

Meeting	Executive
Date	15 December 2020
Present	Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Orrell, Runciman, Smalley, Waller and Widdowson
In Attendance	Councillor Myers

Part A - Matters Dealt With Under Delegated Powers

69. 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.

Cllr Craghill and Smalley each declared a prejudicial interest in Agenda Item 9 (Make It York – Impact of Covid-19), as Directors of Make It York. They both left the meeting during consideration of this item and took no part in the debate or decision thereon.

Cllrs D'Agorne and Waller each later declared a personal interest in Agenda Item 9, as Directors of York BID.

70. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting should any discussion arise on Annex 2 to Agenda item 8 (New Stadium Leisure Complex Commercial Proposal on Restaurant Units), on the grounds that it contains information relating to the financial or business affairs of particular persons. This information is classed as exempt under Paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information) (Variation) Order 2006).

71. Minutes

Resolved: That the minutes of the Executive meeting held on 26 November 2020 be approved as a correct record, to be signed by the Chair at a future date.

72. Public Participation

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

Gwen Swinburn spoke on matters within the Executive's remit, expressing concerns about the adequacy of reports to the meeting in terms of presenting balanced and costed options.

Phil Pinder spoke on Agenda Item 9 (Make It York – Impact of Covid-19), as Chair of Make It York. Referring to a petition signed by 100 business owners objecting to the proposal to offer funding to Make It York, he urged Members to reject the proposal.

Martin Bradnam spoke on Item 9 on behalf of Hospitality Association York. He also objected to the proposal to fund MIY, stating that thorough consideration should be given to alternative options.

Cllr Douglas spoke on Item 9 as Opposition Spokesperson for Economy & City Development, asking the relevant Executive Members to review the council's governance of MIY and how the proposed funding could offer tangible benefits.

73. 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.

74. Update on the Council's Preparations for the UK's Exit from the European Union - End of Transition

The Chief Operating Officer presented a report which provided an update on the City of York Council's preparations for the end of the Transition period, scheduled for 1 January 2020, following the UK's exit from the European Union ('Brexit') on 31 January 2019.

A review based upon government guidance had been undertaken of areas of potential change within the council, as summarised in paragraphs 16-48 of the report. Liaison with other authorities in the region was set out in paragraphs 49-54. It was difficult at this stage to identify any significant or quantifiable impact across York, due the uncertainty of future arrangements and the ongoing effects of Covid-19. However, officers confirmed they were confident that York had done all it could to prepare, noting that 6,650 of the city's 7,000 EU residents had applied to the Settlement Scheme

Members acknowledged the difficulties faced by officers in the current circumstances and thanked those involved in the preparations. The Chair urged government to do everything it could to secure a deal with the EU and encouraged those EU residents who had not yet applied to the Settlement Scheme to do so before the July 2021 deadline.

Resolved: (i) That the preparations that have taken place ahead of the end of Transition be noted.

(ii) That officers be requested to continue to monitor the end of Transition and its potential impacts on the council and the city.

(iii) That officers be asked to continue to work at a national, regional and local level to support the city's preparations for the end of Transition.

Reason: To help ensure that the city, and the country, is prepared for the changed environment after Transition.

75. City of York Council Renewal and Recovery Strategy - December Update

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

It was highlighted that York's infection rate had continued to fall over the lockdown period, and on 2 December the Secretary of State for Health and Social Care had praised the city for its local test and trace arrangements. The council was continuing its

efforts to lobby government to move York from Tier 2 to Tier 1 and to secure additional funding for local businesses and residents facing financial hardship.

The Chair and Members paid tribute to the city's key workers, public health team and volunteers, noting that the Communications team had received a Public Sector Excellence award.

Resolved: That the contents of the report be noted.

76. Make It York - Impact of Covid-19

The Assistant Director of Communities & Culture and the Finance Manager presented a report which proposed a series of actions in response to a request from Make It York (MIY) for financial support to mitigate the impact of Covid-19 on the company. Sean Bullick, the MD of MIY, was also in attendance to answer any questions.

The report reflected work carried out by the MD to strengthen the evidence for the future financial projections for MIY in the light of Covid-19, following a report to Shareholder Committee on 5 November 2020. This indicated that, if no action was taken, the company would soon become insolvent, with severe consequences for the council and the city as outlined in paragraph 7. The Board of MIY had therefore requested that the council provide a revenue contribution, rent deferrals and a loan facility to enable it to return to profitability in 2022/23.

Officers corrected an error in the report – the reference to the '25/26' financial year in paragraph 16d) should read '24/25.' In response to matters raised under Public Participation, it was noted that the future contract with MIY would be the subject of a further report to Executive in early 2021.

Resolved: (i) That the requirement for Make It York (MIY) to make a revenue return to the council in 2020/21 in respect of trading activity across the city be waived.

(ii) That the first two quarters' rent due from MIY in 2020/21 for use of premises on Museum Street and the Silver Street offices be deferred.

(iii) That a loan facility of £300k from the council be accessed by MIY only if necessary.

(iv) That officers provide a letter of guarantee to MIY with access to a maximum of £1m over the next two years should it be required.

Reason: To secure the future of Make It York.

77. **New Stadium Leisure Complex Commercial Proposal on Restaurant Units**

[See also under Part B]

The Finance Manager and the Head of Asset & Property Management presented a report which provided an update on the Commercial Deal agreed by Executive on 19 October 2017 regarding disposal and development of land adjoining the new Community Stadium, and set out options for the way forward.

The update focused on the three Commercial Units included in the deal, which had been leased to Legal & General (L&G). The terms of the lease obliged L&G to use reasonable endeavours to secure tenants for the units, but reduced the amount payable by £1.375m should none of the units be let by completion of the build. None of the units had been let.

