



Notice of meeting of

Executive

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| To: | Councillors Waller (Chair), Steve Galloway, Sue Galloway, Moore, Reid, Runciman and Vassie |
| Date: | Tuesday, 21 October 2008 |
| Time: | 2.00 pm |
| Venue: | The Guildhall, York |

AGENDA

Notice to Members - Calling In:

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

10:00 am on Monday 20 October 2008, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 23 October 2008, if an item is called in *after* a decision has been taken.

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

1. Declarations of Interest

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

2. Exclusion of Press and Public

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

Annexes 2 and 3 to Agenda Item 9 (Edmund Wilson Pool, Thanet Road) on the grounds that they contain information relating to the financial and business affairs of any particular person (including the authority holding that information) 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).

3. Minutes (Pages 3 - 14)

To approve and sign the minutes of the meeting of the Executive held on 7 October 2008.

4. Public Participation

At this point in the meeting, members of the public who registered their wish to speak regarding an item on the agenda or an issue within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday, 20 October 2008.**

5. Executive Forward Plan (Pages 15 - 16)

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

6. Council Headquarters – Site Option Appraisal (Pages 17 - 28)

This report presents the results of an independent review of the decision to locate the Council's new headquarters in the city centre, together with an appraisal of potential sites. It also seeks approval to begin a procurement process to support the development of potential solutions that may come forward for consideration, and proposes a set of high level criteria for the procurement.

7. Thriving City - Report Back (Pages 29 - 48)

This report follows on from the report on York's economic position presented to the Executive on 15 July 2008. It presents the findings of consultation with stakeholders and asks the Executive to consider options on further action and areas of investment.

8. Corporate Risk Management Report 2008/09 (Pages 49 - 62)

This report provides information on the Council's significant business risks, as identified by deployment of the risk management strategy, and details progress made in embedding risk management arrangements across the organisation.

9. Edmund Wilson Pool, Thanet Road (Pages 63 - 74)

This report outlines options for the site of Edmund Wilson Pool, following closure of the pool and the opening of a new pool at York High School in October 2009, and seeks approval to sell the site to T.E. Beteiligungs GmbH.

10. Urgent Business

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

Democracy Officer:

Name: Fiona Young

Contact details:

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

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

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

Contact details are set out above.

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

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Further information about what's being discussed at this meeting

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

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

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

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

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City of York Council

Committee Minutes

MEETING

EXECUTIVE

DATE

7 OCTOBER 2008

PRESENT

COUNCILLORS WALLER (CHAIR),
STEVE GALLOWAY, SUE GALLOWAY, MOORE,
REID, RUNCIMAN AND VASSIE**PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS****81. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. The following interests were declared:

- Cllr Vassie – a personal interest in agenda item 8 (Transformation of Community Transport Services), as a parent of two children who used home to school bus services and attended school music lessons.
- Cllr Reid – a personal interest in agenda item 11 (Capital Programme – Monitor One), as a member of an organisation that used one of the premises referred to in the exempt annex to this item.
- Cllr Waller – a personal interest in agenda item 11, as a governor of York High School.

82. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex B to agenda item 11 (Capital Programme – Monitor One), on the grounds that it contains information relating to the financial or business affairs of any particular person, which 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.)

83. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 23 September 2008 be approved and signed by the Chair as a correct record.

84. PUBLIC PARTICIPATION / OTHER SPEAKERS

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

With the Chair's permission, Cllr Taylor addressed the meeting in respect of agenda item 6 (Attendance Management Update). He expressed concern that the reduction in sickness absence levels referred to in the report had been achieved in part by forcing sick members of staff out of work so that they were no longer included in the statistics. He cited an (unnamed) example where this had happened. He asked what safeguards would be put in place to ensure that the new Attendance at Work policy did represent a form of institutionalised bullying that would risk damaging the Council's reputation and financial interests.

85. EXECUTIVE FORWARD PLAN

Members received and noted details of those items that were currently listed on the Forward Plan for the next two Executive meetings.

86. ATTENDANCE MANAGEMENT UPDATE

Members considered a report which provided an update on the implementation of the new Attendance at Work policy, procedures and guidelines, together with progress on strategic approaches being taken to maximise attendance and reduce sickness absence across the Council.

Since the introduction of the new policy on 1 October 2007, there had been significant improvements in sickness absence levels, with an overall reduction from 12.9 days to 9.54 days per full time equivalent (FTE) member of staff. This early improvement had recently shown signs of levelling off and it was recognised that further work was needed to achieve further reductions and ensure that absence levels did not 'bounce'.

Training had been delivered to managers and HR administrators to clarify their roles and responsibilities under the new policy, which was now completely functional. However, the implementation of the amended Delphi system had taken longer than expected and was not yet fully operational. To ensure further improvements in absence levels, the HR Corporate Development Team was leading on a number of strategic actions, including corporate management training, health and well-being promotion activities, rehabilitation programmes and work / life balance policies. Attendance management had also been included as an item within the Single Improvement Plan (SIP) approved by Members in June 2008.

With reference to the comments made by Cllr Taylor on this item, Members noted that there was no evidence of any institutionalised bullying in the Council. Individual allegations of bullying or other staff grievances should be dealt with in accordance with established 'escalation' procedures.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: That the work being undertaken in this area be noted.

REASON: To ensure the achievement of significant and sustained improvements in attendance levels.

87. ADOPTED REGIONAL SPATIAL STRATEGY AND PARTIAL REVIEW

Members considered a report which outlined the purpose and key timescales of the Partial Review of the recently adopted Regional Spatial Strategy (RSS) and sought approval for Officers' response to the Call for Evidence, which was the first stage of the review process.

The report summarised key elements of the RSS and the key issues for York. The latter included the identification of York as a Sub-Regional Centre and requirements to:

- Define Green Belt boundaries to 'establish long term development limits'
- Deliver 640 new homes per year from 2004-08, then 850 from 2008-26
- Review affordable housing targets in the light of emerging housing market assessments.

The Regional Assembly (RA) had now embarked upon a partial review of the RSS to seek to achieve the higher housing numbers that had come from the Housing Green Paper. This would involve examining the housing potential in each of the seven 'sub' areas. York's role as part of the Leeds City Region and York sub-areas, and its capacity to accept higher levels of growth, were important issues to be addressed through the review process. Adoption of the revised RSS was scheduled for completion in late 2010. A response to the Call for Evidence document had been sent to the RA for consideration by 11 July. Members were invited to approve the response, attached as Annex A to the report, or to recommend changes to be forwarded to the RA.

Members welcomed the opportunity to re-visit the housing and employment growth figures in the RSS, which had been considered unrealistically high. They expressed the hope that Yorkshire Forward's involvement in the revised document would not lead to an undue emphasis on economic development as the major driver.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: That the Officer response to the Call for Evidence, as set out in Annex A to the report, be approved.

REASON: To endorse the response that had to be submitted to the Yorkshire and Humber Assembly for consideration by 11 July.

88. TRANSFORMATION OF COMMUNITY TRANSPORT SERVICES

Members considered a report which provided an update on progress on the transformation partnership aimed at improving the Council's community

transport provision, improving service quality and achieving efficiency savings. Members had received a previous update in December 2007. Some further information, relating to previous and revised timetables for the Dial & Ride services, was circulated at the meeting. This has been added to the on-line agenda as an additional annex to the report (Annex C).

The partnership, between City of York Council (CYC) and Northgate Kendrick Ash (NKA) had been running since April 2007 and encompassed home to school transport, transport for 'looked after' children and transport for adults with learning and physical disabilities. The NKA service manager was continuing to work within the CYC structure and was acting as manager of the new integrated transport team. The medium-term aim was now to recruit a permanent member of staff to the position of service manager.

The report outlined progress on each of the key work streams within the project. Overall, the partnership had been very successful, achieving combined cost reductions of £216,654 for the Learning, Culture and Children's Services (LCCS) and Housing and Adult Social Services (HASS) transport budgets in its first year. Consultation with unions, staff, service providers, customers and families remained a core element of the project, as did the provision of a safe and quality service. Proposed eligibility criteria to determine the most appropriate mode of transport for clients based on need and capability were attached as Annex A to the report. Results of customer surveys carried out in respect of school buses for Tadcaster Grammar School and taxi provision for Applefields School were attached as Annex B.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the latest update on this project, as requested by the Executive when the project first commenced, be noted.

REASON: So that the Executive can monitor the progress of the project.

(ii) That the re-stated eligibility criteria set out in Annex A be endorsed and formally adopted.¹

REASON: To ensure that the policy is adhered to when deciding requests for transport.

(iii) That the changes to the Dial & Ride services, as reported at the meeting, be noted and that Members be kept apprised of any further developments in relation to these services.²

REASON: To determine the potential for using Dial & Ride vehicle availability to meet the demand for home to school transport, without disrupting the current service.

Action Required

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| 1. Adopt the revised eligibility criteria. | SB |
| 2. Make arrangements to update the Executive on further developments re Dial & Ride. | SB |

89. CORPORATE CUSTOMER STRATEGY

Members considered a report which sought their views on a draft Corporate Customer Strategy for 2008-2013, setting out a 'vision' for the delivery of efficient, customer-focused services by the Council. The report also sought approval for a revised Customer Complaints and Feedback Policy.

Copies of the draft Strategy and revised Policy were annexed to the report. The Strategy was intended to revise and replace the former Customer Access Strategy, reflecting the development of the customer service agenda within local government and building upon the work of the [easy@york](#) project. The revised Policy would replace the current Complaints Policy, which was outdated and did not reflect the importance of using customer feedback to help shape future service delivery. It was intended to consult upon the draft Strategy with a range of customer groups before bringing the final version to Members for approval in December 2008.

It was reported at the meeting that the [easy@york](#) project had been selected for the final stage of the IT Excellence awards. Members congratulated Officers and staff involved in the project for this and for the advances made over a relatively short period of time in delivering electronic access to services. It was noted that work was being undertaken to make the Council's website more customer friendly in terms of reporting street level problems and that Members would like to see the results of revisions to the reporting process.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the revised Corporate Customer Complaints and Feedback Policy be approved.

(ii) That the draft Corporate Customer Strategy be used to consult and engage customers, in accordance with the plan set out in paragraph 16 of the report.¹

(iii) That the working up of the delivery plan, as set out in Section 8 of the draft Strategy, be approved.²

REASON: To enable the new Policy to be implemented and to allow the draft Strategy to go forward for consultation with customers.

(iv) That a report proposing a final version of the Strategy be brought back to the Executive in December 2008.³

(v) That an update report be brought to the Executive in December 2008 or earlier, with specific attention to be given by Officers to the reporting of faults on street level services by Members and the public.⁴

REASON: To enable Members to approve the final Strategy and to monitor progress on the reporting of faults.

Action Required

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|--|----|
| 1. Implement consultation plan as per paragraph 16 | SA |
| 2. Work up the delivery plan as per Section 8 of the draft Strategy | SA |
| 3. Schedule report on Forward Plan for Executive in December | SA |
| 4. Schedule update report on Forward Plan for Executive in December 2008 or before | SA |

90. FIRST PERFORMANCE AND FINANCIAL MONITOR - 2008/09

Members considered a report which provided details of the headline performance issues arising from the 2008/09 performance monitor period and presented the latest projection of the Council's revenue income and expenditure for the current financial year.

With regard to performance, significant progress had been made across the Council in the last quarter. Headlines included:

- an increase in customer satisfaction levels to 65%
- 4 out of 6 corporate standard targets reached or exceeded
- continuing improvement in staff sickness levels
- staff turnover levels 41% lower than last year
- a significant reduction in the number of health and safety incidents.

The main areas of concern included:

- low turnover growth in the City compared to last year (11.4%)
- the impact of the 'credit crunch' on new house building
- a continued reduction in the percentage of initial care assessments for adults completed on time (an action plan was in place to address this).

With regard to the revenue budgets, an overspend of £1,092k was projected across all service areas, although applications had been made for the release of £512k from contingency to fund some of the overspending pressures. Central budgets were forecast to overspend by £134k. Offsetting this, an underspend of £1,136k on Treasury Management activity was projected, due to an improved position on interest rates and the ability to defer borrowing. Overall, the Council faced a number of on-going budget pressures and future budget rounds would need to identify actions to control and mitigate these. Members were asked to consider seven requests for supplementary estimates, totalling £512k, as detailed in Annex 8 to the report.

In respect of the projected overspend on legal fees in Childrens’ Services, it was noted that this was due to an increase in the number and complexity of cases, requiring the use of local private solicitors to supplement the in-house team, together with significant increases in court fees for public law cases. Officers were working to ensure that as many cases as possible were retained in-house.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the performance issues identified in the report be noted.

REASON: So that corrective action on these issues can be addressed by Directorates and meetings of Executive Members and Advisory Panels (EMAPs).

(ii) That the following applications for supplementary estimates to be funded from contingency, as set out in paragraph 51 and Annex 8, be approved:¹

| Portfolio area | Area for request | Amount |
|------------------------|---|--------------------|
| Neighbourhood Services | Replacement bins | £50,000 |
| City Strategy | Parking – downturn in PCN income | £180,000 |
| Chief Executive | Members Allowances – potential superannuation costs | £20,000 |
| TOTAL | | £250,000.00 |

REASON: In accordance with the Executive’s Constitutional powers to make decisions on the level and granting of supplementary estimates.

(iii) That the information provided at the meeting on the increased costs of legal charges within the Director of Learning, Culture and Children’s Services be noted and that the Director be asked to report to the Executive later in the year on the action being taken to address this issue.²

REASON: To ensure that the projected overspend is kept under revise.

(iv) That the movements in the Prudential Indicators, as set out in Annex 12 to the report, be noted.

REASON: To ensure the continued performance of the Council’s Treasury Management function.

