernisation and repair of council homes
 - £1.8m to provide adaptations to ensure residents can live in their own homes for longer
 - £4.1m to develop a new homeless hostel at James House
 - £4m to acquire new Shared Ownership homes
 - £3m on the creation of 15 new fully wheelchair accessible properties and 20 fully refurbished apartments at Lincoln Court
 - £2.1m on starting phase 1 of the main build at Marjorie Waite Court
 - Investment of £5.5m to improve highways
 - £2.6m on a range of measures under the Local Transport Plan

- £3m on charging infrastructure to prepare for a new fleet of electric buses
- £1.9m on continued works to deliver York Central
- £3.5m on work to deliver a comprehensively refurbished and renewed Guildhall
- Commercial Property acquisition of £4.5m
- £8m on the development of the York Stadium Leisure Complex, which is now practically complete
- Investment of £3.8m to deliver significant ICT developments and improvements

3. Some of the direct outcomes from this investment include:

- 93 new affordable homes
- 20 new shared ownership properties
- 140.876m² of the maintenance carriageways resurfaced and 9,332m² of footway schemes, including the York stone renewal in Stonegate
- Upgrade of traffic signals at 8 locations
- Rapid deployment of ICT services to enable effective remote working for members and officers

4. The report shows an outturn of £85.707m compared to an approved budget of £121.456m, an overall variation of £35.749m.

5. The net variation of -£35.749m is made up as follows:

- Requests to re-profile budgets of a net -£38.892m of schemes from 2019/20 to future years (currently approved budgets in the capital programme but requires moving to or from future years in line with a changing timetable of delivery for individual schemes)
- Adjustments to schemes increasing expenditure by a net £3.143m, mainly due to additional grant funding being received.

6. The level of re-profiling reflects the scale of the capital programme, and in particular that it contains a number of major and complex projects. The overall capital programme continues to operate within budget, due to careful management of expenditure against the budget.

7. The main areas of re-profiling included within the £38.892m include:

- £2.838m – York Central Infrastructure
- £2.562m – Shared Ownership Scheme
- £1.956m – Centre of Excellence for Disabled Children (Lincoln Court)
- £1.943m – Major Repairs & Modernisation of LA Homes
- £1.865m – Community Stadium
- £1.627m – Highways & Transport – Ward Committees
- £1.477m – Guildhall
- £1.213m – Highways Schemes
- £1.159m – Building Insulation Programme – Improving energy efficiency
- £1.108m – Local Transport Plan
- £0.910m – Southbank Expansion
- £0.867m – WYTF Station Frontage
- £0.863m – Lincoln Court Independent Living Scheme
- £0.859m – Castle Gateway (Piccadilly Regeneration)

Recommendations

8. The Executive is requested to
 - Note the 2019/20 capital outturn position of £85.707m and approve the requests for re-profiling totalling £38.892m from the 2019/20 programme to future years.
 - Note the adjustments to schemes increasing expenditure in 2019/20 by a net £3.143m
 - Recommend to Full Council the restated 2020/21 to 2024/25 programme of £600.615m as summarised in Table 3 and detailed in Annex A

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

Consultation

9. The capital programme was developed under the capital budget process and agreed by Council on 28 February 2019. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

10. The COVID-19 pandemic began during the last few weeks of the 2019/20 financial year. Whilst this did not materially impact on the overall 2019/20 Capital outturn position, it will have a significant impact on the Council's finances in 2020/21 and possibly for a number of years to come. Work is ongoing to consider planned capital investment to ensure this is consistent with the Council's Recovery and Renewal Strategy and the outcome of this will be reported to future meetings.

11. A net decrease of £35.749m is detailed in this monitor resulting in a revised capital programme of £85.707m. There is an increase of £3.143m in 2019/20 attributable to the net effect of additional grant received in year. This is offset by a £38.892m decrease in 2019/20 due to re-profiling of budgets to future years.

12. Table 1 outlines the variances reported against each portfolio area.

Department	Current Approved Budget £m	Projected Outturn £m	Increase (decrease) £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children, Education & Communities	12.284	7.081	0.464	(5.667)	(5.203)	15 - 25
Health, Housing & Adult Social Care – Adult Social Care	5.321	4.606	(0.123)	(0.592)	(0.715)	26 – 30
Health, Housing & Adult Social Care – Housing & Community Safety	37.758	30.652	3.107	(10.213)	(7.106)	31 – 52
Economy & Place – Transport, Highways & Environment	31.559	18.652	(0.339)	(12.568)	(12.907)	53 - 69
Economy & Place – Regeneration & Asset Management	17.666	11.707	0.116	(6.075)	(5.959)	70 – 79
Community Stadium	10.143	8.285	0.007	(1.865)	(1.858)	88-89
Customer & Corporate services	2.260	0.844	(0.106)	(1.310)	(1.416)	80 - 85
IT Development Plan	4.465	3.880	0.017	(0.602)	(0.585)	86 – 87
Total	121.456	85.707	3.143	(38.892)	(35.749)	

Table 1 – Summary of capital outturn by department

13. The following paragraphs set out the main variances and the requirements for re-profiling above £100k. All other variations below £100k are shown in the accompanying annex. All the explanations are based on movement against the approved monitor 3 position.

Children, Education & Communities

14. Capital Expenditure within the Children, Education & Communities service area totalled £7.081m in 2019/20.
15. The majority of this expenditure was incurred under four major scheme headings where there was significant work and progress in 2019/20. These schemes were: The centre of excellence for disabled children; schools condition and maintenance works; schools basic need accommodation works, and investment in facilities for SEND provision.
16. Expenditure within the main basic need scheme was incurred on supporting work at three schools, Lord Deramore's and St Lawrence's Primary Schools and Fulford School. At Lord Deramore's, the expenditure funded additional work associated with the Department for Education (DfE) funded primary school building programme scheme. The St Lawrence's Primary School and Fulford School expenditure related to contributions to assist with larger expansion and modernisation schemes.
17. The basic need scheme budget is currently supported by an amount of £3.710m of prudential borrowing, the revenue cost of which was to be charged to the Dedicated School Grant (DSG). However, due to a reduction in the part of the DSG that this was to have been funded from, this is no longer affordable, therefore this funding needs removing. This results in a reduction in the basic need scheme budget by this amount
18. The work carried out at St Mary's Primary in 2019/20 was phase 2 of a project to provide additional classroom space and was completed in the summer of 2019. The additional expenditure has been funded by an increase in basic need allocated to the project
19. The Archbishop Holgate Academy expansion scheme was approved at Executive on 24th October 2019, to provide basic need funding for a three storey classroom block at Archbishop Holgate's School. Only a small amount of funding was drawn down by Pathfinder Multi-Academy Trust in 2019/20 to fund expenditure.

20. Expenditure within the schools condition and maintenance work schemes totalled £2.767m in 2019/20. Significant schemes completed within this heading were as follows: at Clifton Green Primary School - phase 1 of Roof replacement works together with a boiler refurbishment; Dringhouses Primary School – pipework, roof, external fencing and paving; Fishergate Primary – boiler repairs; Headlands Primary – roof works; Poppleton Road Primary – windows; Stockton on Forest Primary – rewire; St Pauls Nursery – roof and structural work; Westfield Primary School – windows, doors and gutters; Wigginton Primary – window replacement. Funds of £1.045m are to be re-profiled into future years due to some scheme underspends and payments outstanding.
21. Capital expenditure within the centre of excellence build has totalled £2.242m in 2019/20. The scheme has progressed well over the year with the main building project well advanced. Handover is currently scheduled for September 2020 with opening in early October. This facility will provide short breaks for young people with disabilities in a purpose built facility and also expand the service support offer in the community and assist in reducing the need for out of authority placements by providing much more flexible provision in the city.
22. Significant work has been completed within the SEND Expansion of facilities scheme in 2019/20 which also benefitted from additional DfE grant funding of £609k in the financial year. The most significant scheme in here was the additional classroom provision at Applefields Special School which was completed at a cost of £350k. Other works were carried out at Danesgate and funding support provided to Askham Bryan College for additional facilities for SEND provision
23. The York Explore – fit out of Hungate premises scheme is a new addition to the programme and reflects the use of a Section 106 receipt from the Hungate development to fit out the new Hungate library and reading cafe as the community facility of the development. The work has been successfully organised by Explore.
24. Phase 1 of the energise roof works was carried out in spring 2020 with capital expenditure totalling £120k. A small amount of the budget needs moving into 2020/21 to fund outstanding payments. Phase 2 is planned for 2020/21

Health, Housing & Adult Social Care – Adult Social Care

25. Capital expenditure within the Adult Social Care service area totalled £4.606m in 2019/20.
26. The Ashfield estate football pitches scheme has an outturn of £488k in 20/20. The project was initially delayed as a result of the wet weather over the winter and the pitch contractor is now back on site to complete their portion of the works. The construction of the pavilion / changing rooms has been put on hold due to the Covid-19 restrictions and it is not known when the work will be able to restart. The final procurement for the access road has also been put on hold. £425k of budget has therefore been reprofiled into 2020/21.
27. The contract for the Burnholme sports centre is now complete and was delivered in line with the budget with £2.146m being spent in 2019/20. The facilities include a new gym, new changing rooms for indoor and outdoor sports, two studios and a refurbished sports hall. The pitches have also been levelled, reseeded and fenced and will be available for outdoor team sports over the winter 2020/21 season onwards.
28. The Lowfields enabling work scheme has a capital outturn position of £1.145m in 2019/20. In order to accelerate the construction programme at Lowfield Green, a package of enabling works was procured. This was grant funded through Homes England's Accelerated Construction Fund which provided over £1.4m of grant to the site. The works included preparatory site clearance, formation of a new access to the site, utilities diversions and formation of haul roads. These works have considerably aided the main housebuilding works at Lowfield Green which commenced in December 2019.
29. The disability support budget, telecare and major items of disability equipment schemes had a total outturn position of £593k in 2019/20 which enabled the council to maintain a flexible approach towards supporting residents to remain in their own homes and communities, reducing the need for formal social care. The council provides funding above the disabled facilities grant current maximum of £30k through the use of interest free loans and/or home appreciation loans, both are which funded from this budget.

