



Fifty Day report 29 April 2015

This report is in fulfilment of the contractual agreement made between City of York Council (CYC) and Sarah Tanburn Associates (STA) that

The Professional Services Company shall issue a highlight report to the Council every fifty days showing:

- Strategic work undertaken, with narrative showing assessment of that work and its impact on the wider Council;
- Risk assessment and narrative of any operational issues being faced, particularly in the management of staff.

This highlight report is set against the agreed key deliverables set out in that contract as amended by later discussion. In particular, following the third 50 day report, the priorities were made:

- the work on major projects and major sites;
- regional representation;
- furthering the local plan; and
- furthering transformation and preparing for transition

In making this report, we have been mindful that significant areas of work are sensitive, reflecting the commercial, employment or other interests of the Council. In such areas, this report is necessarily brief. In the light of issues highlighted in this report, CYC and STA may wish to reconsider the relative priority of the deliverables in the Schedule to the contract.

It should also be noted that, as at the date this report is due, 46 working days remain within the contractual limit, which are due to be completed by mid-July. This report has been prepared during the run-up to the elections of 7 May; substantial elements of this work have been the subject of partisan debate and so a key area of work over the next period will be understanding the specific wishes of any new administration within the overall emerging Council Plan.

1. ENABLING AND PROGRESSING DELIVERY ON KEY SITES (co-lead with Chief Executive)

- *Creating new investment vehicles to drive investment and promote inward investment.*
- *Review combined and composite work of ED and Major Projects to ensure most effective and deliverable deals are in place and are “on-track”.*
- *Deliver close oversight of the details and anticipated outputs/outcomes from specific partnerships and agreements.*



- *Manage day to day relationships with key stakeholders including Network Rail, developers, NRM, LA's (N.Yorks), Yorwaste, City Team partners, ensure close links with priority 2, including HS2.*
- *Breaking ground on at least one part of York Central by March 2015.*
- *Completing disposal Nestle deal (cost recovery model).*
- *British Sugar and Manor Deal (capital receipt).*
- *Barbican and Bootham Crescent (balancing S106 and A.Housing requirements).*
- *Emerging local plan sites and renewable opportunities – Elvington 10*
- *Modular opportunities on key sites – Clifton Gate.*

CMT has now agreed a prioritised list of major infrastructure projects and the creation of a Brownfield and Infrastructure Team was agreed by CMT and staff consultation is now underway. This will clarify the focus of the current Regeneration Team on major planning applications while the new B&I team, founded on but wider than the Community Stadium team, will lead on several (but not all projects) with overall responsibility for promoting good practice in project management.

The additional responsibility for support to high-performing sectors (joining the Boards of York Science Park and acting as interim Chief Executive of SCY and the Steering Group for Biovale) was noted in the last report and has continued to take considerable time. SCY is now transferred to MiY and the last elements of management to enable close down are underway. An important element of this is legacy assignment of IP. A future issue will be considering representation on these bodies.

Specific sites on which STA has been responsible for steps forward include those listed below. Full details are often subject to commercial confidentiality or legal privilege for ongoing discussions and are not set out in this report.

*York Central: there have been some delays to progress caused by difficulties from NR. The Internal Board has noted these challenges which are now being resolved but the relationship with NR remains complex as we work towards a partnership agreement which reflects the (rest of) the public sector investment in infrastructure to enable the site development. Officers are actively working on the acquisition of the Unipart site, possibly by CPO, and potentially other thirdparty land on the teardrop site. The entire project, including the station access and gateway, will be the subject of an early report to Cabinet in the new administration

* British Sugar and Manor: negotiations on the sale still ongoing as the ABF application is not currently meeting basic expectations. It is expected to be considered for determination in June and the sale should be concluded by then.

* Community Stadium: A major milestone was the granting of planning permission by the Council on 27 March 2015 while the Athletics Track is now well on its way to completion. The relationship with YCK continues to require input. Other negotiations are proceeding well. STA continues to chair the Project Board and now the cross-party steering group which has met twice.