Action Required

1. Release funding from contingency to cover these costs SA
2. Report back to Executive on actions to address increased legal charges CB

91. CAPITAL PROGRAMME - MONITOR ONE

[See also under Part B Minutes]

Members considered a report which presented the likely out-turn position of the Council's 2008/09 Capital Programme, based upon information up to August 2008, and sought approval for any necessary alterations to or slippage on the programme.

The current approved programme amounted to £75.942m, of which £23.567m must be financed from capital receipts. An out-turn of £63.930 (a net decrease of £12.012m) was predicted on the approved budget, due mainly to delays on the Administrative Accommodation project. By the end of August 25% of the budget had been spent, as compared to 23% over the same period last year. In-year capital receipts were forecast to be down against target by £3.983m, primarily due to timing issues, with the majority of slippage expected early in 2009/10. The main achievements on capital schemes were highlighted in paragraph 8 of the report. Further details of progress in each directorate area, as reported to EMAPs, were set out in paragraphs 10 to 23.

The capital programme, as revised by the changes set out in the report, was summarised at paragraph 24 (table 11). Members' approval was sought for the revisions, including slippage. Attention was drawn the following shortfalls on specific projects:

- £100k on the Hazel Court scheme, due to the reduction in value of a significant capital receipt
- £154k on the 2008/09 Disabled Facilities Grant scheme, due to a lack of Right to Buy sales in the current financial year.

Members were asked to make a recommendation to Council to ensure that these shortfalls were funded from capital receipts.

With reference to the comments of the Shadow Executive on this item, Members expressed concern about the recently publicity given to a specific capital receipt and noted that the matter would be subject to investigation by the Monitoring Officer.

RESOLVED: (i) That the revised 2008/09 budget of £63.930m, as set out in paragraph 6 of the report (Table 2) be approved.¹

(ii) That the net slippage of £12.248m into future years, and the additions of £217k in 08/09, £4.424m in 09/10 and £203k in 10/11 be approved.²

(iii) That the re-stated capital programme for 2008/09 to 2010/11, as set out in paragraph 24 (Table 11) and detailed in Annex A, be approved.³

(iv) That the capital receipt projections for 2008/09 to 2010/11, as summarised in paragraph 26 (Table 12) and set out in (exempt) Annex B, be noted.

(v) That the use of the re-classified PFI funds to overcome the early years shortfall in funding be noted.

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

Action Required

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| 1. Update the programme spreadsheets to reflect the revisions to the 2008/09 budget | SA |
| 2. Update the programme spreadsheets to reflect the approved slippage | SA |
| 3. Update the programme spreadsheets to reflect the revisions to the three year programme | SA |

92. URGENT BUSINESS - CONSULTATION RESPONSE TO THE HOME OFFICE GREEN PAPER ON THE FUTURE OF POLICING

Members considered a report which sought approval for a proposed response to the Government's Green Paper entitled *From the neighbourhood to the national: policing our communities together*. The Chair had agreed to deal with this item as urgent business to enable a response to be submitted by the deadline of 10 October 2008.

The proposed response, attached as Annex 1 to the report, represented a consensus view of those present at a meeting of Group Leaders and York North Yorkshire Police Authority members held on 29 September to discuss responses to the Green Paper. If approved, it would be incorporated into a letter from the Leader of the Council on behalf of the City of York and forwarded electronically to the Home Office.

RESOLVED: That the response at Annex 1 to the report be approved, subject to the inclusion of the following sentence in the third bullet point of that response:¹

"However, the current system of the appointment of un-elected members does raise questions of accountability."

REASON: To respond to the Government Green Paper within the relevant time scale.

Action Required

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| 1. Incorporate amended wording and send response to the Home Office | KS |
|---|----|

93. CHAIR'S REMARKS - YORK HIGH SCHOOL

On behalf of the Executive, the Chair extended his thanks to the Director of Learning, Culture and Children's Services and his team, together with Officers in City Strategy and Neighbourhood Services, for their ongoing work in dealing with the consequences of the recent fire at York High School.

PART B - MATTERS REFERRED TO COUNCIL

94. CAPITAL PROGRAMME - MONITOR ONE

[See also under Part A minutes]

Members considered a report which presented the likely out-turn position of the Council's 2008/09 Capital Programme, based upon information up to August 2008, and sought approval for any necessary alterations to or slippage on the programme.

The current approved programme amounted to £75.942m, of which £23.567m must be financed from capital receipts. An out-turn of £63.930 (a net decrease of £12.012m) was predicted on the approved budget, due mainly to delays on the Administrative Accommodation project. By the end of August 25% of the budget had been spent, as compared to 23% over the same period last year. In-year capital receipts were forecast to be down against target by £3.983m, primarily due to timing issues, with the majority of slippage expected early in 2009/10. The main achievements on capital schemes were highlighted in paragraph 8 of the report. Further details of progress in each directorate area, as reported to EMAPs, were set out in paragraphs 10 to 23.

The capital programme, as revised by the changes set out in the report, was summarised at paragraph 24 (table 11). Members' approval was sought for the revisions, including slippage. Attention was drawn the following shortfalls on specific projects:

- £100k on the Hazel Court scheme, due to the reduction in value of a significant capital receipt
- £154k on the 2008/09 Disabled Facilities Grant scheme, due to a lack of Right to Buy sales in the current financial year.

Members were asked to make a recommendation to Council to ensure that these shortfalls were funded from capital receipts.

Having noted the comments of the Shadow Executive on this item, it was

RECOMMENDED: That the shortfall on the Disabled Facilities Grant and additional works at Hazel Court be funded from capital receipts.¹

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

Action Required

1. Refer recommendation to Full Council on meeting on
27/11/08

GR

A Waller, Chair

[The meeting started at 2.05 pm and finished at 2.55 pm].

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EXECUTIVE FORWARD PLAN

| Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 4 November 2008 | | |
|---|---------------|--|
| Title & Description | Author | Portfolio Holder |
| <p>Meals Provision in Elderly Persons' Homes</p> <p><i>Purpose of report: To inform Members of the proposal to change the meals service within Elderly Persons Homes with effect from 1st April 2009. This will affect residents of elderly persons homes.</i></p> <p><i>Members are asked to: Approve the recommendations in the report to change the provision of and procurement of meals and catering within EPHs.</i></p> | Val Sutton | Executive Member for Housing and Adult Social Services |
| <p>Castle Piccadilly Update</p> <p><i>Purpose of report: To provide an update on progress and recommend a way forward.</i></p> <p><i>Members are asked to: Note progress and approve a way forward.</i></p> | Bill Woolley | Executive Member for City Strategy |

| Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 18 November 2008 | | |
|--|---------------|--|
| Title & Description | Author | Portfolio Holder |
| <p>Minutes of Working Groups</p> <p><i>Purpose of report: To present minutes from recent meetings of the Social Inclusion Working Group on 17 September 2008 and the Young People's Working Group on 22 October 2008.</i></p> <p><i>Members are asked to: Note the minutes and consider any advice put forward by the Working Groups in their capacity as advisory bodies to the Executive.</i></p> | Fiona Young | Executive Members for Leisure, Culture & Social Inclusion and Children & Young People's Services |

| | | |
|--|-------------------|---|
| <p>Local Transport Plan 2006-2011, Mid-term Report</p> <p><i>Purpose of report: The report will be scrutinised by the Government Office for Yorkshire & the Humber (GOYH) and the Department for Transport (DfT), and it is anticipated that the Council will not be directly affected (in terms of financial enhancement/penalty) for the remainder of the LTP2 period, based on their judgement thereof. However, if the report gives evidence of poor performance, the allocation for the successor to LTP2 may have reduced funding. The report is due to be submitted to GOYH/DfT by 31 December 2008. The outcome of the GOYH/DfT evaluation is expected in February 2009.</i></p> <p><i>Members are asked to: Note the content of the report and notify officers of any changes required to the report prior to its submission to GOYH/DfT in December 2008.</i></p> | <p>Ian Stokes</p> | <p>Executive Member for City Strategy</p> |
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| Table 3: Items slipped on the Forward Plan with the agreement of the Group Leaders | | | | | |
|--|-------------------|--|----------------------|---------------------|----------------------------|
| Title & Description | Author | Portfolio Holder | Original Date | Revised Date | Reason for Slippage |
| <p>Child Poverty in York</p> <p><i>Purpose of report: In response to a recommendation at Full Council meeting in June 2008.</i></p> <p><i>Members are asked to: Note the current analysis of levels of child poverty in the city and targeted efforts to reduce it locally.</i></p> | <p>Pete Dwyer</p> | <p>Executive Member for Children & Young People's Services</p> | <p>4/11/08</p> | <p>2/12/08</p> | <p>For further work</p> |



Executive**21st October 2008**

Report of the Director of City Strategy

Council Headquarters – Site Option Appraisal**Summary**

1. The purpose of this report is to:
 - a) Present the findings of an independent review to assess the validity of the earlier decision to locate the council headquarters within the city centre as apposed to an out of town location.
 - b) Present the outcomes of an initial independent high level report into whether there are sites (including Hungate) available which could potentially meet CYC's needs.
 - c) To update Members on the impact of recent case law which will affect this project and seek their approval to commence an EU procurement exercise to formally engage with possible developers of potential sites on which they will deliver a 'turnkey' solution.
 - d) To ask Members to endorse a set of high level procurement criteria, set out in paragraph 31 of the report.
 - e) Give delegated authority to the Project Champion (Director of City Strategy) to approve a detailed set of procurement criteria.
 - f) Identify the level of additional work required to inform a detailed option appraisal to enable the council to examine all relevant factors before making a critical investment decision.

Background

2. The case for a new council headquarters remains as compelling as ever to achieve the wide range of benefits to customers in relation to the services the council provides, staff in providing efficient and effective services, the wider community through substantial inward investment into the city.

3. The current accommodation project seeks to provide accommodation for approximately 1540 staff in a portfolio that consists of 11,890m² of net internal area (NIA)* made up as follows:

| Building | NIA m² | Staff |
|------------------|--------------------------|--------------|
| New Headquarters | 10,590 | 1400 |
| Guildhall | 600 | 140 |
| 50 York Road | 370 | |
| St Antonys House | 330 | |
| Total | 11,890 | 1540 |

These figures are based upon an ongoing detailed needs based study and on a set of agreed principles, which include:

- a fully integrated customer centre with good public visibility and accessibility
 - an open plan environment with no individual offices and a wide variety of spaces
 - a minimum staff to desk ratio of 5:4
 - a minimum business storage requirement of 2/3 linear metres per workspace.
4. Since the withdrawal of the planning application for Hungate a high level report has been prepared to establish whether there are likely to be possible appropriate sites if CYC proceeds. This looked at 28 potential sites in and around the City, using a set of criteria based on availability, deliverability, accessibility, suitability and affordability. The outcome of this initial exercise identified that there appears to be at least five sites likely to have the potential to meet the majority of the council's needs. These included Hungate, West Offices on Station Rise, Layerthorpe (former Frog Hall Pub), the Barbican and the Royal Mail site on Leeman Road. Of course, other sites may be viable.
5. To progress the outcomes of this earlier work external consultants EC Harris have been commissioned to:
- assess the validity of the earlier decision to locate the council's main offices on a single site in the city centre as apposed to an out of town solution

* Net Internal Area (NIA) is 'useable area within a building measured to the internal face of the perimeter walls at each floor level, excludes circulation areas, toilets and lifts etc.'

- identify the extent of likely possible sites that may have the potential to meet or contribute towards an overall solution for the council.

City Centre versus Out of Town Location

6. In terms of the council's earlier decision to locate its headquarters on a single site within the city centre, as opposed to an out of town location, the consultants report reaches the following conclusions:

Whilst they found clear benefits and costs associated with both out of town and city centre sites, when assessed against the agreed evaluation criteria and CYC's accommodation requirements, they concluded that a city centre location is highly likely to be the only appropriate solution for the council's needs and outperforms an out of town location when key criteria are considered.

They identified two key criteria of accessibility for customers and best practice. In terms of their importance to the operational effectiveness and reputation of CYC, combining each promotes a city centre location above an out of town location.

Accessibility for Customers

7. The council requires customer facing and back office administrative functions to be located at a single site. Given this, it is essential that a readily accessible location is provided with easy access to customers, in particular those without private transport.
8. The city centre is a public transport hub featuring train, bus and coach stations, accommodating multiple bus routes. Therefore it is well connected by public transport to all parts of York and surrounding areas. There are also cycle and pedestrian routes around the city.
9. York is a busy and vibrant location throughout the day creating a form of casual surveillance and there is also full street lighting and CCTV. As a result feelings of security and safety amongst customers (and staff) could be enhanced.
10. Out of town locations usually offer poorer accessibility for those without private transport and also potentially more complicated access by foot and cycle. Based on these factors they concluded that the city centre appears a preferential location to out of town sites.

Best Practice

11. CYC works to develop, interpret, manage and enforce policies governing behaviours and practices within the administrative boundaries of York. These include such policies as planning, sustainable development and transport. We also create and promote local objectives and targets in a variety of areas.

12. There can be a need for the council to demonstrate 'Best Practice' and 'lead by example' in incorporating and abiding by the policies it enforces and by promoting the objectives and targets it sets. Through the option of a city centre location, the council is able to demonstrate 'Best Practice' by:
- adhering to PPS6 on Town Centre uses
 - supporting the achievement of local economic objectives around maintaining and enhancing a vibrant city centre, promoting economic vitality (as noted in the emerging Area Action Plan for the City Centre)
 - supporting national objectives around sustainable development which include making strives towards considering green transport arrangements in new development.
13. The report concludes that there is the potential for a city centre or city centre border solution which is accessible, deliverable and affordable. This potential outcome supports the original intention to relocate in the city centre. The main advantages of this outcome being;
- a) Excellent accessibility for customers
 - b) Generation of the local economy
 - c) Opportunities for shared working with other agencies and,
 - d) Support for sustainable development.

A full analysis of the costs and benefits is available within the consultants report.