Health, Housing & Adult Social Care – Housing & Community Safety

30. Capital expenditure on schemes within the Housing & Community Safety service area totalled £30.652m in 2019/20. The capital budget has been used to provide £7.8m of housing repairs, £2.5m on aids and adaptations to people's homes, £4.1m on creating a new homeless hostel at James House and £15.9m on the provision of new homes and the shared ownership scheme
31. The local authority homes phase 1 scheme has a capital outturn position of £758k in 2019/20. Phase 1 of the new council house building programme is nearing completion with 93 new affordable homes being completed across sites at Beckfield Lane, Pottery Lane, Fenwick Street, Pack of Cards/Lindsey House, Hewley Avenue, Glen Lodge and most recently, Newbury Avenue.
32. The final properties in this phase are Marjorie Waite Court which will be completed in the winter of 2020 providing 33 additional units and the 57 bed hostel at James House which will open in June 2020.
33. Newbury Avenue/Cheltenham Court is a redevelopment of a much underused garage court site to create 5 bungalows. The project was completed in February 2020. Two of the bungalows are fully adapted for wheelchair users which includes level access showers and height adjustable cookers and sinks. In addition an underused communal area in front of the bungalows was redeveloped with raised planters and seating. The new tenants have expressed nothing but praise for the scheme.
34. The total budget for the Glen Lodge scheme was £4.151m. The new 27 units have been open for some time with just the retention payment of £88k due in 2020/21. This project has underspent by £228k which is proposed to be reallocated to offset the overspend on other schemes.
35. Phase 1 of the main build at Marjorie Waite Court is progressing well, with capital expenditure of £2.130m in 2019/20. The roof work has been completed as well as the under floor heating and screed, enabling the first fix to commence. The contractor suspended work during the COVID-19 pandemic and as such this delay will incur costs. Once the financial impact of this situation is known, a further update

will be provided through the monitoring report. A budget of £801k is to be re-profiled to 2020/21.

36. The conversion of James House from offices to 57 self-contained apartments for temporary homeless accommodation completed on 14th April 2020, fifteen months behind schedule. This scheme has a capital outturn position of £4.131m in 2019/20. For homeless households the self-contained apartments will offer safe, secure and comfortable accommodation before permanent housing can be found for them. It will give them access to specialist housing support and help reduce the social isolation that homelessness can often bring. James House was open to residents in June 2020.
37. Final costs have not been finalised but are currently £1.782m above the agreed budget of £12.4m. The council have appointed independent experts to review the programming, delay and quantity surveying aspects of the project. The additional costs of the scheme can be funded from the balance of the £20m phase 1 investment reserve which is forecast to stand at c£2.5m following the end of the phase 1 scheme programme and an increase in Homes England grant of £485k.
38. The phase 1 programme also includes the shared ownership scheme which has a capital outturn position of £4.030m in 2019/20. In 2019/20 we have acquired 20 shared ownership homes across the city with 24 being sold within the year, taking the total of shared ownership properties in the portfolio to 31 of which 30 have been sold. The budget for this scheme is modelled on 50% of each home being funded by the Housing Revenue Account (HRA) and resources from Homes England funding. The matched funding is received as a capital receipt when the purchaser buys an equity share of the property, as such the receipts from the sale of the 20 shared ownership homes are required to be reinvested back in to the programme and will increase the budget by £2,693k of which, £2,562k should be re-profiled to 2020/21.
39. The Lincoln Court project has a capital outturn position of £2.997m which has seen the creation of 15 new fully wheelchair accessible properties and 20 fully refurbished apartments. Poor weather conditions in January and February 2020 created a minor delay on the roofing works. The project team is working with housing management colleagues to plan and prepare for handover. Contractor work was suspended at the end of the year due to the COVID-19 pandemic and

any cost implication of this action will be reported in future monitoring reports. £863k of the 2019/20 budget is to be re-profiled to 2020/21.

40. The local authority homes phase 2 scheme has a capital outturn position of £102k in 2019/20. This budget is for future housing delivery schemes not included in the first phase of 8 sites, it has also been used to make purchases of one off properties for social rent to increase the housing stock and maximise the 1-4-1 right to buy receipts which are time limited. One such property has been purchase in 2019/20. A notional budget of £1m has been allocated in this financial year for this purpose from the total budget of £5.2m. £300k will be funded from right to buy receipts. £764k underspend in 2019/20 is to be re-profiled to 2020/21.
41. The purchase of the Duncombe Barracks site was completed in August 2019 and work is now underway on design and feasibility of around 36 homes, of which, at least 14 will be affordable homes. Total funds of £2.334m have been spent in 2019/20. The underspend of £199k in 2019/20 is to be re-profiled to 2020/21.
42. The Lowfield housing site has an outturn position of £2.538m in 2019/20. This site will include 140 mixed tenure homes of which 56 will be affordable homes. The contractor has been on site since December 2019 and is progressing well with significant progress on infrastructure work along with substructures of the first 34 homes which are due to be complete in early 2021. The underspend of £462k is to be re-profiled to 2020/21.
43. The design of the Burnholme site to RIBA stage 2 has been completed with all the houses to Passivhaus standard and zero carbon use. Design to RIBA stage 3 will continue in the new financial year with a planning application being submitted around August 2020. The design entails 91 houses, of which 36 will be affordable homes, either social rent or shared ownership.
44. The Design work is progressing well at the Ordnance Lane & Hospital Fields Road site with four engagement events having guided the progress and direction of the scheme design, each were well attended and very well received by neighbours. The latest engagement event, due to the Covid19 safety concerns, was held in an 'online gathering' format, and focussed on intergenerational living, working and volunteering. The wide range of speakers and participants present at the event helped to inform the design and approach of the 'New

Ordinance Lane' street area which will have a specific focus on intergenerational living and building a strong, resilient community. It is anticipated that the detailed planning application for the site will be submitted in September 2020 for around 110 homes, of which, 44 will be affordable homes.

45. The local authority homes new build project is for the first 8 sites in the Housing Delivery project. As sites complete the design and pre-planning stages, budget will be allocated to each scheme from this budget. The underspend of £200k will therefore be re-profiled to 2020/21.
46. The major repairs & modernisation of local authority homes programme has total capital expenditure of £7.842m in 2019/20. This has resulted in works during the year on major damp issues, replacement kitchens, bathrooms and roofs and upgrading of external door entry systems to flats, asbestos removals and installation programmes. Additional contributions of £124k came from leaseholder income of £122k and £2k right to buy receipts. An underspend of £1.943m has been re-profiled to 2020/21.
47. Throughout 2019/20 existing contractors have been used to resolve major standing water problems in 34 households and minor works in 239 properties. A further 43 properties with significant standing water issues are expected to be completed in 2020/21.
48. Four contractors are now assisting the building services team to complete void properties with a total of 125 properties requiring major works in 2019/20, of which 28 properties had standing water issues.
49. The £1m July budget amendment allocated for decent homes has been utilised to bring a proportion of the voids up to a decent homes standard as many of these properties had been declined works by their previous tenants and were in a poor state of repair. In addition 37 new kitchens have been fitted in 2019/20 using the early kitchen failure budget and 24 new bathrooms have been installed from the early bathroom failure budget. These are where the kitchen or bathroom needed replacing earlier than programmed due to being beyond repair or due to damp in the property.
50. During 2019/20 work was completed within the energy efficiency improvements to local authority homes scheme in conjunction with the West Yorkshire Combined Authority to complete the initial design for a

pilot project to significantly improve the energy efficiency of 60 council homes. Total capital funds of £1.168m were spent in 20/20. A business case to proceed with the pilot will be taken to Executive for member approval during 2020/21.

51. The disabled facilities grant programme is for adaptations to allow private residents to stay in their own homes for longer. The Council continues to support more people to remain safe and independent in their own home. Capital expenditure totalled £1.874m in 2019/20. The falls prevention team continues to receive excellent feedback from residents who are at fear of falling. With 3 falls prevention practitioners the service has expanded in to six wards as well as receiving referrals from identified partners. The team has been working alongside the handyman service and other voluntary partners with the aim of ensuring that as many people remain safe in their homes.

Economy & Place – Transport, Highways & Environment

52. Capital expenditure on various schemes within Transport, Highways & Environment totalled £18.652m in 2019/20.
53. Within the highway schemes capital expenditure of £5.504m included resurfacing works completed across the city including:
- Resurfacing - 10.78km (82,869sq.m)
 - Surface Dressing – 6.3 km (48,380sq.m)
 - Micro surfacing – 1.85km (9,672sq.m)
 - Lines refreshed as part of scheme works – 43.03km
 - Gully covers replaced as part of c/way works – 237
 - Manholes replaced as part of c/way works – 143
 - Gullies cleaned as part of c/way works – 781
 - Drainage repairs as part of c/way works – 53m
 - Total footways reconstructed / resurfaced / repaved 9,332 m²
54. This equates to a total area 140,876 m² of the maintenance carriageways resurfaced and 9,332 m² of footway schemes, including the York stone renewal in Stonegate
55. A scheme for Tadcaster Road was identified for the Department for Transport (DfT) Challenge fund. The bid had to include a contribution of £500k from the council and this was kept available within the 19/20 budget. The successful outcome of the bid has only recently been announced so this funding was unspent in 19/20. There were also a

number of schemes due to be delivered in the last quarter of the financial year which were delayed due to flooding. As a result, funds of £1.213m have been re-profiled into future years.

