

POLICY AND RESOURCES COMMITTEE

Thursday 5 February 2015 at 6.30 pm

Council Chamber, Ryedale House, Malton

Agenda

1 Emergency Evacuation Procedure

The Chairman to inform Members of the Public of the emergency evacuation procedure.

2 Apologies for absence

3 Minutes of the meeting held on 4 December 2014

(Pages 3 - 8)

b Recommendations from the Resources Working Party held on 8 January 2015

4 Urgent Business

To receive notice of any urgent business which the Chairman considers should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.

5 Declarations of Interest

Members to indicate whether they will be declaring any interests under the Code of Conduct.

Members making a declaration of interest at a meeting of a Committee or Council are required to disclose the existence and nature of that interest. This requirement is not discharged by merely declaring a personal interest without further explanation.

PART 'A' ITEMS - MATTERS TO BE DEALT WITH UNDER DELEGATED POWERS OR MATTERS DETERMINED BY COMMITTEE

- 6 **Bruntwood Terrace - Installation of lockable bollards on St Nicholas Street car park** (Pages 9 - 32)
- 7 **Delivering the Council Plan January 2015** (Pages 33 - 40)
- 8 **Treasury Management Monitoring Report** (Pages 41 - 44)

PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL

- 9 **Financial Strategy 2015 - 2016** (Pages 45 - 92)
- 10 **Exempt information**
Certain information in this report is considered to be exempt as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), as the information relates to the financial or business affairs of a particular person (including the authority holding that information).
- 11 **The future of Pickering Tourist Information Centre** (Pages 93 - 102)
- 12 **Any other business that the Chairman decides is urgent.**

Policy and Resources Committee

Held at Council Chamber, Ryedale House, Malton
on Thursday 4 December 2014

Present

Councillors J Andrews, Arnold (Vice-Chairman), Bailey, Clark, Mrs Cowling (Chairman),
Mrs Frank (Substitute), Fraser, Ives, Mrs Keal and Walker

Substitutes: Councillor Mrs J Frank

Overview and Scrutiny Committee Observers: Councillors Mrs Shields and Wainwright

In Attendance

Jos Holmes, Peter Johnson, Nicki Lishman, Phil Long, Steve Richmond, Julian Rudd and Janet
Waggott

Minutes

28 **Apologies for absence**

Apologies for absence were received from Councillor Legard. Councillor Mrs Frank
substituted.

29 **Minutes of the meeting of the Policy and Resources Committee held on 25 September 2014**

Decision

That the minutes of the Policy and Resources Committee held on 25 September 2014
be approved and signed by the Chairman as a correct record.

Voting record

5 votes for
3 votes against
2 abstentions

30 **Recommendations from the meeting of the Resources Working Party on 20 November 2014**

Decision

That the recommendations from the meeting of the Resources Working Party on the 20
November 2014 be approved.

Voting record

9 votes for
1 against

31 **Minutes of the meeting of the Commissioning Board held on 20 March 2014**

Decision

That the minutes of the Commissioning Board held on 20 March 2014 be approved and signed by the Chairman as a correct record.

Voting record

5 votes for

5 abstentions

32 **Urgent Business**

There was one item of urgent business which was exempt as defined in Paragraphs 1, 2 and 3 of Schedule 12A of the Local Government Act 1972 (as amended).

33 **Declarations of Interest**

Councillors Bailey and Mrs Frank declared a personal non pecuniary but not prejudicial interest in the item of urgent business as they were members of the North York Moors National Park.

Councillor Arnold declared a personal non pecuniary but not prejudicial interest in the item of urgent business as he had been involved in the production of the Helmsley Plan and knew the parties involved.

PART 'A' ITEMS - MATTERS TO BE DEALT WITH UNDER DELEGATED POWERS OR MATTERS DETERMINED BY COMMITTEE

34 **Review of the Economic Action Plan and major projects**

Considered – Report of the Head of Economy and Infrastructure

Decision

That the progress made in implementing the Ryedale Economic Action Plan (REAP) 2012 – 15 be noted and the updated priority actions, in advance of undertaking a full review of the REAP in 2015, be agreed.

Voting record

9 votes for

35 **Anti-Social Behaviour, Crime and Policing Act 2014**

Considered – Report of the Corporate Director

Decision

(i) That the functions of the Council under the relevant provisions of the Anti-social

Behaviour, Crime and Police Act 2014 including, but not limited to, exercising all strategic, operational and management powers and duties of the Council under the aforementioned Act be delegated to the Head of Paid Service.