Potential Sites

14. The main purpose of the consultants report was to gauge the extent to which there might be viable interest in providing a solution and to help inform any essential criteria for procurement. If the Council wishes to procure office facilities of this size on land it does not own generally speaking it is obliged by EU Procurement Law to hold a competition to select a site/developer. Any developer may request the opportunity to tender, and each proposal will be considered on its merits against clear, fair and objective criteria. Some market related information has emerged as to the level/likely number of developers bringing forward a tender, for example, a potential site at the Barbican may no longer be available. If CYC conclude that a single site solution within the city centre/edge of centre is required, then it is proposed a process will commence to establish fair and objective criteria for assessing any expressions of interest and tenders. A competition to select the winning site will then need to be organised based on those criteria.
15. This approach to procurement will provide a 'turnkey' or complete solution from a potential developer who will build the council's new

office to an agreed specification. This compares to the previous Hungate solution where effectively the council was acting as a developer.

16. CYC have undertaken some initial work assessing the possibility of whether there would be interest in a competition to provide a solution to CYC and a brief summary of information available relating to example alternatives is included in the report. All possibilities tendered would need to be considered via the correct competitive process and each possibility assessed against defined criteria. It is envisaged that, because of the varied nature of the likely possibilities, the exact proposed delivered solutions by developers will be a product of the competitive procurement process. It is anticipated that developers will respond to the proposed competition by providing and developing innovative solutions. Due to the nature of the City of York, and the disparate types of sites which might be available, there appears to be scope for a variety of proposals. Some factual background to illustrate this relating to examples may be of general interest at this stage. The present situation has come about due to the position at Hungate (the site which had been anticipated to provide a solution). Set out below (paragraphs 16-18) is a brief summary of the position regarding Hungate.

Update Regarding Hungate

17. Since the withdrawal of the planning application for Hungate the designers RMJM have met with the council's planning department to discuss the concerns of English Heritage, in relation to the height and massing of any new development, and what could be achieved on the Hungate site. Following on from this initial meeting RMJM have produced a number of design concepts which move away from the original design, of a five storey building with a large atrium in the centre, to a collection of buildings with heights stepping up in scale from three to five storeys. These early concepts have been submitted for further comment from both the council's planners and English Heritage.
18. It is unlikely that any new design on the current Hungate site will meet the council's overall space needs or support a one site city centre/edge of centre solution. Early estimates suggest a shortfall of accommodation in the region of approximately 2,350sq metres of net internal area which equates to approximately 360 workspaces, accommodating 450 staff. This shortfall would need to be supplemented with additional accommodation either from the council's existing portfolio or by acquiring additional space to complete the full requirement. This may be leased commercially from the adjoining development at Hungate where there are two buildings available, both with planning permission for new build office content within them.
19. The consultants consider the initial concepts and the level of net internal area to be un-ambitious and suggest that further development could reduce this shortfall of space. Early estimates indicate that a

reduced Hungate scheme on the council's site could be achieved within the existing budget provisions, however this would still leave a shortfall and an additional requirement to meet the overall needs of the council would result in further costs which are currently estimated to be the equivalent of between £3-5m.

West Offices

20. The opportunity known as West Offices is owned freehold by The Buccleuch Property Group, an established and respected owner of both investment and development property. Buccleuch Group has indicated that they are willing to develop the property on a turn-key basis on behalf of CYC.
21. This opportunity consists of the refurbishment of a grade II listed building, which is of historical importance to the City of York, alongside the development of new buildings integrated into the old. The total built area would be sufficient to supply the whole requirement of CYC. The property is located within the City Walls.

Layerthorpe

22. The opportunity known as Layerthorpe is approximately two miles north east of York railway station. There are public transport links from the centre. The site is in the freehold ownership of Tiger Developments, a subsidiary of O'Flynn Group, a substantial Irish based Contractor/Developer.
23. The site is bounded by the River Foss and Layerthorpe Road. Sainsbury's supermarket lies across the river, with Foss Bank crossing to the west. Development of the site will require the developer to complete a link road from Heworth Green to Layerthorpe Road.
24. A feasibility study has been conducted on the site. A new build structure of 14,678m² gross internal area (GIA)* over a total of four storeys could be provided in a similar shape to that designed by RMJM for the original Hungate project.
25. There are some contamination problems on the site although the developer has provided some assurance that there is a mitigation process being carried out and that there would be no affect to the delivery of the property.

General comments on sites

26. All sites will have potential issues to consider and different benefits to be assessed against common criteria. For example, criteria may consider configuration of buildings to meet accommodation requirements and additional amenity.

* Gross internal area (GIA) is defined as 'area of a building measured to the internal face of the perimeter wall at each floor level'.

27. These further investigations confirm that in relation to West Offices and Layerthorpe these sites are available and likely to be deliverable and it is believed that they have the potential to meet the overall needs of the council within the affordability parameters of the current approved budget. The Hungate scheme, although only conceptual at the moment, has the benefit of information and knowledge built up over a significant amount of time in relation to the council's needs, the constraints of the site and planning requirements.
28. To be able to provide a level of confidence in relation to what can be achieved and make true comparisons through a detailed options appraisal, the detail for any sites which are proposed as a result of competition will need to be developed to the level of that available for Hungate.

Competition

29. The understanding of European Directive requirements for public sector procurement have been the subject of much discussion throughout Europe following a number of high profile cases which have established through case law some important principles. Great care has therefore been taken in recent weeks to assess the correct procurement process to follow. Changes in understanding of the law applicable to public development projects of this nature, make a route of direct negotiation with a sole provider inappropriate.
30. Legal advice from the council's framework solicitors, Shulmans, confirm that the proposed Development of new offices for the council will be classed as qualifying "Work" under procurement law. The Council needs to hold a procurement competition in order to progress and meet CYC's aims to achieve not simply the lowest price but the most economically advantageous tender. CYC will comply with its and the EU's common guiding principles:-
 - a) Equal treatment of tenderers (wherever they are from in the EU)
 - b) Transparency in respect of the process, criteria and reasons for decision for tenderers.
 - c) Proportionality to ensure that CYC's requirements are relevant and necessary to what is to be procured.
31. Complying with Commercial Confidentiality is also a key principle to be observed as appropriate. EU procurement legislation requires the council to enter into a procurement notice process to invite any other interested parties to the table and to assess, and, if appropriate, develop solutions. The process will take into account the complexity of the likely proposals. Initial notice of potential works and criteria will be developed swiftly to commence the process of publication in the OJEU and wider relevant publicity.

32. It is recommended that throughout the procurement process the Hungate scheme should remain firmly on the table as an option for future consideration but that any further development of the scheme should be kept to a minimum.
33. The outcomes from the procurement will be evaluated using a robust set of criteria based on the accommodation brief and a set of weighted criteria put together and agreed by key stakeholders. A set of detailed criteria is currently being developed based on the following:
- A single site city centre /edge of centre location.
 - A fully integrated customer centre with good public visibility and accessibility.
 - Suitable and sufficient accommodation of a consistent quality and modern standard which will meet the overall future business needs of the council and accommodate in the region of 1400 staff.
 - Is fully compliant with the latest health and safety requirements and conforms to the Disability Discrimination Act.
 - Is sustainable in terms of its overall economic, social and environmental impact.
 - Complies with the council's travel to work policies in that the building must be accessible for both staff and customers, via public transport.
 - Is affordable and can be delivered within the current approved capital budget and financial model for the project.

The results of this exercise will inform a revised business case for the accommodation project which will be presented to members in April 2009.

Timescales

34. It is estimated that the procurement can be streamlined so that it will only take approximately six months. This is an incredibly tight timescale but current advice is that this is achievable. It should be noted however that a substantial part of this process will include detailed dialogue and negotiations which would be a necessary part of developing any potential solution for the council.
35. If a scheme is approved a period of detailed design and subsequent planning approval would support an estimated construction start date of mid to late 2010 which would lead to revised completion date estimate of mid to late 2012. Therefore, the likely timeframe for the anticipated process will be as follows:

| STEP | TIME |
|--|-------------------------------|
| Members to approve process | 21 st October 2008 |
| OJEU Notice | End October 2008 |
| Submission of initial tender information | End December 2008 |
| Evaluation process | Up to end March 2009 |
| Award | End March 2009 |
| Construction commencement | Mid to late 2010 |
| Completion | Mid to late 2012 |

Communications

36. Project communications have been maintained to keep staff, the public and interested parties informed following the withdrawal of the planning application and to provide updates on what actions are being taken to move the project forward.
37. A variety of internal communication channels are being used to communicate to staff including; the use of global emails sent from Bill McCarthy, articles featuring in news and jobs, and regular updates on the council's intranet system which contains additional background information and links to key reports. The project also produces a quarterly newsletter 'On the Move' and staff are actively encouraged to send their questions or queries to the project's 'moving forward' mailbox.
38. Strong communication channels also exist using the project's established organisational structure, which follows Prince 2 principles. Updates are provided through a variety of reports including checkpoint reports, reports to the project board, summary highlights and reports to the Executive.
39. Verbal updates are also given to the established project groups, such as; the User Development Group, which comprises of staff representatives from each Directorate, the Project Board which has senior officer representation from each directorate at Director/AD level and the Member Steering Group with representatives from each of the party leaders. The Corporate Management Team and senior managers also receive regular updates.
40. Press releases have been sent to local media and more recently a press briefing has been held to inform the public of the latest position on the project. The council's website is regularly updated and letters have been sent to key consultees such as English Heritage, CABI, York Civic Trust, York Conservation Trust and the Hungate Community Trust to update them on the current position.
41. At a meeting of the Executive on the 9th September, it was agreed to engage a panel of consultees from the wider community. This 'Reference Panel' will include representation from a wide spectrum of interests that can focus on and provide support and engagement for issues, including and beyond the built form. It will of course offer the

opportunity for English Heritage and CABE to participate whilst accepting their role as statutory consultees.

42. A new communications strategy is currently being developed to support communications throughout the period of work that is being undertaken to develop a solution.

Implications

Financial

43. It is intended to deliver any new accommodation solution within the parameters of the currently approved budget of £43.8m. The Hungate plus option at paragraph 17 of the report highlights that any new Hungate scheme could cost an additional £3-£5 million. In terms of any other option when the competitive procurement exercise is complete, comparative figures will be available to assess which scheme is financially viable for the council. Any additional costs relating to the procurement exercise set out in paragraphs 28-33 will be incorporated into this overall assessment process.

Legal

44. Vital to follow good procurement practice and legal requirements which underlie that practice and to make decisions in a way which reflects key EU principles (Equal treatment, transparency, proportionality) to avoid risks of challenge and to achieve best outcome.

Commercial confidentiality to be observed.

Corporate Priorities

45. The provision of new accommodation and the consequential improvement in services to our customers will contribute to all of the council's priorities.

Risks

46. Failure to respond to the council's corporate imperative of providing an accommodation solution that realises the key project benefits of;
 - a) Rationalisation of the council's current administration accommodation portfolio which is anticipated to cost over £140m over the next 30 years.
 - b) A fully integrated York Customer Centre providing customers a single contact centre to enable all services to be accessed in one place, quickly, simply and effectively.
 - c) A city centre location that is accessible to all customers and citizens of York. Located in an area of regeneration with existing infrastructure and transport links providing access for staff. Maintaining the council's contribution to the economic well-being

of the city through its employment of c.1400 employees in a central location.

- d) A modern office environment, which supports an open interactive culture and facilitates flexible working styles, aids recruitment, staff retention and contributes toward reducing staff absence.
- e) Compliance with current legislation in terms of Disability Discrimination Act in providing buildings and services that are accessible to everyone.
- f) An accommodation solution that is sustainable in terms of economic, social and environmental impact, supported through three main targets: A score of “Excellent” under the British Research Establishment Environmental Assessment Model (BREEAM), to better Building Regulations CO2 emissions requirement by 30% and to include 20% on site renewable energy generation.
- g) A building that is effective and efficient to enable the delivery of excellent customer services and unlock the efficiency gains identified as part of the Gershon agenda.
- h) Inward investment to the city to a value approximately £50m.
- i) The opportunity to release a number of important historic buildings, for example, St Leonard’s for restoration and more appropriate use.
- j) Provide a significant lever towards improving the Council’s CPA rating through new corporate working arrangements.
- k) Contribute towards the Council’s overall value for money assessment.
- l) Supports the reorganisation of the York Ambulance Service through the provision of land at the Yearsley Bridge site.

Recommendations

47. Members are asked:

- To note the content of this report particularly in relation to the conclusions of consultants EC Harris in their assessment of the validity of an earlier decision to locate the council’s new headquarters within the city centre as opposed to an out of town location.
- To approve the commencement of a procurement process to support the development of potential solutions that may come forward for consideration.

- To approve the set of high level procurement criteria listed in paragraph 32.
- To support the need for expedience give delegated authority to the Project Champion – Director of City Strategy, to approve a set of detailed criteria within the high level criteria listed in paragraph 32, on which the procurement process will be based.
- To acknowledge the need for more detailed work to be undertaken to inform the preparation of a more detailed accommodation strategy to enable the council to examine all relevant factors before making a critical investment decision.

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Report
Approved

Date 08/10/08

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Wards Affected: Acomb, Clifton, Fishergate, Guildhall, Heworth, Heworth
Without, Micklegate

For further information please contact the author of the report

Background Papers:

Executive Report - 9th September 2008

EC Harris – Option Appraisal Report October 2008



Executive

21st October 2008

Report of the Director of City Strategy

Thriving City – report back

Summary

1. This report is in follow up to a recent paper on York's economic position which recognised that the council and its partners can take action to assist the city during this period of downturn to help business as well as those individuals and communities hardest hit. This report presents the findings of consultation with stakeholders and options on further action and areas of investment which the Executive are asked to consider.
2. The One City project has a good strategic fit with the long term aspirations of the city under the Inclusive City, Learning City, Sustainable City and Thriving City themes in the Sustainable Community Strategy.

