

Local Government North Yorkshire and York

12 July 2012

General Updates

Report of the Honorary Secretary

Purpose of the Report

1.0 To provide a brief update for information on issues which do not require a full paper.

**2.0 Sub Regional Housing Board –
Report of Wallace Sampson, Chief Executive, Harrogate Borough Council**

2.1 Progress report as at 31st March 2012

Enhanced two tier project title: Affordable Housing

Project Description: Working together to increase the number of affordable housing units

Project Lead: Colin Dales, Richmondshire District Council
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Progress to date/update

i) 236 new affordable homes were delivered during 2011/12 as part of the Local Investment Plans (York and North Yorkshire) against a forecast of 303. Of these new affordable homes, 126 were delivered via the Rural Housing Enabler Programme.

A further 369 new affordable homes were delivered during the year, not planned in the Local investment Plans 277 via public subsidy and 92 without public subsidy. In terms of private sector housing investment, 2173 homes benefitted from improvements, representing spend of just over £2.35 million in the year.

ii) The Local Government York and North Yorkshire Housing Board have approved a business plan to sustain the Rural Housing Enabler Programme for a further three years beyond the 31st March 2012 when the current funding streams run out. This represents very good news for this high profile programme. The key funding elements can be summarised as follows :

Local Authority contributions = £40k per year
Housing Association contributions = £80k per year
LAA reward grant (one off / not repayable) = £45k
Leeds City Region contribution = £50k

The programme will be subject to annual reviews (as some partners cannot commit beyond one year at a time) and Hambleton District Council will continue to be the lead employer. The contributions summarised above have

now been confirmed meaning that the programme is fully funded for 2012/13 and, hopefully, for a further three years thereafter.

A Service Level Agreement and Terms of Reference for the new programme are at an advanced stage with full partner support.

- iii) A Rural Housing Week will be held between 1st and 5th October 2012 in order to raise the profile of affordable housing and the key contribution it makes to thriving rural communities. It is hoped that the week can be coordinated with City of York housing events.
- iv) The Housing Board have also approved a joint piece of work to develop a Tenancy Strategy for Local Authorities – a new statutory requirement introduced by the Localism Act. Work continues on this piece of work.
- v) For stock retention Local Authorities (York, Selby, Harrogate and Richmondshire) the funding landscape changed significantly on the 1st April with a new self financing system which replaces the national HRA subsidy system. Early indications are that the new financial regime will generate more investment in Local Authority owned housing stock over the coming years.
- vi) A single homelessness prevention plan for York and North Yorkshire has been developed and will attract £279,000 funding to support preventative work, subject to LG NY & York Housing Board approval.
- vii) A new bank account is being developed in partnership with the North Yorkshire Credit Union – the “Jam Jar” account – to help financially excluded tenants manage the move to the direct payment of benefits as part of the new Universal Credit system.

2.2 Barriers to progressing the project over the next period

- i) The main barrier continues to relate to current housing market conditions which are hindering the contribution that the planning system can make to affordable homes delivery.
- ii) Lack of suitable land continues to be a barrier to the delivery of affordable housing.
- iii) Homes and Communities Agency funding has been cut as part of CSR by approximately 70% which has created a great deal of uncertainty in terms of future outputs. The impact on North Yorkshire is that, in essence, no new development money will be available during 2011/12. Future funding will be based on a new affordable housing model whereby rents will be up to 80% of market levels. This will impact differently across the county depending on housing benefit levels and the strength of the private rental market. Housing Associations have submitted their development “offers” to the Homes and Communities Agency based on the new regime which have been signed off.
- iv) Private sector housing improvement funding ceased from 1st April 2011, again as a direct result of CSR. Local Authorities still have the freedom to fund private sector housing renewal from their own funds, but current feedback from Local Authority colleagues is that this area of activity has stopped with Disabled Facilities Grants being the core business.

**Sub-Regional Spatial Planning and Transport Board –
Report of Ian Stokes (Development Officer (Transport Strategy), City of York Council)**

3.0 Arrangements are being made for the first meeting of this Board to be held in early August. Topics to be considered will include the following:-

- i) General governance arrangements for the Board and Officer Support Group(s)
- ii) Officer task / finish groups
- iii) Duty to Cooperate
- iv) Broadband and mobile phone 'not-spots'
- v) Strategic planning of infrastructure
- vi) Memorandum of Understanding (MoU) for the A64
- vii) Future meetings of the Board
- viii) AOB

**LGYH Council –
Report of Councillor Tom Fox (LGYH Vice-Chair)**

4.0 I was unable to attend the meeting held on 22 May as it coincided with our Cabinet meeting. I did not attend the meeting with the Rt Hon Eric Pickles MP (Secretary of State for Communities and Local Government) and local authority Leaders on 22 March but expect another Member can brief on this.

**Yorkshire and Humberside European Regional Development Fund Performance
Management Board for North East and West Yorkshire -
Report of Councillor Derek Bastiman (Scarborough)**

5.0 Set out below are my notes from the Board's meeting held on 30 January 2012 on matters pertinent to this sub-region:-

The Board was presented with 2 applications from our area. They were:-

- (1) Outline Application - Waste Valorisation, Science City York. Description of Bid: The waste valorisation project will create a bespoke Industrial Engagement Facility, situated at the University of York, for waste valorisation. The IEF, comprising purpose-built business/academic joint laboratories and state of the art equipment, will enable pre-start ups, start ups, SME's and LC's to use specialist technologies, introduce innovative production methods and promote R&D. This application was approved and will now go through to the next stage which is Full Application.
- (2) Outline Application - Biorenewables Development Centre. Science City York. Description of Bid: The overall vision for the project is to establish a successful Biorenewables Development Centre that can deliver significant new regional growth through R&D activities in the biorenewables-based businesses, such as chemicals, biofuels, bio energy, bio plastics, flavours, fragrances and personnel care products, by helping businesses to develop novel processes and products. This application was approved and will now go through to the next stage which is Full Application.