(ii) That the implications of the new powers be noted and that a further report outlining issues arising from the Act be submitted once the full implications of the Act became clear.

Voting record

6 votes for

1 against

2 abstentions

36 Delivering the Council Plan

Considered - Report of the Chief Executive

Decision

That the report be noted.

Voting record

7 votes for

1 abstention

37 Revenue Budget Monitoring Report

Considered – Report of the Finance Manager (s151)

Decision

That the report be noted.

Voting record

Unanimous

PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL

38 Localisation of Council Tax Support Scheme Approval

Considered – Report of the Finance Manager (s151)

Recommendation to Council

That Council be recommended;

(i) To approve a Local Council Tax Support Scheme which was unchanged from 2014/13; and

(ii) The Finance Manager, in consultation with the Chairman of Policy and Resources Committee be authorised to undertake the necessary consultation work to design a scheme for 2016/17, in light of the experience in previous years, to be presented to Policy and Resources Committee in December 2015.

Voting record

7 votes for

2 against

39 **Joint Committee and/or Combined Authority for York, North Yorkshire and East Riding**

Considered – Report of the Head of Economy and Infrastructure

Recommendations to Council

- (i) That Ryedale District Council supports the principle of and agrees to form part of a Joint Committee arrangement for economic development, regeneration, strategic planning and transport matters in York, North Yorkshire and East Riding; and
- (ii) That the potential for a Combined Authority covering parts of York, North Yorkshire and East Riding be assessed post-May 2015.

Voting record

6 votes for

3 abstentions

40 **Timetable of meetings 2015 - 2016**

Considered – Report of the Council Solicitor

Recommendation to Council

That Council approves the timetable of meetings for 2015-2016, attached at Annex A to the report.

41 **Any other business that the Chairman decides is urgent.**

Considered – Report of the Head of Planning and Housing

Members were briefed on an exempt report relating to The Helmsley Plan: Land at Helmsley. The report outlined proposed recommendations and indicated the financial implications.

The exempt report would be considered by the Planning Committee on 16 December 2014.

Councillor Clark proposed and Councillor J Andrews seconded an amendment to exclude part of the land under consideration

Voting record

For

Councillors Andrews, Clark and Walker

Against

Councillors Mrs Cowling, Arnold, Bailey, Fraser, Ives, Mrs Keal, and Mrs Frank

The amendment was lost

Recommendation to the Planning Committee

That the Planning Committee be advised that the Policy and Resources Committee supports the recommendations contained within the report and notes the financial implications.

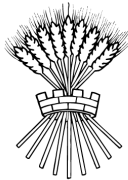
Voting record

7 votes for

3 against

There being no other business, the meeting closed at 9.25 pm.

This page is intentionally left blank



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES
DATE:	5 FEBRUARY 2015
REPORT OF THE:	CORPORATE DIRECTOR PHIL LONG
TITLE OF REPORT:	BRUNTWOOD TERRACE – INSTALLATION OF LOCKABLE BOLLARDS - ST NICHOLAS ST CAR PARK NORTON
WARDS AFFECTED:	NORTON

1.0 PURPOSE OF REPORT

This report is regarding a request from Norton Town Council to fund the purchase and installation of lockable Bollards on St Nicholas St Car Park Norton – an RDC asset – to enable residents of Bruntwood Terrace Norton to have nominated parking rights on St Nicholas St car park adjoining their properties.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- (i) The offer from Norton Town Council is rejected and status quo maintained.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 Following legal investigation no evidence of a legal claim to a free parking space exists. This is now accepted by Norton Town Council (letter dated 26 August 2014) and they have no wish to challenge the legality of this issue.
- 3.2 The car park is already free and provides unlimited parking for all who choose to use the car park.
- 3.3 St Nicholas St Car Park is a council owned freehold and it has few restrictions. Access is available from both Church Street and St Nicholas Street with egress only being by way of St Nicholas Street.
- 3.4 Having established that there is no legal claim, as a matter of good Estate Management it would not be good practice to potentially fetter any potential future use of the area.

3.5 The request potentially opens the Council up to the risk of similar requests from other residents who also live close to the car park ie Derwent Terrace, St Nicholas Street, Commercial Street etc (Reference 6.5-1f-i) and have similar issues.