Background

3. York is initially better placed than some other cities to respond to the changing economic picture. It has enjoyed relatively high levels of employment and encouraging economic growth over recent years especially in the technical, creative and scientific sectors.
4. The Future York report has helped ensure strong partnership working and a good support infrastructure which is responsive to changing economic circumstances and which will be key to ensuring that York remains vibrant and successful at attracting investment and visitors.
5. Whilst apparently affluent, there are significant pockets in York where deprivation is relatively high and where action is required if the circumstances of those least well off are not to be exacerbated by the prevailing economic climate.
6. Accordingly, this report looks at these issues with reference to the credit crunch and reports on consultation with those in the city who best understand its economic landscape, are working to ensure its continuing prosperity or work with those communities and individuals whose economic position is most precarious. In summary the One City project has 3 strands
 - Supporting business
 - Boosting confidence
 - Supporting those most vulnerable
7. This report and the initial One City paper represent just the starting point for the council's action to tackle the credit crunch. Subsequent papers will keep members informed of the changing economic circumstances and will suggest further ideas in response as well as more detailed shaping of thematic priorities. It will also consider issues such as governance support arrangements for the project and how best to locate it within the context of the city's of strategic partnerships.

Consultation

8. In the course of this work, the groups and people named below were consulted. At its inaugural meeting, the York Business Forum considered the impact of the global financial crisis on the York economy and their discussions are reflected here also.
- Citizens Advice Bureau/Anti-Poverty Steering Group
 - York Credit Union
 - Future Prospects
 - CYC Neighbourhood Co-ordinator
 - CYC Revenues and Benefits managers
 - CYC Housing Strategy Manager
 - CYC Homelessness manager
 - CYC Housing Standards and Adaptations Manager
 - CYC Skills and Labour Market Manager
 - CYC Head of Economic Development
 - CYC Assistant Director for Economic Development and Partnerships
 - Project Director of Science City York
 - Chair of york-england.com, Visit York and York Professionals
 - Federation of Small Businesses
 - Chamber of Commerce
 - Owner of Japanese Shops chain (former Chairman of York City Centre Partnership Ltd)
 - York Business Forum

Business and confidence

9. Whilst consultation showed that some businesses are suffering downturn, including some in the council's own commercial property portfolio, the York economy continues on the whole to perform well. There has been a slight, but not significant, rise in the number of people claiming Job Seekers Allowance in recent months whilst other figures suggest that hotel occupancy rates are also slightly up.
10. Sectors which have suffered clearly include the construction industry and those associated with it. There is also evidence of rising unemployment in service industries, especially affecting casual and part time workers. Anecdotal evidence suggests that retail businesses outside of the city centre, such as in Acomb, are less likely to be faring as well as elsewhere in York and that a number of small retailers are concerned enough by recent trends to sell leases or seek shorter and more flexible agreements.
11. In general, the Chamber of Commerce report that amongst its members confidence is still good and that the effects of the global financial crisis are, in many local sectors, yet to be properly felt in the real economy. Accordingly, further reports will keep members informed of the changing economic circumstances anticipated in the city.
12. For those businesses consulted it is clear that the issues of most significance to them are the same ones as before the global financial crisis hit; transport and skills (themes which were considered in depth at the recent inaugural meeting of the York Business Forum) and rules & regulations.
13. The newly published annual competitiveness index named York as the 11th most competitive city in country, a rise of 32 places from 2006. The study highlights the factors which attract investment and where the council's strategic focus, with that of its partners, has been aligned – by improving the qualifications of school-leavers, raising skill levels, helping unemployed people

back into the workforce, attracting knowledge based industries and encouraging entrepreneurship.

14. The development of city-wide strategies for the future build on this success and ensure a continuing focus under the Thriving City, Learning City and Inclusive City objectives. Members will also be aware of the intention to refresh the council's Corporate Strategy to better align it to the SCS and ensure that the council's commitment to these themes is clear. Performance against strategic objectives are also managed in the medium term through the Local Area Agreement.
15. The council has a strong track record of working in partnership to ensure the city's continuing economic progress with for instance Science City, the Tourism Partnership, Business Link and City Centre Partnership. This has ensured that the council is a key player in helping to shape and support the city's economic future and has good channels of communication through which the needs of the business community are understood.
16. Since the Future York report and partly in response to the joint party protocol which identified jobs and business support as a key issue, the council has worked with Yorkshire Forward and york-england.com to strengthen and co-ordinate its approach to key account management (i.e. understanding the needs of key businesses in the City in a formalised and managed approach). The Economic Development Partnership Board has reviewed its membership to make it more business orientated and also agreed that there should be established a wider business forum to engage with a greater number of businesses on an informal basis and gather views on how the economic well-being of the city can be improved.
17. The first meeting of the Business Forum took place on the 8th October and considered –
 - Transport & infrastructure
 - Skills & training
 - Development of the city
 - The national economy and its impact on York business
18. The forum provides a vital conduit for city communication and support for business confidence. Its initial meeting highlighted significant consensus around the priorities for York's development and demonstrated the group's potential to help shape the city's future.
19. Ideas which were discussed to help York through the credit crunch included aggressively promoting the city offer and refreshing the York brand as a great place to work, invest and visit, emphasising its success and the quality of life and opportunities for work/life balance that it offers.
20. This is the kind of activity which the forum, working with the council, is well placed to drive forward; creating an aspirational and externally focussed city culture, which is confident and self-determined. The benefits for York's reputation as an investment destination are clear, but the forum also highlighted a role for attracting talent and retaining graduates, especially in science and technology disciplines. Members of the forum with marketing expertise have already indicated their willingness to be involved and the support of the Executive is sought also to pursue this idea and investigate funding implications as well as the role of york-england.com and Yorkshire Forward.
21. In short-term response, members are asked to support promotion of the city centre and specifically the work of the York City Centre Partnership. Members will be aware that following the ending of funding from Yorkshire Forward, the York City Centre Partnership was unable to extend the contract of its Chief Executive. Previous reports to the Executive have highlighted the importance of sustaining some of the activities of the partnership, particularly regarding maintaining an active dialogue with retailers and traders through the Retailers Forum, encouraging private sector involvement with initiatives such as Christmas lights and other promotional activities, developing new initiatives such as the Minster Quarter and taking a longer term view of the development of the city centre through the Area Action Plan.

22. The City Centre Markets and Operations team have been restructured to enable for some support to be given to these initiatives following the departure of the partnerships Chief Executive. However, some additional resource is still required to provide administrative and project management support to sustain activities previously undertaken. The likely cost of these is estimated at £20,000 per annum.
23. More support for business start-ups was also identified by the forum as an area of need, and is an important way of strengthening the local economy to respond to the present challenges. York has a generally low rate of new business formation compared to regional and national rates and improving this has already been identified as an objective in the city's LAA. This is a significant issue especially when conditions are a disincentive to new start-ups.
24. In response, the council has already taken the step of establishing the Eco Business Centre at Clifton Moor which is approximately a third occupied despite being open since only September. The council has also been seeking ways with Norwich Union/Aviva in which a £50k investment from Norwich Union can be matched to establish a fund to support new business start up in York.
25. A further £100,000 could be drawn down from York Business Development Ltd, and York Professionals are in the process of seeking £50,000 of matched investment from its members which will be delivered through business advice and guidance. The Executive are asked whether the council will also provide £50,000 to support this enterprise fund.
26. The council, together with North Yorkshire County Council and the Chamber of Commerce, were the founding members of the York and North Yorkshire Business Link. Following the development of Business Link on a regional basis, the 3 founding members are considering how best to use the remaining reserves of the York and North Yorkshire Business Link company to fund additional business support activity in the sub-region.
27. The council is also seeking to develop a culture of enterprise in the city through the provision of enterprise training within schools, likely costing about £10,000. The attached annex to this report sets out the current provision of recent and planned enterprise education in York. It is recommended that the council works with North Yorkshire Business Education Partnership and Young Enterprise to develop a plan to extend the coverage of enterprise activities to all schools within the city.
28. The Business Forum also suggested greater awareness and availability of information on the services, funding and support available from the council, Science City and the other groups and partnerships which support local economic growth. Further consideration is required about how best to publicise this support, using the Business Forum to channel communications and drawing on the marketing expertise of forum members.
29. The forum also expressed the need for more people with 'softer' service skills. One initiative which may help is the provision of generic service and hospitality training provided by a number of the city's hotels, which have agreed to act together to deliver this provision in partnership with York Professionals. This point also suggests perhaps that more awareness is needed in the city about the range of jobs associated with the technical and scientific sectors, challenging the perception that Science City is exclusively about highly skilled and technical work.
30. Another message which came from the forum and is worth considering in the overall context of this paper was the desire of businesses to help the most financially vulnerable people in the city, to tackle worklessness and provide employment opportunities, and perhaps this could be explored further at future meetings. In all their discussions, the forum demonstrated a clear desire to drive forward improvement and work for the collective good of the city.

Procurement

31. The council spends approximately £100 million per year in the discretionary purchasing of external goods and services. EU procurement legislation prevents the council from positively discriminating in favour of local suppliers, but it does work to promote the availability of contracts with them and ensures that there is full visibility of tendering opportunities via the SCMS IT system. The procurement team has been in contact with the Chamber of Commerce to ensure that local businesses are aware of this facility and are equipped to take advantage of tendering opportunities.
32. They have also intend to work with CVS to ensure that third sector organisations are fully supported through the application for tenders and again has ensured improved transparency about the contracts available. Local suppliers are also advantaged by the council's commitment to building sustainability into the awarding of its contracts, where transportation of goods or travel expenses are concerned for instance and such considerations are likely to be of increasing importance as the council becomes subject to carbon tax. The authority also has scope to influence contractors in the selection of local subcontractors.
33. As the imperative to derive further efficiencies from contracting drives the need to bring as much purchasing as possible within the corporate contract, it is possible that local companies will be disadvantaged as it is assumed that procurement which presently falls outside of it is likely to be local. This issue will become clearer as the SCMS system is fully rolled out and detailed spend analysis becomes available as part of the FMS replacement project. Whilst data on contracts by geographic area is presently unavailable, it is hoped we will have this analysis by the end of the year.

Helping the least well off

34. It is suggested that a cross directorate anti-poverty and financial inclusion group be formed to co-ordinate the range of council projects presently underway with a view to ensuring that proper links are made between work and that resources are efficiently targeted. The group should also consider specifically how council departments could work more effectively together and co-ordinate services to tackle poverty as well as better promote the range of credit crunch support services available from the council and its partners.
35. Further analysis of the changing economy will be important to ensure that York's citizens are properly supported. This work should provide awareness of the changing circumstances for all in the city, not just those people who are least well off and identified here as initially most at risk.
36. It is anticipated that shortly LCCS will report separately on child poverty.
37. The next edition of the Talkabout survey will feature a section on the credit crunch which will seek the views of citizens and will hopefully provide a useful tool for economic planning in neighbourhoods.

Kingsway pilot

38. The project is designed to improve life chances for citizens in this specific area of the city, which according to the Indices of Multiple Deprivation (IMD) is the most deprived in the city and the only one of York's Super Output Area in the most 10% deprived nationally. Since the initiation of the project, the partnership team have met 3 times and reported their proposals for further action to members; these and the overall approach being taken provide a template for tackling poverty and deprivation elsewhere in the city. The project has been typified by
 - Being informed by data – the project is informed directly by the IMD and actions are designed to tackle the key characteristics of this deprivation

- Working in partnership to identify and address need – ensuring that joint working budgets are most effectively deployed
 - Working in the heart of the community – understanding existing provision, linking with it, complimenting it and successfully using outreach services
 - Central involvement of members – local councillors have worked to consult with residents via doorstep survey to compliment the overall understanding of the community's needs
39. Actions in the Kingsway pilot which were recently supported by members include the formation of an active residents group and provision of appropriate community development training. In addition, actions have been developed to target specific types of deprivation as identified by data and supported through close partnership working, these include.
- Employment deprivation – Future Prospects have increased their presence in the area with the creation of a part time post for a community learning and work advisor to offer a range of support in areas including confidence building and employment training
 - Income deprivation – Citizen Advice Bureau housing debt outreach work has been progressed and a CAB money management outreach officer appointed with implementation of a benefits awareness campaign to follow
 - Health deprivation – Running of Future Prospects 'cooking on a budget' course
40. The pilot project will assess how its work may be replicated elsewhere in the city and it is hoped that residents from the pilot area trained in community development can act as mentors for others.
41. The example of the Kingsway project suggests the benefit of developing economic plans for all localities throughout the city. It is suggested that this is progressed through the existing Ward Committee infrastructure, facilitating direct engagement with residents and members to understand the economic issues in specific communities.
42. Already some Neighbourhood Action Plans (NAPs) have prioritised support for their local economies as ward priorities, but in the majority of cases this concern was not identified. Now it would seem appropriate to reintroduce this issue onto ward agendas and seek residents' views on its importance.
43. A proposed first step would be to develop a template similar to that used to assess health issues in wards and use the results, supplemented by available data, to help inform planning and shape services according to need. The views of other council departments, partners and local businesses could also supplement this picture which would raise awareness of ward specific issues and help identify practical measures of support and the appropriate agencies to provide them. With this planning in place it may also usefully act as an evidence base sufficient for drawing down funding from external sources.
44. This evidence will become increasingly sophisticated with use of the ESD toolkit which the council has recently invested in. This IT resource of extensive locality data is provided by government as an aid to accurate ward profiling, in keeping with the requirements of the Comprehensive Area Assessment framework. It is anticipated that this system will initially be in use by the end of the year. Supplementing this, the next edition of the Talkabout survey will feature a section on the credit crunch, the results of which will be analysed on a ward basis.
45. The ward planning system could also help provide support and sources of further information by, for instance, the organising of advice surgeries, which have been previously used in advance of

ward meetings to support residents on a range of issues. Further awareness and support could come from coverage of the credit crunch in Your Ward publications and the budget consultation issue of Your City.