Three options were available, as detailed in paragraphs 18-51 of the report:

Option 1 – accept that the units are not let and £1.375m will not be received from L&G.

Option 2 – take a 25-year lease of the units from L&G, on the terms set out in exempt Annex 2.

Option 3 – accept full ownership of the units, with no further financial contribution from L&G.

Analysis of the options had identified Option 1 as the recommended option, in terms of providing the greatest financial certainty to the council and limiting future liabilities. Officers confirmed that the Customer & Corporate Services Scrutiny Management Committee, having considered the report at their meeting on 7 December, were broadly supportive of Option 1.

Resolved: (i) That Option 1 be approved, accepting that the three restaurant units are not let at Practical Completion and the associated reduction of

£1.375m in capital receipt towards the Stadium project.

(ii) That the additional ongoing Treasury Management costs of £96k, which will need to be incorporated into future years' budget strategies, be recognised.

Reason: To ensure that the stadium is fully funded at the lowest risk to finances going forward.

78. Council Housing Energy Retrofit Programme

The Interim Director of Place and the Assistant Director of Housing presented a report which set out proposals for the retrofit of the council's housing stock, to deliver energy efficiency measures in support of the ambition for zero carbon emissions in the city by 2030.

With homes creating a third of York's carbon emissions, it was considered vital to take steps to make improvements. This investment in the council's housing stock would also bring significant benefits to residents, including reduced fuel poverty. The total budget available in the HRA for the retrofit programme was £2m. This was not enough to achieve the objectives in full, so a combination of actions was needed, as outlined in paragraph 34 of the report. Paragraphs 36-42 set out and appraised the following options for investment of the agreed budget:

Option 1 – undertake planning and strategic development first;

Option 2 – allocate the whole £2m capital budget to energy performance works on the worst performing homes;

Option 3 – commence decarbonisation work in tandem with strategy development work. This was the recommended option, as it would allow the council to match fund grant opportunities and approach applications with a clearly defined strategy and a track record of delivering works.

It was reported that the Housing and Community Safety Policy & Scrutiny Committee, in considering the report at their meeting on 11 December, had expressed broad support for Option 3.

Resolved: (i) That the outcomes of the pre-decision scrutiny undertaken at the Housing & Safer Neighbourhoods Scrutiny Committee be noted.

- (ii) That the objectives of the Council Housing Retrofit programme be approved.
- (iii) That Option 3 (commence decarbonisation work in tandem with strategy development work) be approved as the preferred option to allocate the agreed capital budget.
- (iv) That the ambitions for carbon neutrality be incorporated into the Housing Asset Strategy and plans.
- (v) That funding and investment models to support the decarbonisation of council and private homes in York be explored and a further report be brought to Executive setting out proposals in respect of these.
- (vi) That authority be delegated to the Assistant Director of Housing & Community Safety, in consultation with the Executive Member for Housing & Safer Neighbourhoods, to apply for grant opportunities to further support York residents to access their own energy saving grants.

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

Part B - Matters Referred to Council

79. New Stadium Leisure Complex Commercial Proposal on Restaurant Units

[See also under Part A]

The Finance Manager and the Head of Asset & Property Management presented a report which provided an update on the Commercial Deal agreed by Executive on 19 October 2017

regarding disposal and development of land adjoining the new Community Stadium, and set out options for the way forward.

The update focused on the three Commercial Units included in the deal, which had been leased to Legal & General (L&G). The terms of the lease obliged L&G to use reasonable endeavours to secure tenants for the units, but reduced the amount payable by £1.375m should none of the units be let by completion of the build. None of the units had been let.

Three options were available, as detailed in paragraphs 18-51 of the report:

Option 1 – accept that the units are not let and £1.375m will not be received from L&G.

Option 2 – take a 25-year lease of the units from L&G, on the terms set out in exempt Annex 2.

Option 3 – accept full ownership of the units, with no further financial contribution from L&G.

Analysis of the options had identified Option 1 as the recommended option, in terms of providing the greatest financial certainty to the council and limiting future liabilities. Officers confirmed that the Customer & Corporate Services Scrutiny Management Committee, having considered the report at their meeting on 7 December, were broadly supportive of Option 1.

Recommended: That a further £1.375m prudential borrowing be applied to the Community Stadium project to offset the loss of commercial investment in the project.

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

80. Amendment to Council Tax Support Scheme

The Assistant Director of Customers & Digital Services presented a report which recommended an amendment to the council's Council Tax Support (CTS) scheme, following consultation on implementing a De Minimis limit in respect of any change to a CTS customer's personal income before issuing them with a revised bill.

The amendment was proposed to prevent customers from receiving multiple council tax bills resulting from the fluctuation

of levels of Universal Credit with every change in income, however small. As required by law, a consultation had been carried out, via the questionnaire attached as Annex A to the report. Responses, as shown in Annex B, had been positive, with over 75% of respondents in favour of the proposals. Support would be made available through the Discretionary Council Tax Reduction scheme to those customers negatively affected by income changes within the tolerance limit.

Recommended: That Council approve an amendment to the CTS scheme to implement a De Minimis limit of £2.50 before a council tax support customer is required to receive a revised council tax bill.

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

Chair's Closing Remarks

In concluding the last Executive meeting of the 2020 calendar year, the Chair repeated his thanks to all the city's key workers, as well as to council staff, and expressed his admiration for the resilience of York residents in their response to the pandemic. He wished everyone a Happy Christmas and a better year in 2021.

Cllr K Aspden, Chair

[The meeting started at 5.32 pm and finished at 7.12 pm].