4.0 SIGNIFICANT RISKS

4.1 None

5.0 POLICY CONTEXT

5.1 None

6.0 REPORT DETAILS

6.1 In a letter dated 13th June 2014 the Council received a formal request from Norton Town Council, who would like to fund the purchase and installation of six numbered bollards on St Nicholas St Car Park – a Ryedale District Council asset - for the benefit of residents in Bruntwood Terrace. This was on the basis that the Town Council understood that:

- *“These properties (Bruntwood Terrace) seem to have a legitimate claim to a parking space”*
- *“They (Bruntwood Terrace) had to surrender garages for the entrance to the car park (St Nicholas St) to be formed”*

6.2 Norton TC has no evidence to support this claim. The claim was investigated by the RDC legal department who found no record or evidence to support the claim. From the limited information available it would appear that:

- The land was originally sold off in plots in November 1896 for the purpose of constructing a dwelling house. At that time and based upon the plans available there was a footpath at the front of the premises and at the rear and split from outhouses was an access road. The original address was Bruntwood Terrace, St Nicholas Street, Norton and included in the conveyance was a right for horse and cart etc to pass and re-pass over land that was owned by what became Allied Breweries in order to get to Church Street. The owners of the houses were only granted a right of way, nothing else.
- In the intervening period St Nicholas Car Park was acquired and created by Norton Urban District Council but did not have an access to Church Street. Accordingly Norton UDC entered into discussions with Allied Breweries and the Ministry of Transport to acquire land so that a full vehicular access road could be made to give full access to Church Street.
- At the same time due to changes to the right of way for the owners of Bruntwood Terrace, documentation was completed whereby the owners of the Bruntwood Terrace properties surrendered their old right of way and were granted a new realigned right of way.
- The documents are all dated 28 June 1971. It seems clear from the records that at no time have either Norton UDC or RDC ever provided garages for the owners of Bruntwood Terrace especially bearing in mind that when originally built there were few cars. It may be that some owners had arrangements with Allied Breweries, but if they did then any rights were extinguished by Allied Breweries.

- 6.3 In a letter dated 26 August 2014 Norton Town Council now fully accepts the evidence presented above and no longer holds the view that legally the residents of Bruntwood Terrace have a claim to a parking space.
- 6.4 However they mentioned that many years ago there had been an informal meeting between RDC and Bruntwood Terrace residents which included a questionnaire as to whether they would prefer residential parking written on six spaces or to have some sort of parking bollard installed. This was followed up by further correspondence between the residents and Cllr Jenkins – who was a District Councillor at the time and the legal department, though nothing was forthcoming. Whilst interesting, this was clearly a very long time ago and it is presumed that nothing transpired once legal clarification had determined that no evidence of legitimate claim to a parking space existed for the reasons already stated.
- 6.4 In the light of this and the fact that the car park is already free with unlimited parking for all users, granting the request and fettering the use of the car park seems completely at odds with good estate management practice.

Options include:

- 1- Maintaining the status quo and rejecting the offer of Norton TC to provide lockable bollards to enable residents of Bruntwood Terrace Norton to have nominated parking rights on St Nicholas St car park adjoining their properties.

OR

- 2- Authorising the Corporate Director in conjunction with the Council Solicitor to agree the terms of a Lease of the 6 parking spaces to Norton Town Council. The Lease would be restricted so that the Town Council could only use the spaces to provide parking for the residents of Bruntwood Terrace. The provision of all lockable bollards, maintenance and administration etc to be the responsibility of Norton Town Council.

- 6.5 For members information Appendices 1a to 1j contain location maps, satellite images and pictures of the location.

1a, - Map of St Nicholas Street detailing location of Bruntwood terrace (1-6) and free unlimited parking spaces available.

1b - Satellite image and location of Bruntwood Terrace and St Nicholas St Car Park in Norton.

1c Bruntwood Terrace side view

1d/e Bruntwood Terrace and car park

1f Derwent Terrace, located at the back of Bruntwood Terrace.

1g Church Street traffic restrictions and no on street parking

1h St Nicholas Street on street parking and traffic restrictions. Looking Southeast
St Nicholas St car park on the left

1i St Nicholas Street on street parking and traffic restrictions looking Northwest
(away from the car park) and also showing entrance to Derwent Terrace on
right side of the picture

1j St Nicholas Street Land Registry Title plan

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
a) Financial

None

b) Legal

The advice from the Legal Department is that a Lease to Norton Town Council of the spaces concerned would be the most appropriate way forward if members wish to support Norton Town Council's request.