6.0 Set out below are my notes of the Board's meeting held on 26 March 2012:-

Overall indicative commitments are 299.9 million against a target of 269 million. The programme is indicatively over-committed in all priorities save for Priority 5. The N+2 target for 2012 is 288 million. The programme has 69.5 million to spend by

December 2012. For the non-phasing in the region the target is 127 million. The programme has already spent 97 million and therefore has 30 million still to spend. The Executive Management team had written to 14 projects asking them to submit their Full Applications by the end of March or the project could be withdrawn from the process. These projects are worth 35 million.

On another note, I was pleased to support a bid from East Riding of Yorkshire Council regarding their proposal for a Green Supply Chain Business Development Programme. The area's covered are:-

- (1) Business Growth Enabler - This will give health checks to businesses for signs of stagnation and will assist/mentor where necessary and help remove hidden barriers to growth and stimulate business.
- (2) Make opportunities visible - Fully engaging and stimulating the regional business community by providing them with clear and detailed visibility of the direct and indirect future opportunities in the region.
- (3) Make opportunities accessible - Provide a programme for selected businesses in relevant sectors to undergo specific intervention support to enable them to develop accredited systems etc.
- (4) Make opportunities winnable - Provide a range of business development support to enable selected businesses to develop strategic plans including the formation of consortium/collaborative teams with other regional suppliers to successfully win and deliver contracts in the global market.

I appreciate that this application is out of my remit. However the knock-on effect could be tremendous and we have to get away from "silo" thinking if the Region is going to prosper from the Re-newable programme and, as I have pointed out in the past, Industry does not recognise local authority boundaries and to benefit at all from this sector a united approach is the best way forward in maximising the enormous economic benefits.

7.0 Set out below are my notes of the Board's meeting held on 23 April 2012:-

The agenda for this meeting was brief. However, it is as follows:-

- (1) There was a request for funding for maximising the potential of Industrial Parks. This was rejected on the following grounds:-
 - The project intended to support the delivery of Priority 2 activity through the creation of tailored advice and feasibility work to identify and frame business support and incubator/cluster projects. However, it was not clear if the resulting proposals would align with the needs of Priority 2 going forward or if the initiatives identified would be appropriate for support by ERDF considering eligibility issues.
 - The timeframe of the programme suggested that, even if the above could be addressed, the initiatives identified by this project would struggle to submit applications in time to receive funding before the commitment deadline of December 2013.
 - The costs of the project seemed quite high for the type of activities it was conducting, with no clear outputs identified.

- (2) There was a request from Origin Energy CIC (whole Region, but based in York). This was rejected on the following grounds:-
- Origin Energy CIC is working to increase the quantity of renewable energy generation in the region. The concept is to return profits to those communities for local investment.
 - The outline application was also weak in content as it did not identify the project activities or what ERDF was being spent on.
 - The project did not demonstrate value for money as the ERDF outputs which were to be delivered were minimal, with several of them being achieved in March 2016, ie after the ERDF 2007/13 programme has ended.

Yorkshire and Humberside Member Improvement Board Report of Councillor Derek Bastiman (Scarborough)

8.0 Innovation Through European Partnership

The most recent meeting of the EU partnership took place in Stoke on Trent from the 20-22 March where we LGYH hosted 2 workshops one on Electric vehicles the other on green skills and the opportunities for growth on within the renewable's industry-particularly offshore wind. This combined with the learning of good practice from other European partners has opened up opportunities for Yorkshire and Humber to be innovative in its approach to address current priorities.

9.0 RIEP Legacy Report Back

Since January 2012, 7 more RIEP funded projects have finished and been evaluated. There are now 27 programmes still running, with 23 of them due to close by the end of July 2012. The final programme to end will be in Scarborough Leisure Village which will complete in March 2014.

We also received an update on the success of the YORbuild and ENProcure and the new YORcivil and YORconsult Frameworks.

I wish to point out that the YORbuild was the first Framework to become operational in 2010. It has already seen £284 million of construction contracts being delivered through the Frameworks with £160 million in pipeline projects for the coming year. There are 18 Local Authorities along with 18 Police, 1 Fire and 11 not for profit organisations already using the Framework.

The ENProcure Elemental Works Framework became operational in November 2011. It already has over £20 million of contracts currently being procured via the Framework with an additional £158 million in pipeline projects for the coming year. The update also provided a briefing on the proposals for ensuring a sustainable Construction Framework resource for the region going forward and plans to develop YORhub and YORfuture to ensure that we operate the Frameworks efficiently and effectively to maximise the outcomes.

**LGYH Work and Skills Board
Report of County Councillor Chris Metcalfe**

10.0 This Board has been formally disbanded.

**LGYH Independent Sustainability Board
Report of Councillor Brian Phillips (Hambleton)**

11.0 This Board has been formally disbanded.

Recommendation

That the above updates be noted.

Richard Flinton

Honorary Secretary to Local Government North Yorkshire and York

4 July 2012