* Southern Gateway (Castle Piccadilly): a regeneration framework has been drawn up and discussed with key regulators including the Foss IDB and the Environment Agency, while we are also exploring our options regarding the Council's own holdings within the area.



This will be an early subject of discussion with the new administration, including their views on the future of the Tram Shed. The OPE programme has awarded CYC £65K for a project manager and this appointment is now underway.

* Germany Beck and A19 Pinch point: the more joined up approach has enabled a better relationship with the ward member. Although some further Notices Before Action have been received the legal advice suggests that the Courts will continue to reject applications for Judicial Review. Some very early highways works on private land have begun, ensuring the planning permission remains live. There will be further public meetings in the next month as work gets underway. On the A19 Pinchpoint works, some works began in March to secure the funding (outside the ring road).

* Outer Ring Road: design work is progressing on this project which, subject to WYTF+ decisions, will become a major area of work. The AD (T,H&W) is chairing the project board.

* Public Realm Renewal/Reinvigorate York: capital elements of this project were paused in 2014 and the wayfinding report was deferred by Cabinet. An important item for discussion with any new Cabinet will be their desired approach to the management of the public realm in the historic city centre, including any changes to the entrance to Coppergate. Any such programme will need more robust governance and project management than before.

* Guildhall: STA has joined the Project Board though it has not been a priority.

* Biovale: STA continues a more proactive approach to support for the project, including direct discussions with YNYER LEP (who are leading for both LEPs on funding the development) though it has not been the highest priority.

- Fund of funds: STA is preparing a paper for CMT discussion.

Some projects are less well-advanced and given competition for resources are not offering the best return on the investment of limited Council resources and time. This situation will be kept under regular review to ensure windfall opportunities can be taken.

Wider impact on the Council: STA has worked to ensure better links across the Council, particularly in relation to legal, financial, property and procurement support. In reviewing the regeneration programme, it is important to fully assess demand on these support services over the coming months, alongside the expectations on Development Management. However, the programme remains a key element of achieving the Council's financial objectives in the light of diminishing revenue grant.

Risk assessment: Managing close relationships with external stakeholders remains important, especially ensuring the Chief Executive is well briefed in addition to setting the direction of travel. Ensuring the Council does deliver against specific projects is an important mitigation of reputational risk. Each project is now expected to develop its own risk register and show how these issues are being addressed. Overall, delivering housing and employment opportunities on brownfield sites will be crucial to illustrating the Council's commitment to using all available sites before using greenfield sites. Effective management of human resources implications will also be important. The imminent end of the STA contract is also something of a risk (see transition management below) and needs urgent consideration of project sponsorship across the programme. Decisions by a new administration regarding the WYC and WYTF+ could be significant risks to delivery.



Observations on the next 46 days: budget decisions have informed the next steps in organisational change which is expected to be implemented by the end of June. Within specific projects, in addition to noting the need to confirm project sponsorship the following issues are the next steps:

- York Central, Station Access and Gateway: Ongoing negotiations with NR regarding the PA, the approach to purchase of third party land, the next round of meetings for the cross-party steering group, the launch of the development framework consultation and a major report to Cabinet. A fundamental issue will be the ambitions of a new administration.
- British Sugar: progressing the sale of the Manor School site subject to the progress of the planning application
- Community Stadium: progressing negotiations with all partners and managing the outcome of the decisions made by the (new) Secretary of State, completing the Athletics Track and setting the course for the permanent facilities there
- Southern Gateway: working with the new administration to determine their preferred direction of travel and intervention
- Germany Beck: seeing the development start on site and the beginning of the next phase of the pinchpoint works;
- Outer Ring Road: agreeing the next steps with the new administration may be time-consuming