c) Other implications

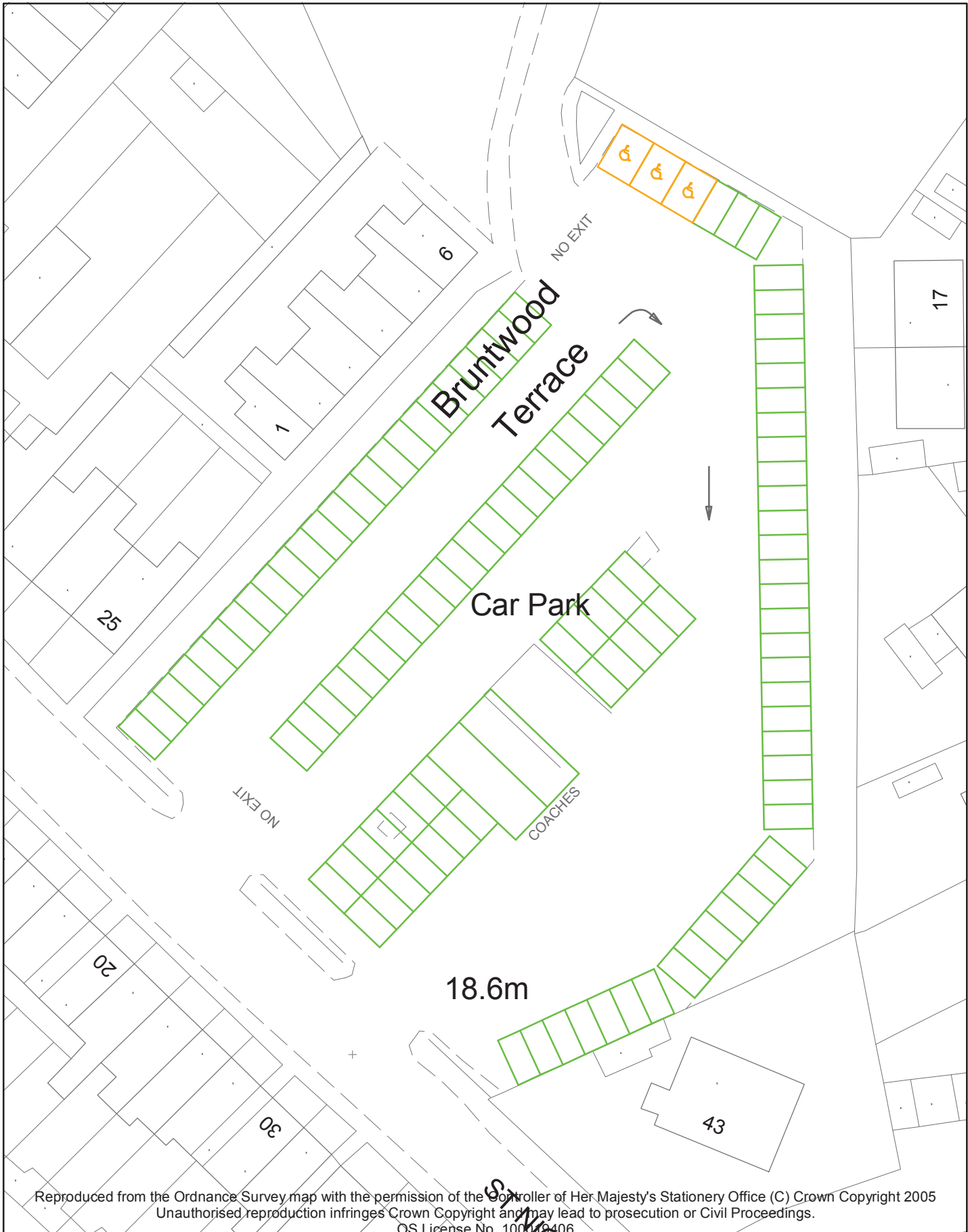
None

Phil Long
Corporate Director

Author: Phil Long Corporate Director
Telephone No: 01653 600666 ext: 461
E-Mail Address: phil.long@ryedale.gov.uk

Background Papers:

Documents referred to in 6.2 regarding changes to rights of way etc can be viewed on request by contacting Fiona Brown, Legal, Department ext 261.