46. As part of the Kingsway pilot project the Executive agreed to support production of an updated version of the 'York on a Budget' booklet and also review the council's debt recovery policy and consider, in light of the credit crunch, improvements to supporting those in debt whilst maximising income collection. This work will consider linkages between departments concerned with benefits overpayments and rent arrears and the protocols which govern their work.
47. £2000 is now available for the production of the booklet. Additional funding would allow for its distribution across the city not just in those wards who have funded so far. It would also allow for greater promotion of the Credit Union which is also recommended in this paper. Costs for production of the booklet range depending on quality and quantity. It is recommended that the council fund production of 20,000 colour copies, which will require approximately another £3,500.

Credit Union

48. The Credit Union works to mobilise savings and improve financial inclusion and plays a significant role in supporting those least well off in York.
49. The Credit Union would appreciate the council's assistance in improving visibility and access to its services in our most deprived communities and with those people who are presently least able to get credit. These are the same communities in which The Press recently reported that unscrupulous and violent loan sharks are operating in the hope of taking advantage of the adverse economic conditions.
50. It is suggested therefore that in particular areas of the city the council helps ensure the establishment of outreach facilities to both assist those who have already taken unsustainable credit and provide a safe and affordable alternative for others seeking secure savings or loans.
51. It is recommended that the council support the funding of community savings points in those areas of most need. Tang Hall, Westfield and New Earswick have been suggested by the Credit Union, though data analysis and member views are also sought. The saving points would be set up in community facilities at set times to offer Credit Union facilities which could normally only be accessed via a visit to their offices in Priory Street or at the community saving point which operates from the City Finance Centre in Library Square.
52. The staffing cost of establishing these 3 community savings points for one year, subject to the identification of suitable venues in which to operate, is £9,000 for 2 part-time posts, plus set-up capital costs of £800 for the purchase of additional equipment.
53. Though this paper seeks to recommend where one-off investments should be made, it is recommended that sustained funding is required to properly support the Credit Union in its work and bring these additional services to communities in most need.
54. Reputationally, it is important for the Credit Union to be recognised as a reliable quality service and for the benefit of customers too, it is not thought advisable to make the above funds available for one year only. Members are therefore asked to consider providing funds to the Credit Union as part of the council's mainstream allocation in order to ensure the sustainability of these posts. It is also recommended to seek support from Ward Committee budgets in the areas identified.
55. Investment in the Credit Union is particularly beneficial to the city as all its assets remain in the local economy. Money used for savings can be lent out as loans on which interest accrues, meaning that in a very real sense the Credit Union represents a value added service.

56. It also has the potential to be of benefit to local businesses, for instance by assisting a purchase on credit from an independent local retailer unable to offer their own credit function, but who unlike a major chain would keep the money in the local economy.
57. The council can play a role in improving the links between the Credit Union and businesses. The Credit Union would like to make these links in order to attract workers in the city who wish to establish savings in the union through payroll deductions. This is of course beneficial to savers as well as the city's economy and the Credit Union. The Credit Union would also cite the benefit to employers, for instance helping to address a potential rise in sickness absence associated with money worries.
58. A pending review of legislation may also allow the Credit Union to make loans to businesses in the future and therefore to explore the above issues it is suggested that the council facilitate contact via York Professionals.

Citizens Advice Bureau

59. Consultation with York CAB has suggested that the council can help the bureau to accelerate its planned changes to the way in which it manages customer enquiries to improve efficiency and effectiveness.
60. The Gateway model provides self-help resources and appropriate support or referral following a short diagnostic interview by phone or in person. By better managing demand, it enables bureaux to focus face-to-face resources on those who are in greatest need and increase the number of clients they are able to see.
61. This model presently operates in 25% of all CABs and shows that it can lead to an increase in client throughput of up to 50% and can reduce waiting times by up to 70%. They also show that early diagnosis, the use of self-help information and appropriate referrals lead to a faster service for more clients and encourages greater integration with other providers.
62. York CAB intend to employ the Gateway system and predict a 30-50% growth in clients seen as a result. They have identified that the recruitment of an additional full time advice worker for a year would accelerate the system's implementation from April/May next year to within 12 weeks of commencement. This person's work would include training and business process redesign with a view to mainstreaming the new system. One of the options presented then is to provide one year funding for the payment of this post (contingent on the current review of management at York CAB). Total cost for one year will be £26,500.
63. Another idea recommended by York CAB and the anti-poverty steering group is to fund the production of a smart card which would provide discounts in shops for those in receipt of benefits or on low incomes.
64. The next intention if supported would be to consult with local retailers and seek those willing to enter into the scheme, especially in those areas that are relatively deprived. The advantage of the smartcard is that it supports both the people less able to cope with inflation and businesses who may be suffering reduced custom. Securing the co-operation of independent retailers will ensure that money is retained in the York economy and that local produce and good healthy food can be promoted.
65. CAB have identified that the creation of a new post is required to co-ordinate the project, including recruiting businesses, promoting the scheme and keeping holders of the smartcard informed when additional businesses join up. The cost of the post for one year will be £24,500 of which £4,500 has already been secured. This appointment it is also advised should be contingent on the current review of management at York CAB.

66. The eventual intention of the card would be to make it a self-sustaining social enterprise in which participating businesses would pay a small charge to fund the project year on year. This model suggests however that not all of the scheme's costs could be accounted for by this means in year 2 and may require further support, approximately 50% of year one costs.

Housing

67. The credit crunch has had a significant effect on the housing market. Conditions have been typified by falling prices and sales, rising repossessions, a reduction in the availability of mortgages and a slow down in construction.
68. These factors in turn place increased pressure on York's existing social housing stock and housing waiting lists. Demand for rented homes is likely to increase as sales fall and homelessness rates grow as more people get into arrears with mortgage payments. Moves within the social housing stock are likely to reduce too, leading to more cases of families living in unsuitable accommodation and longer waiting times for those on housing lists.
69. The present downturn in the housing market also means that fewer new-build homes – both open market and affordable - are being built.. The true effects of this will not be felt in the current year however, but over the next 2-5 years or longer, given the inevitable lag in the completion of new homes even when the market picks up.
70. In York the majority of new affordable housing comes through planning gain agreements on private developments but there is still a significant programme of Housing Corporation funded schemes too which will generate activity.
71. On grant funded developments a net reduction of 37 homes is predicted in 08/09 against previous targets. Delays on two developments, the new Peasholme Centre and first phase of the Discus bungalows scheme, account for most of this reduction and both can be attributed at least in part to the credit crunch. On planning gain schemes the picture is more complicated and directly affected by the private housing market. Affordable housing completions are currently holding up well for the current year but with an anticipated dip in 2009/10.
72. Over the next two years, anticipated delivery of affordable homes is now 370 against an LAA target of 445 – a net reduction of 65 homes. It is premature to draw firm conclusions from these figures given that the housing market is so changeable and likely to remain so over the next two years. At the time of writing this report, for example, negotiations were close to agreeing the purchase of an additional 32 homes by a housing association on one development. Nevertheless, it is possible that the housing market downturn could precipitate the mothballing of further private developments (which include affordable allocations) as has already happened on a number of sites across the city.
73. Housing associations across the country have had to reconsider the feasibility of building or purchasing homes for shared ownership. In York, however, our model of low cost home ownership is 'discounted sale' rather than shared ownership and carries much less risk to the associations, although it does of course still depend on purchasers being able to access mortgages.
74. The government has made a number of announcements focussed on stimulating the housing market. The initiatives include raising the stamp duty threshold, supporting mortgage interest payments, launching a national mortgage rescue scheme and the introduction of the Homebuy Direct scheme which provides a discount equity loan on new build homes. The details of all of these schemes are being considered in order to assess their full implications for York.
75. There has also been a range of regional and sub-regional activity, which includes a £450,000 mortgage rescue package which the Golden Triangle Partnership intend to launch by the end of the year. It is also working on supporting a pilot under-occupation scheme in York and continues

with a low cost home ownership scheme which is on target to enable 10 households in York to buy a home on the open market this year.

76. The council's Housing teams have identified a range of actions which are planned or in progress in response to the difficult circumstances. These include a proposal for Supporting People to fund a second housing support worker through CAB in response to the increase in people needing support and a workshop on affordable housing responses to the credit crunch to be held in November as part of the Affordable Housing Review.
77. Also, the Housing Development Team with colleagues in City Strategy have held a series of meetings with individual developers and agents in York to discuss the impact of the credit crunch on the affordable housing policy. This is being followed up with a workshop in November with a wide range of stakeholders that will explore ways of maximising the supply of affordable housing both through new developments and through the optimum use of the existing council and housing association stock.
78. Housing Services are also organising a credit crunch fair to be held at the Guildhall in December with a range of stalls from voluntary organisations that will focus on ways of cost cutting as well as having information on debt advice, mortgage rescue and living on a budget. This would seem to present a useful opportunity to ensure the availability of promotional literature, raising awareness about the range of services offered by the council and its partners, the production of which it is suggested should be the responsibility of a CYC anti-poverty and financial inclusion group.
79. Longer term action which the council may consider includes reducing fuel and heating costs in council and housing association homes, increasing homelessness prevention work through the Housing Options model and ensuring a high priority on maximising use of the council's current stock. Tackling fuel poverty by more efficient use of energy and reducing the number of households in temporary accommodation are two of the key LAA indicators that are being considered for further action as part of the Corporate Strategy refresh.
80. The council as landlord can also help actions to prevent poverty by providing enhanced benefits and financial support to council tenants and initiating targeted advice to vulnerable households on ways to reduce the cost of living- this is discussed in further detail in the following section.

Benefits

81. There has been significant improvement in the performance of the benefits service over the last few years both in terms of maximising take-up and speeding up processing. It presently takes an average of 16 days to process new claims and changes of circumstances and new services via telephone and with integration into the Easy@York project seeks to improve this further. Further structural changes, still being implemented, seek to improve the total customer experience by ensuring that all benefits staff are skilled to all positions within the team.
82. Work to improve the take up of benefits has included the canvassing of specific client groups and the formation of focus groups to understand what are the barriers to their claiming. Consultation with young people and families has already progressed but the service may require assistance in reaching out effectively to some BME groups, with advice from the council's Equalities team and the Inclusive York Forum. The benefits team also intends to increase its capacity to work to provide personal attention and case work for those specific clients or groups whose claims are complicated or whose circumstances often change. The team also seeks to continue to work for greater integration with other agencies.
83. Problems of keeping track of clients through referrals is an issue in the council where links between different benefit teams could be improved. The long term suggestion is that more generic awareness of a range of benefit and support services is developed across all relevant departments and better sharing of data on clients across these departments be investigated.

84. There may also be merit in the adaptation of a single form for the application of all benefits to ensure that full entitlement against all criteria can be assessed and potentially initiated by any of the relevant services. Further investigation of the merits of this idea is required as is its potential disadvantages and difficulties by the CYC anti poverty and financial inclusion group.
85. A specific example which emerged in consultation with the benefits service suggested that closer working relations with the Housing department could prevent rent arrears if the latter were better informed about the benefits process. The idea suggests that a pilot scheme may be a useful way to investigate how such a service may be provided, working with the initial suggestion that all new tenants should receive an income health check to ensure they are claiming all they may be entitled to, this may also be a trigger for referral to other services available via the CAB or Future Prospects such as money management courses.

Energy

86. Inflation of energy costs have been a significant feature of the credit crunch with the associated risk that an increasing number of people may slip into fuel poverty (often defined as energy costs which represent 10% or more of income). Ofgem report that the annual average gas and electricity bill for a 3 bedroom house presently stands at approximately £1,000 per year, a rise of 51% over the last 5 years. In response the council is drafting a fuel poverty strategy.
87. The council works in partnership to provide energy advice as well as a range of assistance to improve the SAP rating of customers homes.
88. Recent data suggests that there has been considerable progress in this regard, in 2002 the average SAP rating of the York's private sector stock was 44 (on a scale of 1-100), initial results for 2008 suggest that this has risen to 65. York's council stock is also high performing relative to other councils. Further work is underway to identify those pockets of the city where fuel poverty is most acute with a view to this informing the strategy in development.
89. Further work is still required in this area to improve take-up rates of benefits and other services such as the home appreciation loan. Further publicity about the services offered by the council, the Energy Advice Centre and the Rydale Energy Conservation Group may be required.

Skills and Worklessness

90. The Future York report recognises that York has a relatively strong skills profile, with good levels of attainment and a high percentage of high level skills. It also notes that high-quality educational provision and a ready workforce are key incentives to attract inward investment and allow York to 'punch above its weight in the knowledge economy.
91. The report also relates that there are significant numbers of adult residents in the city with low levels of literacy and numeracy and approximately 12% of the working population without any formal qualifications.
92. Work progresses under the Learning City theme of the Sustainable Community Strategy steered by York's Lifelong Learning Partnership which encompasses a range of aims to improve the overall skill profile of the city including widening participation, improving attainment, improving the quality and choice of provision and developing workforce skills to reflect the diversity of York's economic base. Complementing this work is an ongoing dialogue with business to understand their employment needs.
93. In their recently published annual report, Future Prospects detail that in the year to March 2008 more than 87,000 contacts were made with the service and more than 2,500 doors were knocked on. 10,000 in-depth advice sessions took place and , as a result, nearly 3,000 people entered learning programmes and 409 started work. As well as well developed outreach services it is also a key provider of redundancy support, transitions and outplacement services providing direct

support to employers such as Nestle and British Sugar and brokerage services to over 20 other employers.