56. Ward Committee schemes will continue to be delivered in future years as scheme ideas are identified and subsequently planned and completed, therefore remaining funds of £1.627m have been re-profiled into future years.
57. Within the street lighting scheme, 435 lantern heads have been replaced with new energy efficient LED lanterns and 624 columns have been replaced during 2019/20.
58. The Better Bus Fund has seen an improvement scheme at the Haxby Road/ Wigginton Road junction, including new traffic signals and resurfacing, to improve bus priority at the junction.
59. The local transport plan has a capital outturn position of £2.570m in 2019/20. There has been the upgrade of traffic signals at 8 locations in 19/20, which has included improvements to footways and carriageway resurfacing where required. Installation of car park counting technology at Piccadilly, St George's Field, and Union Terrace car parks; Refurbishment of variable message signs in car parks to display the number of spaces available and refurbishment of seven 'freetext' variable message signs around the city centre.
60. A new off-road cycle route linking Knapton to existing surfaced path along Moor Lane to Rufforth, via Northfield Lane and the A1237 underpass, which means pedestrians and cyclists no longer need to use the at-grade crossing of the A1237.
61. 31 CCTV cameras were replaced under the CCTV asset renewal scheme, along with the upgrade of back-office systems to meet current legislative requirements for storage of footage and General Data Protection Regulations (GDPR).
62. The electric bus scheme has a capital outturn position of £3.014m. Charging infrastructure (new sub-station and charging points) has been installed at the First York depot for the new fleet of 21 electric buses for the Park & Ride fleet. Work to manufacture the new buses was progressing well during 2019/20, but the factory has now been shut down due to the lockdown measures. The new buses will be completed once the factory is in operation again.

63. The successful bid for European Regional Development Fund grant funding within the hyper hubs scheme meant that the scope of the project had to be revised before applying for planning permission and carrying out procurement. Funds of £606k have therefore been re-profiled into future years.
64. A number of schemes have progressed within the city walls scheme and will continue in 20/21 including
 - Bootham to Robin Hood's Tower: towards completion of repair scheme to RIBA stage four (finalisation required)
 - Tower Two structural and archaeological investigations and repair scheme to RIBA stage three
 - Lendal Arch structural and archaeological investigations and repair scheme to RIBA stage four
 - Towers 35 to 36 archaeological and structural investigations and instigation of monitoring programme
65. Within the flood defences scheme funding agreements have been formulated and signed by all parties for the transfer of the capital funds to support the Environment Agency led scheme at Clementhorpe. The planning application for the scheme has been delayed amid significant public pressure, this leaves some uncertainty in the viability of the scheme. Funds will be released following successful planning permissions, determination of the application is expected in early 2020/21. Funds of £317k have therefore been re-profiled into future years.
66. A wider holistic flood scheme is in development to deliver protection to Fordlands Road, at risk housing and further protection to the A19. Consultants are working on an appraisal and options and a programme is being developed to widen the scope of this project and identify wider funding sources to fund the potential interventions. Funds of £486k have therefore been transferred into future years.
67. The Council is currently working with the Environment Agency across all flood schemes to identify opportunities for the funding to be used to target wider improvements. Likely links to the Fordlands/Germany Beck scheme are being considered. Funds of £500k within the flood schemes contribution scheme have therefore been transferred into future years.

68. Progress on the station frontage scheme has been delayed until a planning application has been submitted and approved, therefore funds of £867k have been re-profiled into future years.

Economy & Place – Regeneration & Asset Management

69. Capital expenditure on various schemes within Regeneration & Asset Management totalled £11.707m in 2019/20.
70. The regeneration of the Castle Gateway has made significant progress in 2019/20 with capital expenditure totalling £1.064m. Full planning applications were submitted for the phase one sites in autumn 2019, and in January 2020 the Executive approved the business case and delivery strategy for the first phase. The principle is that the council will act as developer for this phase with the short term capital investment being repaid by the sale of the completed apartments and long term revenue from the commercial spaces. In April 2020 the council were about to commence the procurement of a contractor to undertake the detailed design of the first phase and provide a fixed price for the construction phase. However, as part of the council's response to the COVID_19 pandemic all major procurements are on hold in the short term, and officers are considering a number of options to mitigate the impact on project timescales and how best to proceed. There has also been a delay to the planning process, and it is expected that the applications will now be considered in June 2020. It is still hoped that, subject to the project remaining viable, start on site for phase one will be in early 2021
71. Delivery of the Guildhall project was approved by Executive in February 2019 with Full Council confirming the budget at their March 2019 meeting.
72. The project will deliver a comprehensively refurbished and renewed Guildhall complex to provide a contemporary business venue for the City, the works include a green energy solution and dramatically improved facilities for community, civic and council use, with a riverside restaurant unit alongside.
73. Capital expenditure on the Guildhall project totalled £3.525m in 2019/20. The construction phase of the project commenced on 16 Sept 2019. Progress has been strong although a number of issues have arisen in relation to identified risks. The critical underpinning to the north annex tower proved both technically challenging and

complex to resolve with multiple ground obstructions encountered. This vital work to stabilise the tower was successfully completed in March. High river levels in Dec 19 and in January 20 delayed first the site crane erection and subsequently the removal of excavation spoil from site. These factors have resulted in some contract delay and additional costs, however, contract contingency provisions were made in recognition of these risks and as at March 2020 the project remained within budget.

74. Since the year end despite the extensive pre construction investigations and evaluations, archaeological discoveries have resulted in further delay. However, as of 22 June the archaeological evaluation works have been completed and construction work re-started in that area. There have also been some additional challenges arising from restrictions put on the site as a result of Covid 19.
75. These additional delays have meant that it is presently considered that these additional costs cannot be contained within the agreed contingency. The project team are working to evaluate options for value engineering and cost saving. There is also a need to recognise that project continues for a further week with inherent risks. These will be reviewed and the result of these measures will be reported to Members in a future capital monitoring report
76. Capital expenditure on the commercial acquisition scheme totalled £4.512m in 2019/20. On 30th August 2018 Executive approved £1.924m for the purchase of the leasehold of Union Terrace Centre and the freehold of Robinson Court from York Housing Association. Both properties are hostels run by the Cyrenians Ltd (Changing Lives) who provide accommodation for the homeless, e-offenders and individuals with substance misuse or mental health problems. Following lengthy negotiations the properties were purchased in January 2020. The overall purchase cost was £1.716m, leaving £208k to carry out further property improvements.
77. On 28th November 201 Executive also approved £2.85m for the purchase of 25-27 Coney Street. This was completed in December 2019 for £2.796m
78. The asset maintenance budget is used for the upkeep of council properties. During 2019/20 this was used to carry out roof repairs at Explore central library, new air conditioning at Swinegate and the fitting out of Winterscale House to allow York Learning to move out of

Rougier House. Design work has also started at Acomb and Strensall libraries, replacing fire alarms at Swinegate and The Shambles, roof repair at Little Shambles and general repairs at Blossom Street

Customer and Corporate Services

79. Capital expenditure on various schemes within Customer and Corporate Services totalled £844k in 2019/20
80. Within the Mansion House scheme, the final payment to the main contractor has been made during the year, resulting in expenditure of £214k. The balance of £46k needs to be re-profiled into 2020/21 to enable several smaller final supplier payments to be made.
81. Phase 1 of the works at the registry office, have been completed within the original timescale and budget. The final retention is payable in May 2020. A further capital project for phase 2 of the refurbishment is due to start later in 2020.
82. The replacement of the Council's two cremators at the crematorium has largely been completed by the end of March 2020, resulting in expenditure of £584k. Both cremators are now fully operational. There is some final work to complete to make good the works, but these were put on hold at the end of March following the Covid-19 outbreak. A request to slip the remaining budget of £152k is made at outturn to cover these final works.
83. Asbestos removal works were carried out at three sites during the year, resulting in expenditure of £35k. As reported at monitor 3, a project at Rowntree Park Lodge has been deferred awaiting further consultation; therefore a request for the majority of the budget to be slipped into 20/12 is made at this time. The balance of the budget needs to be re-profiled into 2020/21 for future schemes.
84. Following the tendering process a contract has now been awarded for the work to expand the PV panelling at Hazel Court. The work is now planned for 2020/21, meaning that a further £131k will need to be re-profiled.