Reproduced from the Ordnance Survey map with the permission of the Controller of Her Majesty's Stationery Office (C) Crown Copyright 2005
 Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or Civil Proceedings.
 OS License No. 100019406



ST NICHOLAS ST CAR PARK, NORTON
 SCALE 1:500



This page is intentionally left blank



Imagery ©2015 DigitalGlobe, Getmapping plc, Infoterra Ltd & Bluesky, Map data ©2015 Google 20 m

This page is intentionally left blank



This page is intentionally left blank



This page is intentionally left blank



This page is intentionally left blank



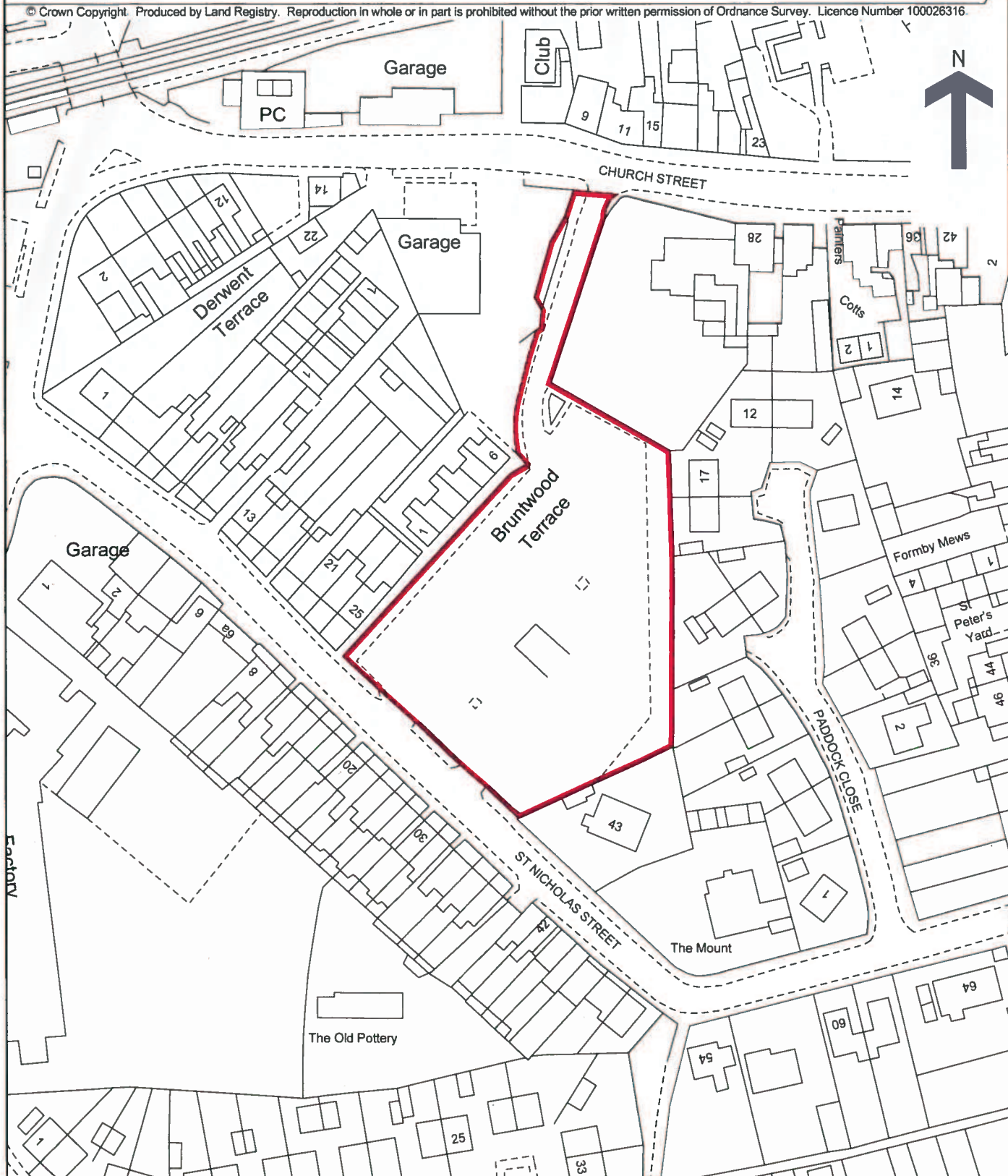
This page is intentionally left blank

Land Registry Official copy of title plan

Title number **NYK366738**
Ordnance Survey map reference **SE7971SW**
Scale **1:1250** enlarged from 1:2500
Administrative area **North Yorkshire: Ryedale**



© Crown Copyright. Produced by Land Registry. Reproduction in whole or in part is prohibited without the prior written permission of Ordnance Survey. Licence Number 100026316.



This official copy issued on 15 July 2009 shows the state of this title plan on 15 July 2009 at 11:25:30. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).

This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. See Land Registry Public Guide 19 - Title Plans and Boundaries.

This title is dealt with by Land Registry, Durham Office.