94. Their work provides a clear understanding of the issues facing people who are workless and the active barriers to employment and training. Their data shows that the most significant in York include having English as a second language, disability, lack of qualifications, mental health issues and lack of confidence due to periods away from learning or work.
95. The success of Future Prospects work means that increasingly its client group is hard to reach or suffer from the most significant barriers to employment. This, together with the exacerbatory effects of the credit crunch suggests the need for targeted work within specific communities and key client groups as demonstrated in the Kingsway pilot. Increasing the capacity to door knock and working with partners to identify areas to target, e.g. streets with high levels of rent and/or council tax arrears, has the potential to engage with and significantly reduce the number of workless people in the poorest communities.
96. In partnership with Future Prospects the council has submitted a proposal to the Department of Work and Pensions to step up the intensity of its approach to worklessness in York, specifically with hard to reach groups through door knocking, community drop-in sessions, work with support groups, supporting health initiatives and linking with education welfare work.
97. The project aims to engage with and build the confidence of employees and employers and support the progress and success of local businesses in a sustainable way to ensure that all sections of the community benefit from economic opportunities.
98. The proposal to the DWP identifies that benefits rules can be a disincentive to entering work when for instance leaving benefits may cause a significant gap in income before receiving a first wage. The council has requested trialing flexibilities around such rules as part of this project. It has asked for funding of £500,000 for a five year period with a projected outcome of moving 250 people into work, making considerable savings compared with the costs to the state of paying benefits (£10,000 a year is a conservative estimate used for submission of the bid.)
99. The council has submitted this proposal to the minister and hopes to be given an opportunity to trial these flexibilities with the hope of informing national policy whilst improving outcomes for local people.

Options

Investment

- Agree to match fund the £50,000 provided by Norwich Union to establish an enterprise fund to support new business start ups
- Agree in principle to support enterprise training within schools – plan to be developed with NYBEP and Young Enterprise, likely cost £10,000
- Support to sustain the activities of the City Centre Partnership - £20,000
- Invest an additional £3,500 for production of an updated 'York on a Budget' booklet
- Invest £9,800 to provide 3 Credit Union community saving points in those communities in most need. Members are asked to consider sustaining this investment through mainstream allocation and investigation of support available from Ward Committees
- Invest £26,500 for the recruitment of an additional CAB advice worker to accelerate the implementation of the Gateway client handling and referral system

- Invest £20,000 (£4,500 already identified) for the recruitment of a person to initiate and co-ordinate the York smartcard scheme and consider the implications for sustainability of funding after year one

100. If Members decide to commit investment to any of these options set out above, then it will be necessary to develop firm delivery arrangements to ensure that there are measurable benefits and outcomes from the council's investment.

Strategic Policy

- Formation of a cross-directorate anti-poverty and financial inclusion working group with specific responsibility for
 - Ensuring appropriate links are made between 'credit crunch' projects to join up work and ensure the efficient application of resources
 - Exploring ways in which council departments could work together more effectively to tackle poverty (with overview recommended of project to review CYC's approach to indebtedness and consider the merits of developing one benefit form and more generic benefits support and advice and further consider how the council's benefits claims processes can be better co-ordinated across the range of providing services, including educational grants and support for energy efficiency improvements)
 - Production of literature for residents showing the range of credit crunch services available from the council and its partners
- Enhanced economic planning through ward committee function and shaping of services according to the needs of localities
- Consider initiating pilot work to investigate better links between housing estate management services and benefits/financial inclusion work including income health check

Further work

- Engage with York Economic Partnership, Inclusive York Forum and other partnerships to discuss the issues discussed in this paper
- Senior Managers Group/CLG sessions to explore how the council could better link with citizens and businesses through the course of existing council activity to understand their economic circumstances and influence delivery of the service.
- Support the proposal of the Business Forum to promote the York brand and the city's offer.

Corporate Priorities

101. The actions in this report support the Inclusive City, Learning City and Thriving City elements of the Sustainable Community Strategy, under which future corporate priorities will be formed

Implications

Financial

102. In summary, the options set out above would require the following financial resources to be committed by the Council:

| | |
|--|--|
| Matched funding for enterprise development fund | £50,000 (one-off) |
| Plan to support enterprise training in schools | £10,000 (ongoing, per annum) |
| Sustaining the activities of the City Centre Partnership | £20,000 (ongoing, per annum) |
| Updated "York on a Budget" booklet | £3,500 (one-off) |
| Provision of 3 Credit Union saving points | £9,800 (£800 one-off, mainstreaming £9,000 per annum recommended) |
| Recruitment of additional CAB advice worker | £26,500 (one-off) |
| Development of York Smartcard | £20,000 (one-off, with potential recurrent cost approximate to 50% in year 2) |

103. The total expenditure on these options is therefore £139,800 in the first year with a minimum of £39,000 recurring expenditure in future years (enterprise training, City Centre Partnership and Credit Union). There is no budget approved to fund these options at present and therefore any options which the Executive would wish support would require Council approval to commit reserves for one off investment, recurring investment would be paid from contingency. Members will be aware of the windfall LABGI grant of £690,000 made to the Council in the current year which has been used to supplement the council's reserves. Of this, £200,000 has already been committed to the community stadium project.
104. The General Contingency for 2008/09 was set at £800,000. Potential areas that might require funding during the year were identified as part of the budget process, and totaled over £2m, which included £750,000 for costs connected with the Highways PFI bid. To date £388,100 has been released leaving £411,900 available.
105. It is too early to know yet how many of the identified areas of financial pressure will be brought before Members for funding. The key pressures identified where there may be a need for additional funding included within the £2m, are: downturn in parking pcn income, concessionary fares and children's social care costs. This request was included in the £1.989m identified as possible recurring pressures in the budget. Any release from the contingency will obviously reduce sums available for distribution during the remainder of the year. The balance available, if this application is approved, will be £372,900.
106. It should be noted that this request is for a part year in 2008/09 only. There will be consequential costs in 2009/10 and future years of £39,000, which will need to be funded. In addition, further funds may be required in year 2 to support the production of the smart card scheme of approximately £12,000, not accounted for in the above calculation
107. The Council also has reserves that can be used to fund non-recurring expenditure, but use of this money can only be authorised by full Council. It is important that the council maintain a minimum level of revenue reserves to deal with any unforeseen events. The value of the minimum level of these reserves is determined by a risk assessment undertaken by the Director of Resources and included in the annual Revenue Budget report. For 2008/09 the minimum recommended level is £5.361m. Current projections are that the level of reserves at 31 March 2009 will be £10.4m, although the forecast also shows that the level of 'headroom' in the level of reserves held compared with the risk assessed value will fall to £2.5m by the end of 2010/11.

The one-off costs total £100,800 and if utilising the remaining LABGI grant money would need to be funded from reserves. The 'headroom' remaining at 31 March 2009, if this application is approved will be £4.947m

Human Resources (HR)

The HR implications of this paper relate to the proposed funding for posts as detailed above

Equalities

This paper proposes action to support the least well of in York and promotes financial inclusion and economic participation for all

Legal

There are no immediate legal implications

Crime and Disorder

This paper supports the consideration of crime and disorder in the context of deprivation in ward planning as demonstrated by the Kingsway Pilot

Information Technology (IT)

There are no strategic IT implications

Property

The Head of Property Services reports that some businesses within the council's portfolio are suffering down turn as a result of the prevailing financial climate. Actions to support these businesses are presently being considered.

Risk management

Means of assessing the success of options supported need to be developed in order to ascertain their effectiveness for reporting back to members in due course

Recommendations

108. Members are asked to consider the options set out from paragraph 99 of this report as the basis of the council's response to the impact of the changing economic situation and refer to the next Council meeting any items of expenditure on these options requiring the commitment of the council's reserves.
109. Members are asked to agree to receive further updates on York's economic climate and assessment of the effectiveness of actions initiated as a result of this report.

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Report Approved 8th October 2008

For further information please contact the author of the report

Wards affected – ALL

Specialist implications officer

Financial
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Annexes – A – Present or planned enterprise training in York schools

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Enterprise Education in York - Summary of recent and planned activity with NYBEP and partners

Note: table summarises enterprise activity involving / known to NYBEP in York schools – further activity may be happening and engage partners other than NYBEP

- **Workforce Development** – a range of Workforce Development opportunities focusing on Enterprise are currently being planned for the 08/09 academic year including Social Enterprise, Ethical Enterprise and Fair Trade. To date, schools in York have been invited to opportunities at Johnson & Johnson Wound Management and a Creating a new Generation of Entrepreneurs event with Business Link.

| <i>School</i> | <i>Showcase events</i> | <i>Curriculum activity</i> | <i>Collaborative projects</i> | <i>Workforce Development*</i> | <i>Partner programmes</i> |
|------------------------------------|--|---|--|-------------------------------|---|
| All Saints High School | <p>Venturefest 2008 – Ideas in Action finalists (10 students)</p> <p>Venturefest 2009 – Griffins Nest launch events and involvement in competition</p> | <p>Ideas in Action Competition with CPP – all Year 10 students (March 2009)</p> <p>Half-day Year 9 Enterprise Event – Chocolate Box</p> <p>Development of a package of PSHE/Enterprise lessons for Key Stage 3</p> <p>Year 11 half-day enterprise carousel activities</p> | <p>School funds collaborative secondment post (1 day per week) of NYBEP member of staff to support Enterprise Education delivery and planning</p> | | <p>Young Enterprise 07/08 – Project Business (1 day event for 22 students)</p> |
| Archbishop Holgate's School | <p>Venturefest 2008 – Griffins Nest Competition (2 teams – 8 students)</p> | <p>Work Readiness Project for all Key Stage 3 students – embedding fundamental employability skills</p> <p>Year 9 Nike Challenge – January 2008</p> | | | <p>Young Enterprise 07/08 – Company Programme (23 Year 10 students)</p> |

| <i>School</i> | <i>Showcase events</i> | <i>Curriculum activity</i> | <i>Collaborative projects</i> | <i>Workforce Development*</i> | <i>Partner programmes</i> |
|---|--|---|--|---|--|
| <i>Burnholme Community College</i> | <p>Real Business Challenge – industry challenge with Coca Cola in November 08 (5 Year 10 students)</p> <p>Venturefest 2008 – Griffins Nest Competition (2 teams – 5 students)</p> <p>Stockmarket Challenge 2008 – live trading floor experience for Year 10</p> | <p>Work Readiness Project for all Key Stage 3 students – embedding fundamental employability skills</p> <p>Enterprise Challenges (x2) for Year 9 students to launch the Enterprise Passport</p> <p>Development of a package of PSHE/Enterprise lessons for Key Stage 3</p> <p>Completion of an enterprise audit to assess level of integration of enterprise in the curriculum</p> | <p>School funds collaborative secondment post (1 day per week) of NYBEP member of staff to support Enterprise Education delivery and planning</p> <p>Collaborative enterprise project with Millthorpe School – staff and selected learners from each school swap to deliver full enterprise days in the other institution</p> | <p>Becoming a Fair Trade School CPD - information on how to achieve Fair Trade School status and how to introduce Fair Trade enterprise activities in school</p> | <p>Young Enterprise 08/09 – discussions ongoing regarding involvement in Company Programme</p> |
| <i>Canon Lee School</i> | <p>Venturefest 2008 – Student ambassadors as part of front line service team</p> | <p>Enterprise Day for Year 10 students – July 09</p> <p>Series of enterprise challenges designed for Year 10 and 11 students focused on generic employability skills</p> <p>Development of Personal, Learning & Thinking Skills in the curriculum</p> <p>Development of a package of PSHE/Enterprise lessons for Key Stage 3</p> | <p>School funds collaborative secondment post (1 day per week) of NYBEP member of staff to support Enterprise Education delivery and planning</p> | | <p>Young Enterprise 07/ – Company Programme (25 Year 10 students)</p> <p>Young Enterprise 08/09 – discussions ongoing regarding involvement in Company Programme</p> |

| <i>School</i> | <i>Showcase events</i> | <i>Curriculum activity</i> | <i>Collaborative projects</i> | <i>Workforce Development*</i> | <i>Partner programmes</i> |
|-------------------------------|--|--|---|-------------------------------|--|
| Fulford School | | Enterprise Challenge (December 09) designed to target females in Year 9 to consider Business Studies | | | Young Enterprise 07/08 – Company Programme (7 Year 12 students) Young Enterprise 08/09 – discussions ongoing regarding involvement in Company Programme |
| Huntington School | Real Business Challenge – industry challenge with Coca Cola in November 08 (5 Year 10 students) Engineering Inspirations 2008 – industry challenge set by businesses (5 Year 10 students) | | Development of Work Experience Programme linked to Visionary Project and work readiness skills | | Young Enterprise 07/08 – Company Programme (11 Year 12/13 students) Young Enterprise 08/09 – discussions ongoing regarding involvement in Company Programme |
| Joseph Rowntree School | Stockmarket Challenge 2008 – live trading floor experience for Year 10 | York Food and Drink Festival Army Field Kitchen challenge | | | |
| Manor School | No record of recent engagement in enterprise education activities via NYBEP | | | | |

| <i>School</i> | <i>Showcase events</i> | <i>Curriculum activity</i> | <i>Collaborative projects</i> | <i>Workforce Development*</i> | <i>Partner programmes</i> |
|-----------------------------|------------------------|--|--|--|---------------------------|
| Millthorpe School | | <p>Enterprise in Science – Year 9 challenge</p> <p>Enterprise in RE – Year 7 challenge</p> <p>Enterprise in Year 9 – Part of an option block dedicated to Enterprise – International food challenge</p> <p>Development of a package of PSHE/Enterprise lessons for Key Stage 3</p> | <p>School funds collaborative secondment post (1 day per week) of NYBEP member of staff to support Enterprise Education delivery and planning</p> <p>Collaborative enterprise project with Burnholme Community college – staff and selected learners from each school swap to deliver full enterprise days in the other institution</p> | | |
| York High School | | <p>Personal Excellence Programme – motivational workshops and intensive support for targeted student groups</p> | | | |
| York College | | <p>Enterprise Champions in place (pilot project) looking at entrepreneurship in curriculum studies</p> | | | |
| Askham Bryan College | | | | <p>Getting Started with Social Enterprise CPD – an introduction to social enterprise including activities, resources and support available for schools (attended by 2 members of staff)</p> | |



Executive

21 October 2008

Report of the Assistant Director Audit and Risk Management

Corporate Risk Management Report 2008/09

Summary

- 1 This report provides information on the council's significant business risks identified through deployment of the risk management strategy and details progress made in embedding risk management arrangements across the organisation. Specifically included within the report are:
 - the council's significant business risks;
 - details of work undertaken to further embed risk management across the council.