Customer and Corporate Services - IT

85. The ICT development plan has a total outturn position of £3.880m in 2019/20. This expenditure has seen significant achievements made on individual schemes as follows:

- implemented the necessary in year ICT responses to the Covid 19 pandemic ensuring staff, members and the residents of York were provided with their essential “business as usual” and evolving technology needs and ICT services including, but not limited to, home working by default and access to new or enhanced collaboration platforms as the situation developed. This included:
 - deployed Skype audio visual capability to all staff and members
 - set up and deployed a full Skype Enterprise telephony solution to remove the necessity for desk phones (available to 90% of staff)
 - identified, procured, set up and deployed additional mobile devices (laptops and mobiles) in priority order as advised by silver to enable high levels of remote working by staff
 - increased bandwidth provision to ensure sufficient internet service capacity and resilience
 - deployed a limited Zoom service for members and officers to enable remote council meetings
- replaced our aged firewalls with a future proofed and more robust Cisco next generation firewall estate that will provide much superior e-protection services underpinning the councils BAU services and its future Digital Service aspirations.
- migrated all customers to the new Citrix farm providing access to a more up to date desktop and Microsoft office experience and combined with the replacement or upgrade of our thin clients we have enabled a much faster and effective logon experience.
- renewed our corporate anti virus/security solution
- replaced our aging Smartphone device estate as part of continuing refresh policy to support agile working and also to improve the security of our mobile devices.
- worked with colleagues to identify and procure new Parking and Waste systems
- working with North Yorkshire County Council to implement their new Health and Safety system across City of York Council.
- upgraded all staff and public PC's at Explore and library locations to Windows 10 as part of a hardware upgrade project
- currently rolling out Wifi services to the Stadium and Coppergate

- delivered 1Gb superfast broadband connectivity to businesses on the Shambles as part of our work to support York's SME community.
- upgraded all Public access PC's to Windows 10
- upgraded the CYC ICT estate to Office 2016
- implemented new domain management software
- Implemented a new network security systems to scan all Council devices for weaknesses exposed from outside the network

86. Total funds of £602k require re-profiling into 2020/21 in relation to the IT Development Plan overall. This is to allow the delivery of planned corporate projects that have been deferred in terms of commencement until the 2020/21 financial year.

Community Stadium

87. The community stadium capital scheme has an outturn position of £8.285m in 2019/20. The construction of the York Stadium leisure complex is practically complete but final items have in the recent weeks been effected by COVID-19, like so many other constructions sites and wider businesses. The York Community Leisure Complex does though remain a live building site, albeit with a reduced workforce. All staff present on site are following social distancing rules, along with enhanced cleaning regimes including hand washing, in accordance with government guidelines.

88. The construction is almost complete, but there remains a small number of self-employed trades people still working (mostly on the external works) to progress the final stages of minor works, known in the industry as 'snagging'. This will continue for as long it is government guidance to do so. All certification and testing will only recommence once Government allows the gathering of people to resume, but only at that point. When all contractors and partners are able to return safely to the site to fully complete the works, they will. Only at that point can the Stadium look to hold test events required and open thereafter.

Funding the 2019/20 Capital Programme

89. The 2019/20 capital programme of £85.707m has been funded from £32.503m external funding and £53.204m of internal funding. The internal funding includes resources such as revenue contributions, Supported Capital Expenditure, capital receipts and reserves.

90. The overall funding position continues to be closely monitored to ensure the overall capital programme remains affordable and is sustainable over the 5 year approved duration.

Update on the 2020/21 – 2024/25 Capital Programme

91. As a result of this report amendments have been made to future year's capital programmes as a result of re-profiling schemes from 2019/20 to future years as set out above.
92. The restated capital programme for 2020/21 to 2024/25 split by portfolio is shown in table 3. The individual scheme level profiles can be seen in Annex 1.

		2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	Total Budget
		£m	£m	£m	£m	£m	£m
CEC	Children's, Education & Communities	28.016	10.500	2.000	-	-	40.516
HH & ASC	Adult Social Care & Adult Services Commissioning	3.562	0.716	0.638	0.660	0.682	6.258
HH & ASC	Housing & Community Safety	58.409	51.489	40.007	36.790	10.716	197.411
E&P	Transport, Highways & Environment	52.184	32.692	36.792	27.385	9.536	158.589
E&P	Regeneration & Asset Management	44.358	81.114	52.220	1.100	1.100	179.892
CCS	Community Stadium	1.865	-	-	-	-	1.865
CCS	Customer & Corporate Services	2.797	0.250	0.200	0.200	0.200	3.647
CCS	IT	2.857	2.320	2.420	2.420	2.420	12.437
	Total	194.048	179.081	134.277	68.555	24.654	600.615

Table 3 – Restated Capital Programme 2020/21 to 2024/25

93. Table 4 shows the projected call on Council resources going forward.

	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	Total £m
Gross Capital Programme	194.048	179.081	134.277	68.555	24.654	600.615
Funded by:						
External Funding	49.099	98.667	69.601	22.536	5.300	245.203
Council Controlled Resources	144.949	80.414	64.676	46.019	19.354	355.412
Total Funding	19.048	179.081	134.277	68.555	24.654	600.615

Table 4 – 2020/21 –2024/25 Capital Programme Financing

94. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing, prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts.
95. In financing the overall capital programme the s151 officer will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Councils' borrowing levels and associated revenue costs.

Consultation

96. Not applicable

Options

97. Not applicable

Council Plan

98. The information contained in this report demonstrates progress in achieving the priorities set out in the Council Plan.

Implications

99. This report has the following implications:

- **Financial** - are contained throughout the main body of the report
- **Human Resources (HR)** – There are no HR implications as a result of this report
- **One Planet Council/ Equalities** – The capital programme seeks to address key equalities issues that affect the Council and the public. Schemes that address equalities include the Disabilities Support Grant, the Schools Access Initiative, the Community Equipment Loans Store (CELS) and the Disabilities Discrimination Act (DDA) Access Improvements. All individual schemes will be subject to Equalities Impact Assessments
- **Legal Implications** - Whilst this report itself does not have any legal implications, the schemes within the capital programme will themselves be in receipt of legal advice where necessary
- **Crime and Disorder** - There are no crime and disorder implications as a result of this report.
- **Information Technology** – The information technology implications are contained within the main body of the report,
- **Property** - The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from capital receipts.
- **Other** – There are no other implications

Risk Management

100. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects.

Contact Details

Authors:	Officer Responsible for the report:		
Emma Audrain Technical Accountant Corporate Finance 01904 551170 emma.audrain@york.gov.uk	Ian Floyd Interim Head of Paid Service		
Debbie Mitchell Corporate Finance & Commercial Procurement Manager (Interim S151 officer) 01904 554161	Report Approved	√	Date 7 th July 2020
Wards Affected: All			
For further information please contact the authors of the report			

Specialist Implications:
Legal – Not Applicable
Property – Not Applicable
Information Technology – Not Applicable

Annexes

Annex A – Capital Programme by year 2019/20 – 2024/25

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	2019/20	2019/20	2019/20	2019/20	2019/20	2020/21	2019/20	2019/20	2021/22	2019/20	2022/23
	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Revised
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CEC - CHILDREN, EDUCATION & COMMUNITIES											
NDS Devolved Capital			234			195			0		0
DfE Maintenance	-529	-62	1,087		62	1,431			0		0
Clifton Green Primary Roof Replacement - phase 1	490		490			0			0		0
Basic Need	-58	-359	266	-7,610	359	8,236			8,500		0
Archbishop Holgate's School Expansion		-304	196	3,900	304	4,204			0		0
St Mary's CE Primary School Additional Teaching Accommodation	48		277			0			0		0
Westfield Primary School Kitchen and Dining Facilities Expansion		-29	36		29	29			0		0
Fulford School Expansion		-9	1		9	9			0		0
Family Drug & Alcohol Assess/Recovery Facility			0			100			0		0
Expansion and Improvement of Facilities for Pupils with SEND	412	-572	602		572	1,032			0		0
Children & Young Peoples services & Building based provision review		-12	0		12	12			0		0
Southbank Expansion		-910	20		910	910			0		0
Capital Maintenance Works to Schools - Ventilation & Electrical			0			0			0		0
Centre of Excellence for Disabled Children (Lincoln Court)		-1,956	2,242		1,956	3,130			0		0
Healthy Pupils Capital Fund			0			93			0		0
Schools Essential Building Work		-730	442		730	2,558			0		0
Schools Essential Mechanical & Electrical Work		-253	749		253	2,551			0		0
Children in Care Residential Commissioning Plan		-398	2		398	1,358			0		0
Adaptions to Foster Carer Homes			0			100			0		0
Improving School Accessibility			0			500			0		0
CEC - Communities											
Haxby Library Reprovision		-43	16		43	743			0		0
Castle Museum Development Project			200			0			0		0
Energise Roof		-30	120		30	130			0		0
Libraries as Centres of Learning and Opportunity for all: Acomb & Clifton			0			0			2,000		2,000
York Theatre Royal			0			500			0		0
National Centre for Early Music			0			195			0		0
Explore Hungate Premises	101		101			0			0		0
TOTAL GROSS EXPENDITURE	464	-5,667	7,081	-3,710	5,667	28,016	0	0	10,500	0	2,000
TOTAL EXTERNAL FUNDING	473	-791	4,149	0	791	16,065	0	0	8,500	0	0
TOTAL INTERNAL FUNDING	-9	-4,876	2,932	-3,710	4,876	11,951	0	0	2,000	0	2,000
HH&ASC - ADULT SOCIAL CARE & ADULT SERVICES COMMISSIONING											
Major Items of Disability Equipment		-19	108		19	150			135		139
Disabled Support Grant		4	214		-4	216			230		240
Telecare Equipment and Infrastructure		62	271		-62	382			251		259
OPA - the Centre@Burnholme including enabling works	16		209			0			0		0
OPA-Burnholme Sports Facilities	-139	777	2,146		3	48		-780	0		0
OPA-Haxby Hall		-544	24		544	544			0		0
OPA-Lowfields Enabling Work		70	1,145		-70	243			0		0
OPA-Ashfield Estate Sports Pitches		-425	488		425	862			0		0
OPA-Community Space at Marjorie WaiteCourt		-517	1		517	1,017			0		0
Proof of Concept for robotics & AI within social care			0			100			100		0
TOTAL GROSS EXPENDITURE	-123	-592	4,606	0	1,372	3,562	0	-780	716	0	638
TOTAL EXTERNAL FUNDING	-35	-344	1,924	-59	344	661	0	0	0	0	0
TOTAL INTERNAL FUNDING	-88	-248	2,682	59	1,028	2,901	0	-780	716	0	638
HH&ASC - HOUSING & COMMUNITY SAFETY											
Major Repairs & Modernisation of Local Authority Homes	124	-1,943	7,842		1,943	12,431			8,274		8,571
Assistance to Older & Disabled People			630			590			600		610
Local Authority Homes - Phase 1	-1,000	-40	758		40	40			0		0
Local Authority Homes - Phase 2		-764	102		764	3,103			2,000		0
Local Authority Homes - New Build Project		-200	0		200	4,600			33,100		26,400
Local Authority Homes - Project Team		-699	171		699	1,499			1,050		1,050
LA Homes - Hospital Fields/Ordnance Lane		-21	329		21	1,321			0		0
LA Homes - Burnholme		77	427		-77	1,323			0		0
Lowfield Housing		-462	2,538		462	19,562			4,000		500
Duncombe Barracks		-199	2,334		199	599			0		0
Water Mains Upgrade			0			60			60		350
Building Insulation Programme - Improving Energy Efficiency		-1,159	9		1,159	1,409			250		250
Disabled Facilities Grant (Gfund)		5	1,874		-5	1,868			1,985		2,106
IT Infrastructure	-108	-328	184		328	778			0		0