This page is intentionally left blank













































This page is intentionally left blank





This page is intentionally left blank









This page is intentionally left blank




1. Employment Opportunity & Economic Success													
	EC 10	EC 12a	EC 12b	EC 12c	EC 12d	EC 13a	EC 13b	EC 40					
2. Housing Need													
	FP 7	HS 1	HS 2	HS 5	HS 10a	HS 10b	HS 14	BS RB 2	BS RB 3	FP 8	HS 8	HS 11	HS 17
3. High Quality Environment													
	DM 157a	HE 13	SS 16	SS 35	SS 36	SS 192	DM 157c	SS 15	DM 2	DM 157b	SS 17		
Active Safe Communities													
	EC 77	HE 10											
Transforming the Council													
	BS AS 3	BS BI 2	DS 2d	BS RB 11	BS RB 12	BS AS 1 RDC	BS MD 1	HR A 01 R					




Key
 Data Only Indicator for monitoring trend
  Performance is improving
  Performance has stayed the same
  Performance has got worse




1. Employment Opportunity & Economic Success




		EC 10	Total Job Seeker Allowance Claimants Aged 16 - 64			
Current Value	1%	November 2014	Previous value	0.9% Oct 2014	Data is published monthly	
November 2014 - Yorks and Humber 2.7% and Great Britain 2%						




		EC 12a	% Ryedale population aged 16-64 qualified - NVQ1 or equivalent			
Current Value	91.7%	2013/14	Previous value	78.1%	Data is published annually	
Ryedale has the lowest population qualified to NVQ level 1 or above in North Yorkshire and is the third lowest in Yorkshire and the Humber. Young people achieve level 1 and 2 NVQ's in order to improve their career prospects. The council has targeted resources through various apprenticeships. This level is a stepping stone to future learning opportunities.						

		EC 12b	% Ryedale population aged 16-64 qualified - NVQ2 or equivalent			
Current Value	79.9%	2013/14	Previous value	68.2%	Data is published annually	
Ryedale has the lowest of population qualified to NVQ level 1 or above in North Yorkshire. Young people achieve level 1 and 2 NVQ's in order to improve their career prospects. The council has targeted resources through various apprenticeships. This level is a stepping stone to future learning opportunities.						

		EC 12c	% Ryedale population aged 16-64 qualified - NVQ3 or equivalent			
Current Value	53.1%	2013/14	Previous value	51.7%	Data is published annually	
Ryedale performance is above the North Yorkshire average for this level of qualification.						

		EC 12d	% Ryedale population aged 16-64 qualified - NVQ4 or equivalent			
Current Value	40%	2013/14	Previous value	35.6%	Data is published annually	
Ryedale performance is well above the North Yorkshire average for this level of qualification.						

		EC 13a	Gross weekly earnings by workplace			
Current Value	£425.00	2013/14	Previous value	£395.70	Data is published annually	
Ryedale has the lowest level of earnings by workplace in Yorkshire and the Humber						

		EC 13b	Gross weekly earnings by residency			
Current Value	£417.60	2013/14	Previous value	£399.70	Data is published annually	
Although an increase in weekly pay compared to last year - Ryedale still has the lowest Gross weekly earnings in Yorkshire and Humber.						

Page 34

		EC 40	Employment Rate - aged 16-64	
Current Value	76.1%	2013/14	Previous value	Data is published annually
2013-14: GB - 71.7% Y&H - 70.1%				

2. Housing Need

		FP 7	Net additional homes provided	
Current Value	224	2013/14	Current Target 200	Target set according to http://extranet.ryedale.gov.uk/PDF/Background%20Paper%20-%20Population%20and%20Housing.pdf page 6, para 2.2.3
Annual return to be calculated at the end of March 2014. Officers are considering the reporting of FP7 and FP8 on a quarterly basis in order to maintain up to date figures for additional homes provided throughout the year together with a rolling figure for the Council's five year housing supply.				






















		HS 1	Homeless applications on which RDC makes decision and issues notification to the applicant within 33 working days (was LPI 70)	
Current Value	100.0%	Q3 2014/15	Current Target 100.0%	Target is to decide on all applications within 33 days
Between 01/10/2014 and 31/12/14 all 6 homeless applications were taken and the decisions were made within 33 days				

		HS 2	Length of stay in temporary accommodation (B&B, weeks) Snapshot	
Current Value	1.00 weeks	Q3 2014/15	Current Target 4.00 weeks	Target: National maximum allowable is 6 weeks. Local target of 4 weeks
Between 01/10/2014 and 31/12/2014, the average stay in a B&B was one week.				