2. SECURE FUNDING FOR INVESTMENT (IN TRANSPORT INFRASTRUCTURE) AND REGIONAL REPRESENTATION

- *Secure maximum commitment to York from the two LEP infrastructure funds as investment plans are confirmed during 2014-15.*
- *Progress implementation of the West Yorkshire Combined Authority.*
- *Ensure Transport team delivers on key projects ahead of developing new projects.*
- *Ensure we maximise opportunities from development work and sites in income terms whether for "works" or "receipts" (covers Highways, Waste, Fleet and Transport).*

STA has continued to represent CYC at relevant meetings on the issue, including the CA itself, the LCR and YNYER LEPs and the Directors of Development. Decisions on supported projects, are now actively subject to negotiation with all three organisations.

A major area of transport infrastructure work, not anticipated explicitly, has been around rail. Work previously reported has continued, representing a significant time challenge to deliver most effectively. The ECMA Executive and Consortium have both met in this period and agreement on a 15/16 budget has been achieved. In June those bodies will assess whether sufficient payments have been received for the Consortium to continue. An early relationship with VTEC has been establishing, and there have been ongoing important discussions with HS2. A paper on Transport for the North and Rail North is currently envisaged for the July Cabinet, which will need substantial discussion with a new administration beforehand.



The proposed Congestion Commission is intended to guide transport investment to manage traffic over the longer term. The proposal was scrutinised and reconsidered by Cabinet in March who decided to proceed. Some work has begun on technical research and community engagement but the full commission is partly dependent on election outcomes.

Management of transport projects continues to be an important focus. During this reporting period, the delivery of minor highways works has been important as the Council completed a programme of £2m in this area during 2014/15. The decision on Coppergate has finally been received from the TPT, finding the signage inadequate. This is the subject of detailed discussion to prepare advice on options for members in May. Any decision on how to respond will be the subject of a Cabinet report; CES and CBSS are working very closely on this matter.

Impact on the wider Council: ensuring the Council plays its full part in its various partnerships remains a key challenge, including driving appropriate and timely briefing through OCE as well as CES. As the political situation has evolved, this has become more complex. An important feature of briefing members continues to be the importance of the WYTF to delivering major brownfield sites, especially York Central. It is also important that York is seen to play an important role in both LEPs and the WYCA: the city is important to all those organisations while they are also important financially and culturally to the city,

Risk assessment: choosing to leave the WYCA remains a significant risk to these deliverables. In particular, it would undermine the deliverability of both York Central and the improvements needed in the ORR to manage current demand - projects attracting some £60m in investment to York. In the longer term, providing transport infrastructure is a necessary part of managing population growth and participation in a major funding body is a key way to delivery that infrastructure.

Observations on the next 46 days: the key next step remains the continuing work to secure the maximum resources for York from the various allocations, most of all the WYTF. This includes negotiations with WYTF on the two major transport projects, the LCR LEP on York Central and YNYER LEP on Biovale. Being ready to spend (deliverability) is an central criterion so ensuring the relevant teams are able to proceed will also be important.

Enabling the Congestion Commission to reach its potential will be a significant task should new Council proceed and the Commission progress.

3. LOCAL PLAN

- *Submit a robust and defensible Local Plan by October 2014.*
- *Manage the consultation processes and milestone to final submission (e.g. additional sites, processing same, internal reports).*
- *communication generally, member engagement, developers and partner issues*



The Council decision of 9 October 2014 still entails major work with all political parties and independent members to understand their concerns and to enable them to have a fuller understanding of the evidence and policy constraints. At the time of writing, these discussions are still ongoing.

Considerable progress was made on agreeing a trajectory and the approach to safeguarded land in the Green Belt in January. DCLG published the 2012 Household Projections during February entailing further analysis of the housing projections which appear to be further reduced. Officers are preparing briefing meetings for parties before an LPWG as soon as possible after the AGM. It is planned to bring a paper on housing numbers to that meeting with a view to a Cabinet report in July with a referral to full Council. If this achieves agreement on housing numbers, then a draft Local Plan will be prepared for publication in the Autumn.