	2019/20	2019/20	2019/20	2019/20	2019/20	2020/21	2019/20	2019/20	2021/22	2019/20	2022/23
	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Revised
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Empty Homes (Gfund)		-100	0		100	100			0		0
Housing Environmental Improvement Programme	-156	-66	103		66	236			170		170
James House	1,782		4,131			0			0		0
Shared Ownership Scheme	2,693	-2,562	4,030		2,562	4,089			0		0
Lincoln Court Independent Living Scheme		-863	2,997		863	1,613			0		0
Extension to Marjorie Waite Court		-801	2,130		801	3,100			0		0
Extension to Glen Lodge	-228	-88	63		88	88			0		0
TOTAL GROSS EXPENDITURE	3,107	-10,213	30,652	0	10,213	58,409	0	0	51,489	0	40,007
TOTAL EXTERNAL FUNDING	3,226	-1,968	6,665	8	1,968	4,224	0	0	1,820	0	1,891
TOTAL INTERNAL FUNDING	-119	-8,245	23,987	-8	8,245	54,185	0	0	49,669	0	38,116
ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT											
Highway Schemes		-1,213	5,504	266	1,213	8,520			6,997		6,997
Highways & Transport - Ward Committees		-1,627	148		1,627	1,877			250		250
Special Bridge Maintenance (Struct maint)		-141	159		141	971			0		0
Replacement of Unsound Lighting Columns		136	714		-136	442			578		644
Highways Drainage Works		-152	24		152	352			200		200
Drainage Investigation & Renewal		-1	159		1	951			700		700
Highways, Road Adoption and Drainage Fund		-125	0	-125	125	0			0		0
Pothole Spotter Trial		-1	112		1	1			0		0
Wheeled Bins in Back Lane and Terraced Areas		-61	0		61	61			0		0
Built Environment Fund	75	-196	498		196	1,758			0		0
Parks and Open Spaces Development	33		33			0			0		0
Rowntree Park Lodge		-121	1		121	121			0		0
Better Play Areas	4	-100	68		100	300			0		0
Litter Bin Replacement Programme		-242	60		242	242			0		0
Knavesmire Culverts		-227	11		227	227			0		0
Better Bus Area Fund		-312	204		312	312			0		0
Local Transport Plan (LTP) *	-265	-1,108	2,570	300	1,108	2,978			1,570		1,570
Hyper Hubs	21	-606	79	550	606	2,692			0		0
York City Walls - Repairs & Renewals (City Walls)			137			0			0		0
York City Walls Restoration Programme		-295	255		295	1,011			716		376
Flood Defences		-317	0		317	317			0		0
Scarborough Bridge	28	-498	953		498	498			0		0
Hungate and Peasholme Public Realm		-175	0	-175	175	0			0		0
WYTF - YORR	22	-481	1,291		481	4,081	2,000		15,620	2,000	13,198
WYTF - Station Frontage		-867	433		867	5,834			3,638		2,000
WYTF - Dualling Study			24			0			0		0
Potholes			142			184			0		0
Silver Street & Coppergate Toilets	-2		2			0			0		0
Osbalwick Beck Maintenance		-60	0		60	60			0		0
Fordlands Road Flood Defences		-486	14		486	486			0		0
National Cycle Network 65 Targeted Repairs		-409	39		409	409			0		0
Non Illuminated Structural asset renewal		-146	50		146	146			0		0
Hazel Court conversion of storage area to operational hub		-20	79		20	20			0		0
CCTV Asset Renewal	19		195			157			157		0
Public Realm footpaths		-20	23		20	20			0		0
Smarter Travel Evolution Programme		-209	341		209	2,194			0		0
Electric Bus Scheme	-286		3,014			0			0		0
City Fibre Network		-260	0		260	360			50		0
Car Park Improvements		-128	52		128	278			0		0
Fleet & Workshop Compliance		-120	5		120	312			100		0
A1079 Drainage Improvements (A64 to Kexby Roundabout)		-180	80		180	440			0		0
Stonegate Natural Stone Renewal		-152	343		152	152			0		0
Flood Scheme Contributions		-500	0		500	1,000			500		0
Gully Repair Engineering works		-48	652		48	48			0		0
Clean Air Zone	8	-243	15		243	1,633			0		0
Wayfinding		-284	66		284	284			0		0
River Bank repairs		-167	9		167	167			0		0
Traffic control/ reduction and public realm improvements in Bishophill/ Micklegate			0			230			0		0
Waste Vehicle Replacement			0			6,600			0		0
EV Charging Asset Replacement			0	800		1,435			0		0
A19 Flood Alleviation Scheme			0			48			0		0
Flood Sign Renewal and Rainfall monitoring			0			200			0		0
York Outer Ring Road - Dualling		-406	94		406	1,775			1,616		10,857

	2019/20	2019/20	2019/20	2019/20	2019/20	2020/21	2019/20	2019/20	2021/22	2019/20	2022/23
	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Revised
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
TOTAL GROSS EXPENDITURE	-339	-12,568	18,652	1,616	12,568	52,184	2,000	0	32,692	2,000	36,792
TOTAL EXTERNAL FUNDING	-401	-3,143	10,030	1,616	3,146	20,145	2,000	0	18,340	2,000	29,452
TOTAL INTERNAL FUNDING	62	-9,425	8,622	0	9,422	32,039	0	0	14,352	0	7,340
ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT											
LCR Revolving Investment Fund			0			300			0		0
York Central Infrastructure		-2,838	1,042		2,838	22,838			80,000		51,120
York Central		-75	858		75	75			0		0
Holgate Park Land – York Central Land and Clearance		-397	0		397	397			0		0
Asset Maintenance + Critical H&S Repairs	112	-137	639		137	387			250		250
Community Asset Transfer			0			175			0		0
One Planet Council - Energy Efficiency		18	18		-18	672			250		250
Castle Gateway (Picadilly Regeneration)	2	-859	1,064		859	859			0		0
Guildhall	2	-1,477	3,525		1,477	14,280			0		0
Critical Repairs and Contingency			0			274			0		0
Commercial Property Acquisition incl Swinegate		-262	4,512		262	262			0		0
Shambles Health & Safety		-27	19		27	27			0		0
Built Environment Fund - Shopping Area Improvements		-19	1		19	19			0		0
Air Quality Monitoring (Gfund)		-2	4		2	61			14		0
Shambles Modernisation - Food Court			25			0			0		0
Shambles Modernisation - Power			0			180			0		0
Northern Forest			0			600			600		600
Castle Gateway (Picadilly Regeneration)			0			2,682			0		0
29 Castlegate			0			270			0		0
TOTAL GROSS EXPENDITURE	116	-6,075	11,707	0	6,075	44,358	0	0	81,114	0	52,220
TOTAL EXTERNAL FUNDING	112	-538	2,438	0	538	6,090	0	0	70,007	0	38,258
TOTAL INTERNAL FUNDING	4	-5,537	9,269	0	5,537	35,332	0	0	11,107	0	13,962
CUSTOMER & CORPORATE SERVICES - COMMUNITY STADIUM											
Community Stadium	7	-1,865	8,285		1,865	1,865			0		0
TOTAL GROSS EXPENDITURE	7	-1,865	8,285	0	1,865	1,865	0	0	0	0	0
TOTAL EXTERNAL FUNDING	0	-1,865	7,270	0	1,865	1,865	0	0	0	0	0
TOTAL INTERNAL FUNDING	7	0	1,015	0	0	0	0	0	0	0	0
CUSTOMER & CORPORATE SERVICES											
Fire Safety Regulations - Adaptations		-20	0		20	102			0		0
Removal of Asbestos		-32	35		32	202			50		0
Mansion House Restoration	3	-46	214		46	46			0		0
Project Support Fund	-150	-377	0		377	577			200		200
Registrars			2			0			0		0
Photovoltaic Energy Programme		-131	9		131	231			0		0
West Offices - Major repairs			0			237			0		0
Crematorium Waiting Room			0			250			0		0
Replacement of 2 Cremators	41	-152	584		152	170			0		0
Registry office Phase 2 Refurbishment			0			80			0		0
Hazel Court welfare facilities			0			100			0		0
Capital Contingency											
Capital Contingency		-552	0		552	802			0		0
TOTAL GROSS EXPENDITURE	0	-1,06	844	0	1,310	2,797	0	0	250	0	200
TOTAL EXTERNAL FUNDING	-10	-49	27	0	49	49	0	0	0	0	0
TOTAL INTERNAL FUNDING	-96	-1,261	817	0	1,261	2,748	0	0	250	0	200
CUSTOMER & CORPORATE SERVICES - IT											
IT Development plan	17	-602	3,880		602	2,737			2,320		2,420
IT Superconnected Cities			0			120			0		0
TOTAL GROSS EXPENDITURE	17	-602	3,880	0	602	2,857	0	0	2,320	0	2,420
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	17	-602	3,880	0	602	2,857	0	0	2,320	0	2,420