Background

- 2 Risk management is a business discipline that public and private sector organisations use to better manage potential opportunities and threats to the achievement of corporate objectives. Risk management forms a key part of the council's corporate governance arrangements, strategic management and performance management process.
- 3 Effective risk management should act as an enabler – supporting well-informed decision making and facilitating sustainable improvements in service delivery. It is fundamental to good management practice and should not be viewed as a separate discipline or token paper exercise to be carried out in isolation.
- 4 At its most basic level effective risk management is simply a thought process and only when a major threat is identified do we need to take a systematic approach to managing it. To that end, risk management disciplines serve to protect the organisation: its assets, people and reputation. The use of rigorous risk management disciplines can help managers to minimise the risk of something adverse happening that may in turn jeopardise the organisation's ability to achieve its objectives - as opposed to stopping the organisation from achieving its ambitions. Understanding risk can help to create opportunity, rather than prevent

us from doing things, in so far as thinking through the way in which problems might be best resolved or managed can lead to more innovative and better ways of working. Risk management asks that when we manage we consider risk and that we do so in a disciplined way that better protects the interests and the assets of the Council.

- 5 A simple way of thinking about risk is in terms of the formulae $R = P \times I$ Where **R** is the risk, **P** the probability of something happening and **I** the impact should it occur.

Significant Business Risks

- 6 The Council has been actively developing and deploying effective risk management arrangements across the organisation since 2002. The introduction of risk consideration into service planning and more recently the implementation of a web based risk register (Magique) has resulted in the compilation of a comprehensive and robust corporate risk register. The register includes details of approximately 769 risks across all directorates stratified according to whether they are regarded as corporate, strategic, operational or project. Identification of such risks is part of effective planning processes, and as such should not be an indicator of bad management but about identification of potential causes of risk events that could prevent the Council from achieving its objectives. If these causes are identified early and action taken to mitigate and manage the causes then, hopefully the risk can be reduced or avoided. Annex A to this report provides a consolidated view of all the council's significant business risks.. Full details of all the risks including controls and actions can be viewed in the council's risk register that can be accessed in full through the council intranet on the following link (Please contact the Risk Management Section for a password to access the system) [Corporate Risk Register](#) .
- 7 A key focus area since last year's report has been in developing a quarterly risk monitoring report for Corporate Management Team (CMT) based around the areas of significant risk (Key Corporate Risks KCR's) identified by Corporate Leadership Group (CLG) in September 2007 and reported to Executive in October 2007. This has been formally introduced to the CMT agenda during 2008/09. The KCRs contained within the report are:

- 0001 Implementation of new pay and grading structure
- 0002 Delivery of the accommodation review project
- 0003 Delivery of the waste management strategy partnership
- 0007 Delivering the Local Area Agreement
- 0009 Significant programmes of change
- 0010 Business Continuity
- 0011 Effectively govern & manage partnerships

- 8 Executive Members are asked to consider the KCRs set out at Paragraph 7 above and form a view as to whether they wish to amend or add any further risks. In addition to these risks four further risks identified at CLG are reported through existing business processes and are set out at Exhibit 1 below.

Exhibit 1

| KCR No | Description | Route |
|---------------|--|---|
| 0004 | Budget Setting | Finance and Performance Report |
| 0005 | Delivering the Corporate Strategy | Performance Dashboard |
| 0006 | Delivering the Efficiency Programme | Strategic Procurement Programme Monitor |
| 0008 | Implementing changes required for Comprehensive Area Agreement | Single Improvement Plan |

- 9 The monitoring and reporting arrangements for risk management are continuing to be developed and strengthened across the organisation. Audit & Governance Committee (A&G) who are constitutionally responsible for risk management review now receive bi-annual reports on progress made in embedding risk management arrangements and will receive the CMT quarterly monitors.

Embedding Risk Management

- 10 The embedding of risk management across the council is not a simple or quick process, as it requires winning 'hearts and minds' to support real cultural change. However, it is pleasing to note that an increasing number of services are taking a more rigorous and formal approach to identifying risk in their processes. This has been helped by the inclusion of risk consideration into committee papers and service planning requirements, which have acted as catalysts in further raising awareness. Nonetheless there is still a long way to go to ensure that the process becomes fully embedded across the whole organisation as part of the management culture.
- 11 One of the key building blocks to embedding risk management into the culture and processes of the organisation is ensuring that officers and Members have a good understanding of the subject and their role in the process. To support this a comprehensive training and communication plan is delivered on an annual basis including three Member training sessions during the year.
- 12 All events are evaluated to ensure that officers and Members are satisfied with the content and relevance of the training. In general they have been well received (98% satisfied or more than satisfied). The

success of these sessions has resulted in an increasing number of officers coming forward to request further training and support.

Risk Management Work Plan

- 13 The risk management work plan is developed across the three key themes of:
- training & development;
 - CPA/CAA Key Lines of Enquiry;
 - development and embedding of the corporate risk register (Magique) including data quality.
- 14 This year's work plan includes the reviewing and updating of the current risk management strategy and drafting of a risk management policy. These will be reported to A&G committee early in 2009 and will come to Executive for approval as part of next years annual report. Horizon Scanning is a key part of the risk management process and as such consideration is to be given in the coming months to any potential risks arising from the current world wide credit crises. A copy of the full work plan is set out at Annex B.

Options

- 15 Not applicable.

Corporate Priorities

- 16 Risk management relates directly to the Council's four values of:
- *Delivering what our customers want*
 - *Providing strong leadership*
 - *Supporting and developing people*
 - *Encouraging improvement in everything that we do.*

As risk management should be integrated into all the Council's processes and routines it helps contribute to the effective delivery of all 10 corporate priorities.

Implications

- 17 There are no financial, legal, HR or other implications arising from this report.

Risk Management

- 18 In compliance with the council's Risk Management strategy. There are no risks associated with the recommendations of this report

Recommendations

- 19 Executive Members are asked to:

- a) note the contents of this report and progress to date;

Reason

To raise awareness of the progress made to date in respect of risk management arrangements at the Council.

- b) consider and challenge the significant business risks set out in Annex A & B and the Key Corporate Risks set out at Paragraph 7 .

Reason

to ensure executive members take appropriate action to ensure that significant business risks are being identified and effectively managed including reporting to full council as appropriate.

Contact Details

Author:

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Risk, Insurance & Procurement
Services Manager
Phone No 01904 552261

Chief Officer Responsible for the report:

Pauline Stuchfield
Assistant Director of Resources (ARM)

Report Approved

Date 1.10.08

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Annexes

Annex A Significant Corporate Business Risks

Annex B Risk management work plan

KCR 0001 - Implementation of new pay & grading structure

Implementation of the pay & grading review- risks range from lawfulness issues (e.g. meeting statutory deadlines) and financial considerations (i.e. affordability) to employee relations problems (e.g. industrial action, demoralised workforce, recruitment and retention issues etc).

| | RES | CS | NS | CE | LCSS | HASS |
|--|-----|----|----|----|------|------|
| 1. Inability to retain staff | 20 | 19 | 19 | 15 | 14 | 14 |
| 2. Inability to recruit staff | 12 | 19 | 19 | 15 | 9 | 14 |
| 3. Potential industrial action | 14 | 14 | 19 | 10 | 6 | 13 |
| 4. Decline in customer service | 13 | 14 | 13 | 10 | 8 | 9 |
| 5. Increase staff absence | 6 | 14 | 14 | 15 | 9 | 9 |
| 6. Reduced staff productivity | 13 | 15 | 15 | 15 | 14 | 14 |
| 7. Inability to contribute to corporate priorities | 8 | 13 | 19 | 15 | 14 | 14 |
| 8. Reduced staff morale | 15 | 14 | 13 | 15 | 14 | 15 |
| 9. Potential legal challenge | 14 | 14 | 22 | 9 | 14 | 19 |

KCR 0002 - Delivery of the accommodation review project

Efficiencies and facilitation of cultural change through rationalisation to one-site operations. The project relies and has interdependencies with other programmes of work such as FMS replacement and Easy@york.

Project Work Streams

| | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------------|----|----|----|----|----|----|
| 1. Land | 8 | 8 | 8 | | | |
| 2. Construction | 14 | 13 | 6 | | | |
| 3. Planning | 13 | 8 | 14 | 23 | | |
| 4. Change | 20 | 19 | 14 | 14 | 14 | |
| 5. Financial | 9 | 8 | 14 | 6 | 13 | |
| 6. Property | 16 | 16 | 15 | 9 | 8 | 15 |
| 7. Marketing & Communications | 9 | | | | | |
| 8. Procurement | 6 | 6 | | | | |

KCR 0003 - Delivery of the waste management strategy partnership

Financial risks of failing to manage satisfactory partnership solution to waste agenda. Partnership solution with NYCC introduces risks to the programme from CYC perspective (control, breakdown of effective working, governance etc). Project risks of the partnership have been identified and are being managed by NYCC as the lead body.

Project Work Streams

| | 1 | 2 | 3 | 4 | 5 |
|-------------------------------|----|----|----|----|----|
| 1. Project Delivery | 14 | 6 | 14 | 6 | 14 |
| 2. Planning Consent | 21 | 18 | 14 | 23 | 13 |
| 3. Procurement | 18 | 17 | 13 | 13 | 6 |
| 4. Financial | 23 | 17 | 6 | 21 | 19 |
| 5. Leadership & communication | 13 | 20 | 12 | 22 | 19 |
| 6. Partnership | 19 | 6 | 13 | 14 | |

KCR 0004 - Budget Setting

Issues and risks associated with future funding pressures (failure to deliver statutory services, staff relations problems, on-going political pressures to cut Council infrastructure to reduce impact on front line delivery etc).

Work is currently underway to identify the risks associated with this KCR and these will be reported through the Finance and Performance Report

KCR 0005 - Delivering the Corporate Strategy

Risk of not achieving stated priorities, associated risks range from reputation issues, political embarrassment and CPA implications to lost opportunities to improve organisational performance across a coherent cultural and management change programme.

Work is currently underway to identify the risks associated with this KCR and these will be reported through the Performance Dashboard

KCR 0006 - Delivering the Efficiency Programme

The efficiency programme contains a number of projects that, if delivered successfully, will produce millions of pounds of cashable efficiency savings which will support the council's budget, keep council taxes low, improve the quality of services and make them more efficient. The council has set aside an invest to save fund and is also going to work with private sector partner to drive through the change required to deliver these projects. Not delivering this programme of efficiencies will lead to further budget pressures and potential cuts to services rather than making them more efficient.

Work is currently underway to identify the risks associated with this KCR and these will be reported through the Strategic Procurement Programme monitor.

KCR 0007 - Delivering the Local Area Agreement

Increasing adverse risks associated with not meeting the expectations set out in the White Paper.

Limited awareness of LAA within Council and amongst stakeholders

18

Lack of agreement of ownership for performance information and management

18

KCR 0008 - Implementing changes required for Comprehensive Area Agreement

The new Comprehensive Area Assessment, to be introduced from April 2009, encompasses a joint risk assessment undertaken by all local services inspectorates and will provide an independent assessment of the prospects for local areas and the quality of life for people living there. It will look at the likelihood of local and national priority outcomes being achieved by focusing on those identified in the Sustainable Community Strategy and related documents such as the Local Development Framework and the Local Area Agreement.

Work is currently underway to identify the risks associated with this KCR and these will be reported through the Single Improvement Plan

KCR 0009 - Significant programmes of change

The Council is co-ordinating and managing a range of interlinked corporate initiatives that are designed to change the way in which the organisation operates and behaves. These include easy@york, Admin accom and a range of supporting projects. Failure to coordinate change activity will lead to difficulty in resourcing multiple strands of activity, may lead to actions being missed and ultimately not to being able to occupy Hungate.

Work is currently underway to identify the risks associated with this KCR and these will be reported through the Quarterly Key Corporate Risk monitor.