		HS 5	Number of Homeless Applications	
Current Value	6	Q3 2014/15	Current Target 11	Total number of applications for 2012/13 year = 39
Between 01/10/2014 and 31/12/2014 - there were 6 homeless applications received.				

		HS 10a	% Households in Ryedale in Fuel Poverty (10% income measure)	
Current Value	26%	2013/14	Current Target 27.9%	Target is to improve on previous years performance
Results published June 2014. Est. no. of households 23,090 of which 6,446 in fuel poverty.				

		HS 10b	% Households in Ryedale in Fuel Poverty (Low Income High Cost)	
--	--	--------	--	--

Current Value	11.1%	2013/14	Current Target	11.9%	Target is to improve on previous years performance	
2012-13 Results published June 2014 - Est. no of households 23,090 and 2,738 households in fuel poverty						
		HS 14	Affordability Ratio			
Current Value	7.36	2013/14	Current Target	8.65	Target is to improve on previous years performance	
		BS RB 2	Speed of processing - new HB/CTB claims			
Current Value	25.6 days	December 2014	Current Target	25.0 days		
Extra staff and improvements introduced have resulted in improved timescales – now 25.6 days compared to 63.5 days in Dec 2013. The backlog of process was finally cleared in December. Work to deliver our improvement plan continues in order to deliver the best service possible.						
		BS RB 3	Speed of processing - changes of circumstances for HB/CTB claims			
Current Value	14.7 days	December 2014	Current Target	12.0 days		
The backlog of process outstanding was cleared in December and the average figure that some of the older processes have now been completed.						
		FP 8	Supply of deliverable housing sites			
Current Value	89.2%	2013/14	Current Target	100.0%	See Annual Monitoring Statement and Strategic Housing Land Availability Assessments. Target five year housing supply= 100%	
Annual return to be calculated at the end of March 2015.						
		HS 8	Prevention of Homelessness through Advice and Proactive Intervention (values and targets are per quarter, not accumulative)			
Current Value	29	Q3 2014/15	Current Target	39	Target is to achieve 10% improvement in numbers of preventions year on year	
		HS 11	Empty Domestic Properties			
Current Value	249	2014/15	Current Target	253	Target is to improve on previous years performance	
Annual figures of 885 empty at the end of 31st March 2014, with a total of 299 being empty for more than 6 months.						
		HS 17	Number of affordable homes delivered (gross)			

Current Value	20	Q3 2014/15	Current Target	57 (75 for year)	35% of market housing target would result in 70 affordable homes arising from 200 net additional homes.
---------------	----	------------	----------------	------------------	---

3. High Quality Environment

		DM 157a	Processing of planning applications: Major applications (13 weeks)		
Current Value	75.00%	December 2014	Current Target	70.00%	Targets originally set under Planning Delivery Grant regime
By definition these applications are complex, often requiring for example legal agreements such as Section 106. These applications represent 4% of the total number received. Whilst well below target, performance is improving.					

		HE 13	% of Food establishments in the area broadly compliant with food hygiene law		
Current Value	76%	2013/14	Current Target	72%	Target is to improve on previous year. Assessments of premises undertaken using risk based scoring and national guidance. 17% of premises are low risk and not assessed and by default not compliant under the national definition for this indicator.
% of premises are low risk and not assessed and by default not compliant under the national definition for this indicator. The figures in brackets above take into account this number					




		SS 16	% of Household Waste Composted		
Current Value	33.64%	2013/14	Current Target	30.00%	Target set following analysis of previous performance levels
Performance continues to be above target. Will be reviewed following outturn 2014/15					

		SS 35	% CO2 reduction from LA operations.		
Current Value	-7.5%	2013/14	Current Target	3.0%	Target set for three years, based on national guidance. To be reviewed following analysis of performance to date
Investment made in energy efficiency measures continues to result in improvements in levels of CO2.					




		SS 36	Tonnes of CO2 from LA operations		
Current Value	1,622	2013/14	Current Target	1,754	Target set for three years, based on national guidance. To be reviewed following analysis of performance to date
See above					




		SS 192	% of household waste sent for reuse, recycling and composting		
--	--	--------	---	--	--




Current Value	52.70%	2013/14	Current Target	49.70%	National target to achieve 50% by 2020
Performance continues to be above target and national average. Will be reviewed following outturn 2014/15					

		DM 157c	Processing of planning applications: Other applications (8 weeks)			
Current Value	89.40%	December 2014	Current Target	93.00%	Targets originally set under Planning Delivery Grant regime	
Performance has been improving for some months and this Trend is continuing. Customer satisfaction has increased on previous years Delegated decisions are currently made on 88% of decisions against a target of 90%.						