	2019/20	2019/20	2019/20	2019/20	2019/20	2020/21	2019/20	2019/20	2021/22	2019/20	2022/23
	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Outturn	Revised	Outturn	Revised
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
GROSS EXPENDITURE BY DEPARTMENT											
CEC - CHILDREN, EDUCATION & COMMUNITIES	464	-5,667	7,081	-3,710	5,667	28,016	0	0	10,500	0	2,000
HH&ASC - ADULT SOCIAL CARE & ADULT SERVICES COMMISSIONING	-123	-592	4,606	0	1,372	3,562	0	-780	716	0	638
HH&ASC - HOUSING & COMMUNITY SAFETY	3,107	-10,213	30,652	0	10,213	58,409	0	0	51,489	0	40,007
ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT	-339	-12,568	18,652	1,616	12,568	52,184	2,000	0	32,692	2,000	36,792
ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT	116	-6,075	11,707	0	6,075	44,358	0	0	81,114	0	52,220
CUSTOMER & CORPORATE SERVICES - COMMUNITY STADIUM	7	-1,865	8,285	0	1,865	1,865	0	0	0	0	0
CUSTOMER & CORPORATE SERVICES	-106	-1,310	844	0	1,310	2,797	0	0	250	0	200
CUSTOMER & CORPORATE SERVICES - IT	17	-602	3,880	0	602	2,857	0	0	2,320	0	2,420
TOTAL BY DEPARTMENT	3,143	-38,892	85,707	-2,094	39,672	194,048	2,000	-780	179,081	2,000	134,277
TOTAL GROSS EXPENDITURE	3,143	-38,892	85,707	-2,094	39,672	194,048	2,000	-780	179,081	2,000	134,277
TOTAL EXTERNAL FUNDING	3,365	-8,698	32,503	1,565	8,701	49,099	2,000	0	98,667	2,000	69,601
TOTAL INTERNAL FUNDING	-222	-30,194	53,204	-3,659	30,971	144,949	0	-780	80,414	0	64,676

	2019/20 Outturn Adj £000	2023/24 Revised Outturn Budget £000	2024/25 Revised Outturn Budget £000	Gross Capital Programme To be Funded 20/21 - 24/25 £000
CEC - CHILDREN, EDUCATION & COMMUNITIES				
NDS Devolved Capital		0	0	195
DfE Maintenance		0	0	1,431
Clifton Green Primary Roof Replacement - phase 1		0	0	0
Basic Need		0	0	16,736
Archbishop Holgate's School Expansion		0	0	4,204
St Mary's CE Primary School Additional Teaching Accommodation		0	0	0
Westfield Primary School Kitchen and Dining Facilities Expansion		0	0	29
Fulford School Expansion		0	0	9
Family Drug & Alcohol Assess/Recovery Facility		0	0	100
Expansion and Improvement of Facilities for Pupils with SEND		0	0	1,032
Children & Young Peoples services & Building based provision review		0	0	12
Southbank Expansion		0	0	910
Capital Maintenance Works to Schools - Ventilation & Electrical		0	0	0
Centre of Excellence for Disabled Children (Lincoln Court)		0	0	3,130
Healthy Pupils Capital Fund		0	0	93
Schools Essential Building Work		0	0	2,558
Schools Essential Mechanical & Electrical Work		0	0	2,551
Children in Care Residential Commissioning Plan		0	0	1,358
Adaptions to Foster Carer Homes		0	0	100
Improving School Accessibility		0	0	500
CEC - Communities		0	0	0
Haxby Library Reprovision		0	0	743
Castle Museum Development Project		0	0	0
Energise Roof		0	0	130
Libraries as Centres of Learning and Opportunity for all: Acomb & Clifton		0	0	4,000
York Theatre Royal		0	0	500
National Centre for Early Music		0	0	195
Explore Hungate Premises		0	0	0
TOTAL GROSS EXPENDITURE	0	0	0	40,516
TOTAL EXTERNAL FUNDING	0	0	0	24,565
TOTAL INTERNAL FUNDING	0	0	0	15,951
HH&ASC - ADULT SOCIAL CARE & ADULT SERVICES COMMISSIONING				
Major Items of Disability Equipment		143	147	714
Disabled Support Grant		250	260	1,196
Telecare Equipment and Infrastructure		267	275	1,434
OPA - the Centre@Burnholme including enabling works		0	0	0
OPA-Burnholme Sports Facilities		0	0	48
OPA-Haxby Hall		0	0	544
OPA-Lowfields Enabling Work		0	0	243
OPA-Ashfield Estate Sports Pitches		0	0	862
OPA-Community Space at Marjorie WaiteCourt		0	0	1,017
Proof of Concept for robotics & AI within social care		0	0	200
				0
TOTAL GROSS EXPENDITURE	0	660	682	6,258
TOTAL EXTERNAL FUNDING	0	0	0	661
TOTAL INTERNAL FUNDING	0	660	682	5,597
HH&ASC - HOUSING & COMMUNITY SAFETY				
Major Repairs & Modernisation of Local Authority Homes		8,034	7,541	44,851
Assistance to Older & Disabled People		620	630	3,050
Local Authority Homes - Phase 1		0	0	40
Local Authority Homes - Phase 2		0	0	5,103
Local Authority Homes - New Build Project		23,750	0	87,850
Local Authority Homes - Project Team		1,730	0	5,329
LA Homes - Hospital Fields/Ordnance Lane		0	0	1,321
LA Homes - Burnholme		0	0	1,323
Lowfield Housing		0	0	24,062
Duncombe Barracks		0	0	599
Water Mains Upgrade		0	0	470
Building Insulation Programme - Improving Energy Efficiency		250	0	2,159
Disabled Facilities Grant (Gfund)		2,236	2,375	10,570
IT Infrastructure		0	0	778

	2019/20 Outturn Adj £000	2023/24 Revised Outturn Budget £000	2024/25 Revised Outturn Budget £000	Gross Capital Programme To be Funded 20/21 - 24/25 £000
Empty Homes (Gfund)		0	0	100
Housing Environmental Improvement Programme		170	170	916
James House		0	0	0
Shared Ownership Scheme		0	0	4,089
Lincoln Court Independent Living Scheme		0	0	1,613
Extension to Marjorie Waite Court		0	0	3,100
Extension to Glen Lodge		0	0	88
TOTAL GROSS EXPENDITURE	0	36,790	10,716	197,411
TOTAL EXTERNAL FUNDING	0	2,201	1,900	12,036
TOTAL INTERNAL FUNDING	0	34,589	8,816	185,375
<u>ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT</u>				
Highway Schemes		6,997 #	7,000 #	36,511
Highways & Transport - Ward Committees		0	0	2,377
Special Bridge Maintenance (Struct maint)		0 0	0 0	971
Replacement of Unsound Lighting Columns		644 #	66 #	2,374
Highways Drainage Works		200 #	200 #	1,152
Drainage Investigation & Renewal		700 0	700 0	3,751
Highways, Road Adoption and Drainage Fund		0 0	0 0	0
Pothole Spotter Trial		0 0	0 0	1
Wheeled Bins in Back Lane and Terraced Areas		0 0	0 0	61
Built Environment Fund		0 0	0 0	1,758
Parks and Open Spaces Development		0 0	0 0	0
Rowntree Park Lodge		0 0	0 0	121
Better Play Areas		0 0	0 0	300
Litter Bin Replacement Programme		0 0	0 0	242
Knavesmire Culverts		0 0	0 0	227
Better Bus Area Fund		0 0	0 0	312
Local Transport Plan (LTP) *		1,570 #	1,570 #	9,258
Hyper Hubs		0	0	2,692
York City Walls - Repairs & Renewals (City Walls)		0 0	0 0	0
York City Walls Restoration Programme		336 #	0 #	2,439
Flood Defences		0 0	0 0	317
Scarborough Bridge		0 0	0 0	498
Hungate and Peasholme Public Realm		0 0	0 0	0
WYTF - YORR	200	3,280 0	0 0	36,179
WYTF - Station Frontage		0 0	0 0	11,472
WYTF - Dualling Study		0 0	0 0	0
Potholes		0 0	0 0	184
Silver Street & Coppergate Toilets		0 0	0 0	0
Osbalwick Beck Maintenance		0 0	0 0	60
Fordlands Road Flood Defences		0 0	0 0	486
National Cycle Network 65 Targeted Repairs		0 0	0 0	409
Non Illuminated Structural asset renewal		0 0	0 0	146
Hazel Court conversion of storage area to operational hub		0 0	0 0	20
CCTV Asset Renewal		0 0	0 0	314
Public Realm footpaths		0 0	0 0	20
Smarter Travel Evolution Programme		0 0	0 0	2,194
Electric Bus Scheme		0 0	0 0	0
City Fibre Network		0 0	0 0	410
Car Park Improvements		0 0	0 0	278
Fleet & Workshop Compliance		0 0	0 0	412
A1079 Drainage Improvements (A64 to Kexby Roundabout)		0 0	0 0	440
Stonegate Natural Stone Renewal		0 0	0 0	152
Flood Scheme Contributions		0 0	0 0	1,500
Gully Repair Engineering works		0 0	0 0	48
Clean Air Zone		0 0	0 0	1,633
Wayfinding		0 0	0 0	284
River Bank repairs		0	0	167
Traffic control/ reduction and public realm improvements in Bishophill/ Micklegate		0	0	230
Waste Vehicle Replacement		0	0	6,600
EV Charging Asset Replacement		0	0	1,435
A19 Flood Alleviation Scheme		0	0	48
Flood Sign Renewal and Rainfall monitoring		0	0	200
York Outer Ring Road - Dualling		13,658 0	0 0	27,906