KCR 0010 - Business Continuity

The Council has a duty to ensure the continuity of its services to residents and customers. Business continuity plans should act as mitigating controls capable of reducing the impact of specific risks such as fire, flood or loss of staff. The lack of these plans reduces the Council's ability to respond and increases the level of exposure to associated legal, financial and reputational risk.

| | RES | CS | NS | CE | LCCS | HASS |
|---|-----|----|----|----|------|------|
| 1. Inability to ensure staff welfare | 13 | 18 | 13 | 9 | 18 | 14 |
| 2. Inability to contact staff | 19 | 18 | 14 | 8 | 12 | 12 |
| 3. Inability to provide statutory services | 19 | 9 | 19 | 13 | 18 | 12 |
| 4. Inability to deliver services | 9 | 13 | 14 | 12 | 18 | 13 |
| 5. Inability to prioritise & allocate resources | 9 | 18 | 19 | 13 | 18 | 12 |
| 6. Failure to recover most time critical IT application | 9 | 13 | 14 | 18 | 13 | 13 |
| 7. Increased staff costs | 9 | 14 | 14 | 4 | 8 | 8 |
| 8. Increased accommodation costs | 9 | 14 | 14 | 4 | 8 | 8 |
| 9. Increased equipment costs | 9 | 15 | 14 | 4 | 8 | 8 |
| 10. Loss of data (hard copy) | 9 | 14 | 14 | 18 | 18 | 9 |

City of York Council Key Corporate Risks

KCR 0011 - Effectively govern and manage partnerships

Governance issues around the proper management of partnerships is not robust and leaves the Council open to a variety of potential problems and threats to the organisation. Implications for CPA UoR in 2006 and 2007 refresh exercises and knock on effect on the corporate CPA in 2008.

| | WW | SYP | EP | LCY | YOL | YE | Y | YOK | HC | FP | VY | CC | SC | YPO |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|----|-----|----|-----|
| 1. Unbudgeted financial liability to partnership | N/a | 8 | N/a | 6 | 8 | N/a | N/a | 8 | 8 | 8 | 12 | 1 | 14 | 18 |
| 2. Inadequate governance arrangements | 8 | 8 | N/a | 2 | 8 | 8 | 8 | 8 | 8 | 14 | 6 | 1 | 8 | 12 |
| 3. Failure to achieve stated outcomes | 14 | 8 | N/a | 14 | 14 | 14 | 6 | 13 | 14 | 9 | 14 | 21 | 13 | 12 |
| 4. Failure to manage performance and add value | 18 | 2 | N/a | 8 | 13 | 13 | N/a | 13 | 13 | 4 | 13 | N/a | 13 | 12 |
| 5. Inability to demonstrate stakeholder consultation | 19 | 2 | N/a | 13 | 9 | 8 | 6 | 6 | 9 | 13 | 6 | 21 | 9 | 12 |
| 6. Inadequate medium term financial stability | N/a | 14 | N/a | 19 | N/a | N/a | N/a | 13 | 14 | 13 | 14 | 21 | 20 | 9 |
| 7. Reputational impact of partnership activities | 14 | 12 | N/a | 8 | 8 | 14 | N/a | 8 | 8 | 14 | 8 | N/a | 13 | 9 |
| 8. Ability to demonstrate Value for Money in use of funds | N/a | 2 | N/a | 8 | N/a | N/a | N/a | 6 | N/a | 2 | 6 | N/a | 14 | N/a |

Risk Management work plan 2008/09

| Work stream | Progress/Comments | Target Date | Owner | Priority | Status |
|---|--|-------------|-------|----------|----------|
| Framework | | | | | |
| Establish a corporate risk reporting process | Key Corporate Risks are reported to CMT quarterly. Work in progress with Directorates | March | CR | Critical | WIP |
| Review framework, including key documents and guidance | Framework documents are under constant review | August | CR | Medium | WIP |
| Produce first draft Risk Management Policy | | March | CR | Low | WIP |
| Review & update Risk Managemnet Strategy | | March | CR | Low | WIP |
| Publish Risk Management guidance | Publish on intranet | September | CR | Low | Complete |
| Establish or review standard procedures and issue guidance for consideration of risk within the following business processes: - | | | | | |
| · Service planning | | September | CR | Medium | |
| · Performance Management | Awaiting outcome of restructure before commencing | 2008 | CR | Medium | On hold |
| · ITD bid documents | ITD bid forms amended and passed to Business Development Team to review | June | CR | Medium | WIP |
| Risk Register | | | | | |
| Update and review all entries in risk register and save trend | Work is on-going to review and update entries in the risk register | March | CR | High | WIP |
| Link risks to Corporate Strategy | Directorate and Corporate risks are being linked to elements of the Corporate Strategy | March | CR | High | WIP |

Risk Management work plan 2008/09

| Risk Register continued | | | | | |
|--|---|-----------|----|--------|----------|
| Increase number of Magique users | Additional licences cannot be issued due to a lack of funding | On-going | CR | Medium | On hold |
| Undertake annual risk identification sessions with each DMT & CMT | Work in progress with CMT at quarterly monitoring sessions | September | CR | Medium | WIP |
| Update Magique user guide | User guide has been reviewed, but may require further amendments in the future | On-going | CR | Low | WIP |
| Update Risk Assessment page on Magique | | June | CR | Low | |
| Develop 'opportunities' section of Magique | | January | CR | Low | |
| Partnerships | | | | | |
| Develop partnership questionnaire and issued to lead officers of significant partnerships. | Action agreed in principle with Partnership Team and Grants & Partnership's Officer | August | CR | High | WIP |
| Update risk register with outcome of questionnaire and review with lead officers. | | September | CR | High | |
| Training & Communication | | | | | |
| Review and update Officer Training material | Revised slides and training material | April | CR | High | Complete |
| Deliver Officer Training | Training delivered to a total of 17 officers to date | T&C | CR | High | WIP |
| Deliver Member Training | Dates arranged for 02/09, 18/09 & 02/10 | T&C | DW | High | WIP |
| Provide Magique training | Training provided on an ad hoc basis | T&C | CR | High | WIP |

Risk Management work plan 2008/09

| Training & Communication continued | | | | | |
|---|--|----------|----|--------|---------|
| Publish News & Jobs articles | First article published on 15 July | T&C | CR | High | WIP |
| Review webpage | Review completed 18/06/08 | On-going | CR | Medium | WIP |
| Develop relationship with Directorate Risk Management champions | Meeting held on 21/07/08 | On-going | CR | Medium | WIP |
| Develop e-learning training | Licences not yet available to start this | June | CR | Medium | On hold |
| Development Work | | | | | |
| Conduct Economic Downturn horizon scanning exercise | | March | CR | High | |
| Update corporate forms including Risk Management | Need to identify a definitive list | March | CR | Medium | |
| Complete Directorate & Divisional Business Continuity Plan | | March | DW | Low | |
| Undertake a Risk Management benchmarking exercise | | January | CR | Low | |
| Review Member Champion remit | | June | CR | Low | |
| Additional items | | | | | |
| Conduct full review of Resources' risks | Most service areas reviewed and meetings to be arranged with AD's. | July | CR | Medium | WIP |

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Executive**21st October 2008****Report of the Corporate Landlord****Edmund Wilson Pool, Thanet Road****Summary**

1. This report seeks approval to sell the Edmund Wilson Pool site to T.E. Beteiligungs GmbH.

Background

2. The Edmund Wilson Pool is to close when a new pool at York High School opens in October 2009 and the site will then be surplus to service requirements. The location of the Edmund Wilson Pool site (the Site) is shown verged black on the plan attached as Annex 1.
3. The Site was purchased in 1952. In 1957 the then council wanted to use part of Hob Moor Stray for a development purpose, so the Site along with other council land was appropriated to become part of Micklegate Stray. In 1964, when the decision to build the Edmund Wilson Pool was made, the Site was appropriated out of Micklegate Stray and replaced with an equivalent area of land adjoining Hob Moor Terrace. In summary, the Site was part of Micklegate Stray for 7 years but not since 1964.
4. The council recently commission the City of York Retail Study 2008 and from the report, it can be concluded the Site is not within a 5 minute walk from an existing food store and that a new food store in this residential area would be preferable than further expansion of the large supermarkets within this sector of the city.
5. As a result of this assessment, the Site was advertised on a national basis and sale particulars invited informal tenders for the purchase of the Site for a potential food store.

Information

6. Four tenders were received and the highest was from T.E. Beteiligungs GmbH, which trades under the name Lidl UK GmbH. Details of this offer are included as Confidential Annex 2.

Consultation

7. Ward members have been appraised throughout the sale process and are supportive of a proposal that would see a food store on this Site.

Options

8. The following three options are available:
 - a. Sell the Site for a proposed food store;
 - b. Sell the Site for an alternative development use;
 - c. Put the land into the Hob Moor Nature Reserve.

Analysis

9. Option a) – Sell the Site for a food store.

Advantage:

It will provide additional food retail space in this socially deprived residential area by a deep discount food operator and provide a capital receipt in excess of the estimate value.

Disadvantage:

None

Option b) – Sell the Site for an alternative development use.

Advantage:

An acceptable alternative use would be a residential development, the Site could accommodate approximately 20 family houses.

Disadvantage:

In the current residential market a site of this size and in this location would not attract substantial interest, and even if a sale were delayed until the residential market returned to normality, the Site would not achieve the potential receipt offered by this food store retailer.

Option c) – Put the Site into the Hob Moor Nature Reserve.

Advantage:

It would return the Site to its former open space use.

Disadvantage:

A lost opportunity to provide a large food retail space in this socially deprived residential area and obtain a much needed capital receipt.

Corporate Priorities

10. A Lidl store will provide a large range of food at reasonable prices and this location can be reached by a substantial number of people walking to the store, this should improve the health and lifestyles of the residents within the catchment area of the proposed store.

Implications

11. The following information is provided:

- Financial

Details of the financial implication of the proposed sale are included in Confidential Annex 2.

- Human Resources (HR)

There are no HR implications.

- Equalities

There are no Equalities implications.

- Legal

The legal documentation for the sale will be a development agreement prepared by the Legal Services.

- Crime and Disorder (C&D)

There are no C&D implications.

- Information Technology (IT)

There are no IT implications.

- Property

The Property implications are included within this report.

- Planning

The Head of Planning and Design supports in principle the location and capacity of a proposed food store, however, any recommendation for planning approval will be subject to design and other planning criteria and a report on the impact of the store on the Acomb Centre.

Risk Management

12. The sale will not complete until Lidl obtains a satisfactory planning permission for its proposed food store and therefore there is a risk that the sale will not happen, however, in this event, the council will retain the Site and therefore will be in no worst position then when it started the process. The development agreement will provide a timetable to ensure Lidl carries out the development process in a timely manner.

Recommendation

13. Members are asked to:

Approve Option 1: to accept the tender submitted by T.E. Beteiligungs GmbH on the terms and conditions included in Confidential Annex 2 and the Chief Officer responsible for Property Services to be given delegated authority to sell the freehold of the Edmund Wilson Pool site, Thanet Road on the best terms available.

Reason: This was the outcome following a market testing exercise.

Contact Details

Author:

John Urwin
Property Consultant
Asset & Property Management
Tel No. (01904) 553362

Chief Officer Responsible for the report:

Neil Hindhaugh
Assistant Director of Property Services and
Corporate Landlord.

Specialist Author:

Ross Brown
Accountant-Strategic Finance
Tel No. (01904) 551207

Report Approved

tick

Date 7th October 2008

Wards Affected: Westfield Ward

For further information please contact the author of the report

Background Papers:

The City of York Retail Study 2008. All other information is held on the Property Services file, subject to any confidential or exempt information.

Annexes:

Annex 1 - Plan showing the extent of the Site.

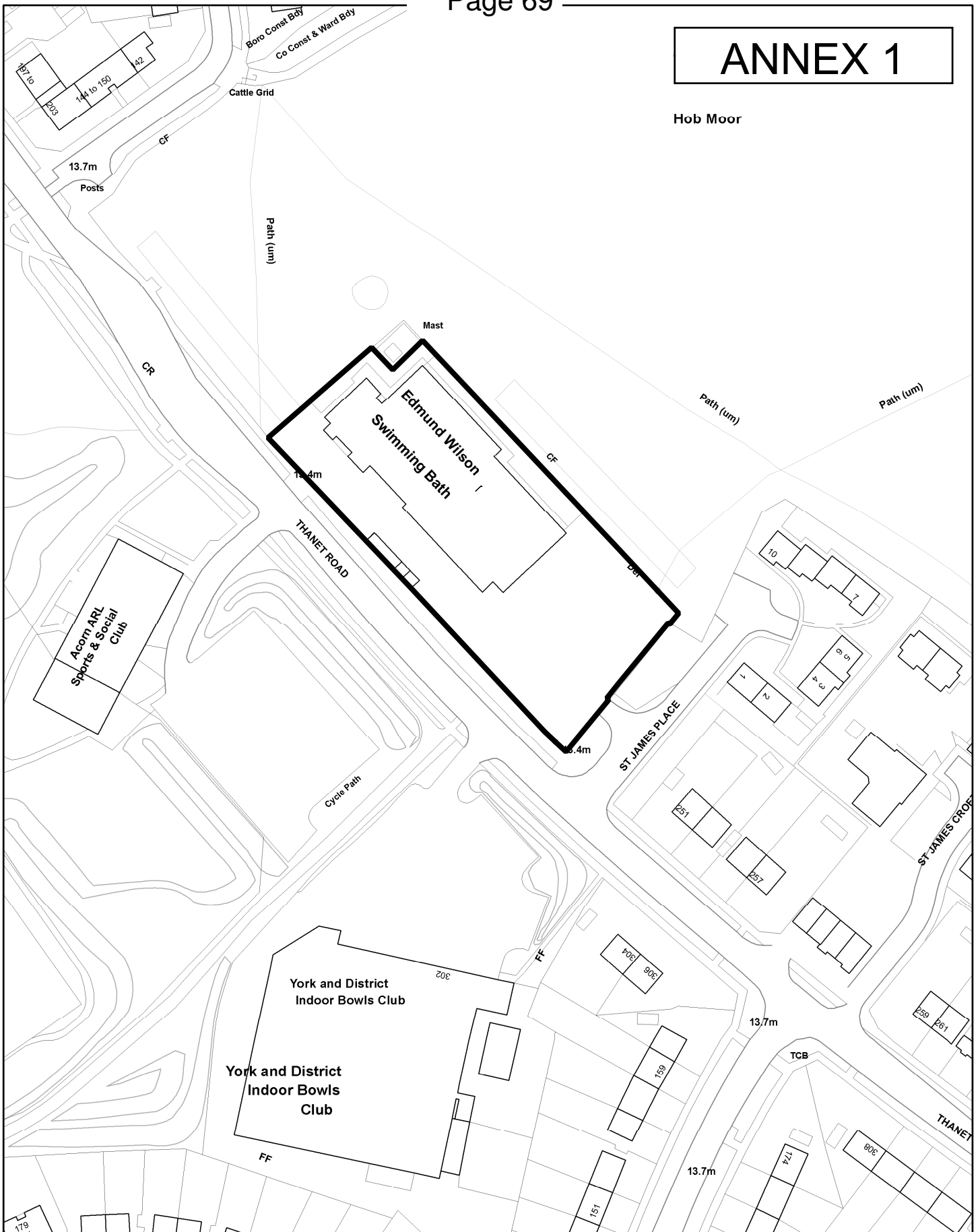
Annex 2 - Confidential -The offer for the purchase of the Site.

Annex 3 - Confidential - A plan.

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ANNEX 1

Hob Moor



Resources
Property Services



SCALE 1:1,250

DRAWN BY: CC

DATE: 07/10/08



Originating Group:

Drawing No.

E00502

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