Impact on the wider Council: colleagues remain aware of the importance the whole Council gives on the Local Plan, now more than ever. It should be noted that we have seen several large planning applications submitted, with concomitant income, and it is clear that developers now wish to proceed with their sites.

Risk assessment: the plan for the Plan is still based on assessment of three categories of risk. These are technical (with the Plan be well-evidenced and based on robust methodologies); process and political (are the decision processes robust); and inspectorate related (is the paperwork and material organised appropriately and the Inspector well briefed)? The work underway at the moment seeks to mitigate the political risk by some increase in technical risk, within the tolerances of the evidence base and national policy.

In delivering the work needed to manage the current situation, it is key both to manage staff morale and capacity, while maintaining proper boundaries. The primary duty is to give members impartial advice. STA is leading a small team of senior officers in managing the advice, while working with staff to bring forward as much work as possible on potential changes.

Observations on next steps: the next 46 days and the formation of the Administration will be crucial not only for the Plan but for York. If a solid majority could agree on the housing numbers very early in the life of the Council, York would be better placed to achieve a strategic plan than it has been for many years.

4. THE FUTURE OF PLACE-BASED SERVICES & TRANSITION PLANNING

- *Evaluating options for trading out and other trading/mutualisation or shared services options for service delivery.*
- *Prepare for potential implementation informing the 16/17 budget.*
- *Option identification, appraisal and business case for July, process to address external delivery models/procurement for implementation April 2016.*

Within CES, transformation is now well underway in the management structures of waste and highways and will be followed by Transport (partially dependent on the WYTF



outcomes). Further work is underway to evaluate options in all services. The proposal to create a Head of Operations managing all the street based services has been largely informed by the Transformation Programme including the soft market testing.

CMT has recognised the challenges and opportunities represented by the imminent end of the STA contract, the pressure for savings, and the departure of two Heads of Service. At the same time, the new Administration and possibly a new CEX will want to consider departmental structures so CMT arrangements must be interim at this time. STA has therefore been working closely with the Director of CANS to enable her to pick up large parts of this work. In this context the B&I Team reorganisation and the creation of the HOO are particularly important. These will enable a stronger capacity for negotiation, development and regional representation.

Wider impact: a major challenge for the new authority will be the decision to implement key parts of the Transformation Programme to achieve budget savings. Elements of this are envisaged as a Cabinet report in July.

Risk management: overstated income expectations may represent a risk in future years and so projections are being particularly studied and tested against the market for services. Each specific proposal is also subject to risk assessment.

Observations on the next 46 days: service changes which addressed (but could not fully mitigate) the current year overspend have also prepared for future transformation. The options for the future, particularly of waste collection, are expected to require substantial discussion with members across all parties, but transformation in these services represents the only large scale opportunity for budget reductions in CES. Supporting the Director CANS to achieve a smooth handover is now a high priority.

5. STRATEGIC WASTE PLAN (lead is AD)

- *Ensuring effective strategic direction and negotiation around partnerships for waste treatment and disposal to promote the Council's financial interests.*
- *Delivery of "efficiencies" action plan – planned savings.*

Discussions are now well underway regarding moving Yorwaste to a Teckal company. This is now fully the lead of the AD.

Wider impact: the financial stakes for waste disposal make the topic of strategic importance for the authority.

Risk assessment: savings are now being achieved although the waste budget remains a major area of attention.

Observations on the next 46 days: it is important to correctly set out the Teckal implications, including for board membership and reporting and management of commercial waste contracts across the whole joint management area.



6. STRATEGIC FLEET PLAN

- *Delivery of “efficiencies” action plan – planned savings.*

The creation of the Transport Management Unit continues and is the subject of discussions with other departments, and is transferring to CBSS under the proposed changes.

Observations on the next 46 days: it remains important to ensure that TMU staff are properly liaising with colleagues in all relevant departments and that the communications and web programme underway are efficiently delivered.

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