	2019/20 Outturn Adj £000	2023/24 Revised Outturn Budget £000	2024/25 Revised Outturn Budget £000	Gross Capital Programme To be Funded 20/21 - 24/25 £000
				0
TOTAL GROSS EXPENDITURE	200	27,385	9,536	158,589
TOTAL EXTERNAL FUNDING	200	20,335	3,400	91,672
TOTAL INTERNAL FUNDING	0	7,050	6,136	66,917
<u>ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT</u>				
LCR Revolving Investment Fund		0	0	300
York Central Infrastructure		0	0	153,958
York Central		0	0	75
Holgate Park Land – York Central Land and Clearance		0	0	397
Asset Maintenance + Critical H&S Repairs		250	250	1,387
Community Asset Transfer		0	0	175
One Planet Council - Energy Efficiency		250	250	1,672
Castle Gateway (Picadilly Regeneration)		0	0	859
Guildhall		0	0	14,280
Critical Repairs and Contingency		0	0	274
Commercial Property Acquisition incl Swinegate		0	0	262
Shambles Health & Safety		0	0	27
Built Environment Fund - Shopping Area Improvements		0	0	19
Air Quality Monitoring (Gfund)		0	0	75
Shambles Modernisation - Food Court		0	0	0
Shambles Modernisation - Power		0	0	180
Northern Forest		600	600	3,000
Castle Gateway (Picadilly Regeneration)		0	0	2,682
29 Castlegate		0	0	270
				0
TOTAL GROSS EXPENDITURE	0	1,100	1,100	179,892
TOTAL EXTERNAL FUNDING	0	0	0	114,355
TOTAL INTERNAL FUNDING	0	1,100	1,100	62,601
<u>CUSTOMER & CORPORATE SERVICES - COMMUNITY STADIUM</u>				
Community Stadium		0	0	1,865
TOTAL GROSS EXPENDITURE	0	0	0	1,865
TOTAL EXTERNAL FUNDING	0	0	0	1,865
TOTAL INTERNAL FUNDING	0	0	0	0
<u>CUSTOMER & CORPORATE SERVICES</u>				
Fire Safety Regulations - Adaptations		0	0	102
Removal of Asbestos		0	0	252
Mansion House Restoration		0	0	46
Project Support Fund		200	200	1,377
Registrars		0	0	0
Photovoltaic Energy Programme		0	0	231
West Offices - Major repairs		0	0	237
Crematorium Waiting Room		0	0	250
Replacement of 2 Cremators		0	0	170
Registry office Phase 2 Refurbishment		0	0	80
Hazel Court welfare facilities		0	0	100
				0
Capital Contingency				0
Capital Contingency		0	0	802
				-
TOTAL GROSS EXPENDITURE	0	200	200	3,647
TOTAL EXTERNAL FUNDING	0	0	0	49
TOTAL INTERNAL FUNDING	0	200	200	3,598
<u>CUSTOMER & CORPORATE SERVICES - IT</u>				
IT Development plan		2,420	2,420	12,317
IT Superconnected Cities		0	0	120
TOTAL GROSS EXPENDITURE	0	2,420	2,420	12,437
TOTAL EXTERNAL FUNDING	0	0	0	0
TOTAL INTERNAL FUNDING	0	2,420	2,420	12,437

	2019/20 Outturn Adj £000	2023/24 Revised Outturn Budget £000	2024/25 Revised Outturn Budget £000	Gross Capital Programme To be Funded 20/21 - 24/25 £000
GROSS EXPENDITURE BY DEPARTMENT				
CEC - CHILDREN, EDUCATION & COMMUNITIES	0	0	0	40,516
HH&ASC - ADULT SOCIAL CARE & ADULT SERVICES COMMISSIONING	0	660	682	6,258
HH&ASC - HOUSING & COMMUNITY SAFETY	0	36,790	10,716	197,411
ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT	200	27,385	9,536	158,589
ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT	0	1,100	1,100	179,892
CUSTOMER & CORPORATE SERVICES - COMMUNITY STADIUM	0	0	0	1,865
CUSTOMER & CORPORATE SERVICES	0	200	200	3,647
CUSTOMER & CORPORATE SERVICES - IT	0	2,420	2,420	12,437
TOTAL BY DEPARTMENT	200	68,555	24,654	600,615
TOTAL GROSS EXPENDITURE	200	68,555	24,654	600,615
TOTAL EXTERNAL FUNDING	200	22,536	5,300	245,203
TOTAL INTERNAL FUNDING	0	46,019	19,354	355,412



Executive**23 July 2020**

Report of the Head of Corporate Finance & Commercial Procurement

Portfolio of the Executive Member for Finance & Performance

Treasury Management Annual Report and Review of Prudential Indicators 2019/20**Summary**

1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
3. This report also confirms that the Council has complied with the requirement under the Code to give prior scrutiny to treasury management reports by Audit & Governance Committee.

Recommendations

4. Executive is asked to note the 2019/20 performance of treasury management activity and prudential indicators outlined in annex A.

Reason: To ensure the continued performance of the treasury management function can be monitored and to comply with statutory requirements.

Background and analysisThe Economy and Interest Rates

5. There has been significant market uncertainty since the end of March 2020 but the Bank of England (MPC) and UK Government have introduced unprecedented measures to protect the UK economy and financial markets. This includes a cut in UK Bank Rate to 0.10% and the approval of additional £200bn Quantitative Easing. The Chancellor has also implemented financial support packages for businesses and employees to mitigate some of the initial risks arising from the enforced Covid-19 lockdown during April and May 2020.
6. In the lead up to the end of the 2019/20 financial year, large parts of the UK economy were placed in enforced lockdown to deal with a global Covid-19 pandemic. These restrictions continued throughout April and May 2020 and the Government and Bank of England implemented financial packages to support the UK economy. Even with these measures, UK GDP is expected to fall by circa 14% in this calendar year and whilst there is expected to be a bounce back of circa 15% in GDP in 2021, there is still significant uncertainty in the future path of economic growth, unemployment, fiscal and monetary policy.
7. We will continue to keep members informed on the subsequent impact on the Council's borrowing and investments as the situation evolves.

Overall treasury position as at 31 March 2020

8. The Council's year end treasury debt and investment position for 2019/20 compared to 2018/19 is summarised in the table below:

Debt	31/03/2020	Average Rate	31/03/2019	Average Rate
	£m	%	£m	%
General Fund debt	110.1	3.83	103.4	4.01
Housing Revenue Account (HRA) debt	146.4	3.31	139.0	3.31
PFI	46.3	n/a	47.4	n/a
Total debt	302.8	3.54	289.8	3.61
Investments				
Councils investment balance	13.9	0.74	44.3	0.69

Table 1 summary of year end treasury position as at 31 March 2020

The Strategy for 2019/20

9. Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the Monetary Policy Committee would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.
10. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets.
11. Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

Borrowing requirement and debt

12. The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31 March 2020 Actual £m	31 March 2020 Budget £m	31 March 2019 Actual £m
CFR General Fund	225.1	269.3	214.4
CFR HRA	146.4	139.0	139.0
PFI	46.3	44.9	47.4
Total CFR	417.8	453.2	400.8

Table 2 capital financing requirement

Borrowing outturn for 2019/20

13. During 2019-20, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

14. A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
15. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future. These spare cash balances have now been used and therefore we are starting to borrow again, as was outlined in the 2020/21 budget reports in February 2020.
16. Two new loans were taken during the year, both on 20th March 2020, one PWLB loan of £10m over 47years at 2.77% and one PWLB loan of £10m over 13 years at 2.67%.
17. No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Investment outturn for 2019/20

18. The Council's investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 28th February 2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
19. The Council maintained an average investment balance of £48.699m in 2019/20 compared to £93.531m in 2018/19. The surplus funds earned an average rate of return of 0.74% in 2019/20 compared to 0.69% in 2018/19.
20. The comparable performance indicator for the Councils investment performance is the average London Inter Bank Bid Rate (LIBID) which represents the average interest rate at which major London banks borrow from other banks. Table 3 shows the rates for financial year 2019/20 and shows that for all cash holdings the rate of return exceeds the levels of the usual 7 day and 3 month benchmarks.

21.

Benchmark	Benchmark Return	Council Performance
7 day	0.53	0.74
3 month	0.63	0.74

Table 3 – LIBID vs. CYC comparison

22. This compares with a budget assumption of an average investment balance of £21,791m at an average 1.00% investment return.

Consultation

23. The report has been reviewed and scrutinised by Audit and Governance Committee on 15th July 2020.

Options

24. Not applicable.

Council Plan

25. Effective treasury management ensures the Council has sufficient liquidity to operate, safeguards investments, maximises return on those investments and minimises the cost of debt. This allows more resources to be allocated for delivering the Council's priorities as set out in the Council Plan.

Implications

26. This report has the following implications:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications.
- **One Planet Council / Equalities** There are no One Planet Council or equalities implications.
- **Legal** Treasury management activities have to conform to the Local Government Act 2003, which specifies that the Council is required to adopt the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice.
- **Crime and Disorder** There are no crime and disorder implications.
- **Information Technology (IT)** There are no IT implications.
- **Property** There are no property implications.
- **Other** There are no other implications.

Risk Management

27. The treasury function is a high-risk area due to the large value transactions that take place. As a result, there are strict procedures set out as part of the treasury management practices statement. The scrutiny of this and other monitoring reports is carried out by Audit and Governance Committee as part of the Council's system of internal control.

Contact Details

Authors:	Chief Officer Responsible for the report:			
Debbie Mitchell Head of Corporate Finance Commercial Procurement Tel No (01904) 554161	Ian Floyd Interim Head of Paid Service			
	Report Approved	✓	Date	7 July 2020
Wards Affected: List wards or tick box to indicate all			All	✓
For further information please contact the author of the report				

Background Papers: None

Annexes:

Annex A: Prudential Indicators 2019/20

List of Abbreviations Used in this Report

CIPFA - Chartered Institute of Public Finance & Accountancy
 MRP - Minimum Revenue Provision
 CFR - Capital Financing Requirement
 MPC - Monetary Policy Committee
 PWLB - Public Works Loan Board
 CLG – (Department for) Communities and Local Government
 LIBID – The London Interbank Bid Rate

Prudential Indicators 2019/20 Outturn

	Prudential Indicator		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1	Capital expenditure To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF	£56.9m	£137.6m	£129.6m	£96.4m	£34.0m	£16.3m
		HRA	£28.8m	£56.4m	£49.5m	£37.9m	£34.6m	£8.3m
		PFI	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
		<u>Total</u>	<u>£85.7m</u>	<u>£194.0m</u>	<u>£179.1m</u>	<u>£134.3m</u>	<u>£68.6m</u>	<u>£24.6m</u>
2	CFR as at 2019/20 outturn Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.	GF	£225.1m	£303.4m	£318.0m	£326.5m	£318.7m	£309.5m
		HRA	£146.4m	£146.4m	£146.4m	£146.4m	£146.4m	£146.4m
		PFI / Lease	£46.3m	£45.2m	£48.0m	£46.8m	£45.7m	£44.7m
		<u>Total</u>	<u>£417.8m</u>	<u>£495.0m</u>	<u>£512.4m</u>	<u>£519.7m</u>	<u>£510.8m</u>	<u>£500.6m</u>
3	Ratio of financing costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the income from rents.	GF	10.89%	14.06%	20.40%	21.74%	23.01%	24.10%
		HRA	11.95%	11.63%	11.32%	11.01%	10.70%	10.43%
		<u>Total</u>	<u>11.11%</u>	<u>13.56%</u>	<u>18.48%</u>	<u>19.42%</u>	<u>20.29%</u>	<u>21.02%</u>
4	External debt To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.	Gross Debt	£302.8m	£389.7m	£414.5m	£440.6m	£452.3m	£462.2m
		Invest	£13.9m	£10.0m	£10.0m	£10.0m	£10.0m	£10.0m
		<u>Net Debt</u>	<u>£288.9m</u>	<u>£379.7m</u>	<u>£404.5m</u>	<u>£430.6m</u>	<u>£442.3m</u>	<u>£452.2m</u>

	Prudential Indicator		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
5 a	<p>Authorised limit for external debt</p> <p>The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.</p>	Borrowing / Other long term liabilities	<p>£463.2m</p> <p>£30.0m</p> <hr/> <p>£493.2m</p> <p>(£493.2m Set at 19/20 Strategy)</p>	<p>£509.6m</p> <p>£30.0m</p> <hr/> <p>£539.6m</p> <p>(£539.6m set at 20/21 Strategy)</p>	<p>£524.4m</p> <p>£30.0m</p> <hr/> <p>£554.4m</p> <p>(Based on current CFR projection)</p>	<p>£529.7m</p> <p>£30.0m</p> <hr/> <p>£559.7m</p> <p>(Based on current CFR projection)</p>	<p>£520.9m</p> <p>£30.0m</p> <hr/> <p>£550.9m</p> <p>(Based on current CFR projection)</p>	<p>£510.6m</p> <p>£30.0m</p> <hr/> <p>£540.6m</p> <p>(Based on current CFR projection)</p>
5 b	<p>Operational boundary for external debt</p> <p>The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.</p>	Borrowing / Short Term Liquidity Requirement	<p>£453.2m</p> <p>£10.0m</p> <hr/> <p>£463.2m</p> <p>(£463.2m set at 19/20 Strategy)</p>	<p>£499.6m</p> <p>£10.0m</p> <hr/> <p>£509.6m</p> <p>(£509.6m set at 20/21 Strategy)</p>	<p>£512.4m</p> <p>£10.0m</p> <hr/> <p>£524.4m</p> <p>(Based on current CFR projection)</p>	<p>£519.7m</p> <p>£10.0m</p> <hr/> <p>£529.7m</p> <p>(Based on current CFR projection)</p>	<p>£510.9m</p> <p>£10.0m</p> <hr/> <p>£520.9m</p> <p>(Based on current CFR projection)</p>	<p>£500.6m</p> <p>£10.0m</p> <hr/> <p>£510.6m</p> <p>(Based on current CFR projection)</p>

6	Maturity structure of fixed rate borrowing To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.	Maturity profile of debt against approved limits	Maturity Profile	Debt (£)	Debt (%)	Approved Minimum Limit	Approved Maximum Limit		
				Less than 1 yr	£15.0m	6%	0%	30%	In line with the TMSS Lobo loans are shown as due at their next call date as this is the date the lender could require payment.
				1 to 2 yrs	£7.0m	3%	0%	30%	
				2 to 5 yrs	£24.3m	9%	0%	40%	
				5 to 10 yrs	£63.2 m	25%	0%	40%	
				10 yrs and above	£147.0m	57%	30%	90%	
				Total	£256.5m	100%	-	-	
7	Upper limit for total principal sums invested for over 364 days The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.		£15m	£15m	£15m	£15m	£15m	£15m	

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Executive**23 July 2020**

Report of the Monitoring Officer

Reporting of Decisions Made using the Urgent Decision Making Guidance**Summary**

In accordance with the Council's constitution to report the decisions made using the Urgent Decision Making Guidance for the period 8th April 2020 to 8th July 2020.

Background**Publication of Decisions**

In accordance with the provisions of the Council's Constitution, any decisions made using the urgent powers of the Chief Executive / Deputy Chief Executive shall be reported to the next appropriate and available meeting.

The decisions which have been required are listed below:

- COVID 19 – To extend the footstreets and footstreet hours – 06/07/20
- COVID 19 – Reopening of equipped play areas and outside fitness equipment – 02/07/20
- COVID 19 – To commence the removal of the booking system for HWRCs – 02/07/20
- COVID 19 – Variation of the park and ride licence fee to reflect use of Poppleton Bar as a covid testing centre and consequent non-availability of the site for park and ride – 01/07/20
- COVID 19 – Opening of Bar Walls in one direction to assist social distancing – 23/06/20
- COVID 19 – To provide additional trailer public toilets at St Sampson Square and Parliament Street – 19/06/20
- COVID 19 - Creation of the Outbreak Management Control Board – 12/06/20

- COVID 19 - To make a Traffic Regulation Order (TRO) for one way traffic on Coppergate as part of the COVID 19 economic recovery plan – 09/06/20
- COVID 19 - To make a Traffic Regulation Order (TRO) to extend the foot streets as part of the COVID 19 economic recovery plan – 08/06/20
- COVID 19 - To re-open public toilets – 08/06/20
- COVID 19 - Adjustment of Parking services to reflect social distancing requirements and to facilitate the reopening of the city centre – 08/06/20
- COVID 19 - Extension of Emergency Closure of Southbound Lane of Bishopthorpe Road – 01/06/20
- COVID 10 - Written Statement of Action for Ofsted SEND – 28/05/20
- COVID 19- Discretionary Business Grant Scheme - 25/05/20
- COVID 19 - Access to Scarborough Bridge – 18/05/20
- COVID 19 - Reopen Crematorium Chapels – 15/05/20
- COVID 19 – Waive Notice of Marriage Fee – 15/05/20
- COVID 19 - Crematorium Fees – 15/05/20
- COVID 19 - Commercial Bus Service Support Grant – 07/05/20
- COVID 19 - Lease of Poppleton Park and Ride – 06/05/20
- COVID 19 - Emergency Closure of Southbound Lane of Bishopthorpe Road – 05/05/20
- COVID 19 - Extension of Wedding Venue Licenses – 27/04/20
- COVID 19 - Improving School Access - All Saints – 20/04/20
- COVID 19 - Additional arrangements for families at York Crematorium – 14/04/20

Full details of these decisions are available to view on the Council's website.

Implications

Financial

Not applicable to this report.

Human Resources (HR)

Not applicable to this report.

Equalities

Not applicable to this report.

Legal

As detailed within the report.

Crime and Disorder, Information Technology and Property

Not applicable to this report.

Recommendations

To note the decisions made under the urgent decision making guidance between 8th April 2020 and 8th July 2020.

**Author & Chief Officer
responsible for the report:**

Janie Berry

Director of Governance &
Monitoring Officer

01904 555385

**Report
Approved**



Date 10 July 2020

Specialist Implications Officer(s):

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

- Council's Constitution

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