		SS 15	% of Household Waste Recycled			
Current Value	19.02%	2013/14	Current Target	20.00%	Target set following analysis of previous performance levels	
Priority is now to maintain this level of performance.						

		DM 2	Planning appeals allowed			
Current Value	50.0%	Q3 2014/15	Current Target	33.0%	Target based on national averages and benchmarking	
The national performance level is consistently in line with the target figure of 33%, performance for Ryedale has varied because of the relatively low number of appeals received.						

		DM 157b	Processing of planning applications: Minor applications (8 weeks)			
Current Value	69.70%	December 2014	Current Target	78.00%	Targets originally set under Planning Delivery Grant regime	
Performance has been improving for some months and this trend is continuing. Customer satisfaction has increased on previous years						

		SS 17	Household Waste Collection - % change in kilograms per head			
Current Value	6.29%	2013/14	Current Target	0.25%	Target is to improve on previous years change	
Residual waste going to landfill reflects economic changes. Target to be reviewed following outturn 2014/15						

4. Active Safe Communities


		EC 77	Total Crime in Ryedale			
Current Value	1,158	December 2014	Previous Value	Nov 2014: 1,045		



		HE 10	Adult participation in sport and active recreation. Sport England Active People Survey-Annual			
---	---	-------	---	--	--	---




Current Value	23.6%	2013/14	Current Target	22.3%	Target is to improve on previous years performance
APS 7 - Ryedale ranked 208 out of 326.					

5. Transforming the Council




		DS 2d	Percentage turnout for elections - District			
Current Value	46.54%	2011/12	Previous Value		Target is to improve on previous election turnout	
02.05.13 Ryedale South West By-election: 38.39% Pickering East By-election: 36.34% http://www.ryedale.gov.uk/news_and_press_releases/local_elections.aspx						

		BS AS 3	Payments made using electronic channels			
Current Value	93%	December 2014	Current Target	85%	Target is set to maintain performance	
Electronic channels include web, telephone and Direct Debit.						

		BS BI 2	% FOI Requests responded to within 20 working days			
Current Value	96%	November 2014	Current Target	90%		
33 out of 45 FOIs in November 2014 were answered within 20 days or less.						




		BS RB 11	% of Council Tax collected			
Current Value	86.24%	December 2014	Current Target	86.56%	Target is set to maintain performance	
Collection rates are in line with the previous years performance						

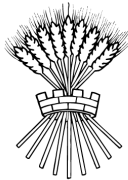
		BS RB 12	% of Non-domestic Rates Collected			
Current Value	86.60%	December 2014	Current Target	88.69%	Target is set to maintain performance	

		BS AS 1 RDC	Service enquiries resolved at first point of contact (telephone)			
Current Value	37%	2013/14	Current Target	50%	Target is for year on year improvement	
Collection rates are in line with the previous years performance.						

		BS MD 1	Standard searches done in 5 working days			
---	---	---------	--	--	--	---

Current Value	40.0%	November 2014	Current Target	90.0%	Target is set to maintain performance
Late responses from NYCC					

		HR A 01 R	Average number of Working Days Lost Due to Sickness Absence per FTE, RYEDALE			
Current Value	1.15 days	December 2014	Current Target	0.63 days	Target is North Yorkshire average for 2009	



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	5 FEBRUARY 2015
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	TREASURY MANAGEMENT MONITORING REPORT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 To report on treasury management activities to date for 2014/15 and to update Members on current investments in accordance with the Chartered Institute of Public Finance (CIPFA) Code of Practice on Treasury Management (the Code).

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- (i) Members receive this report; and
- (ii) The current investments and performance in 2014/15 be noted.

3.0 REASON FOR RECOMMENDATIONS

3.1 The Council has adopted the Code. A provision of the Code is that the Policy and Resources Committee will receive and review regular monitoring reports relating to the treasury management activities of the current year.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks in considering this report. There are significant risks when investing public funds especially with unknown institutions. However, by the adoption of the CIPFA Code and a prudent investment policy these are minimised. The employment of Treasury Advisors also helps reduce the risk.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities and this report complies with the requirements under this code.

- 5.2 The Council use the services of Sector Treasury Services Limited (Sector) to provide treasury management information and advice.

REPORT

6.0 REPORT DETAILS

- 6.1 The CIPFA Code states that Members will receive reports on the Council's Treasury Management policies, practices, and activities at regular intervals including an annual strategy, a mid-year review of the strategy and performance, an annual outturn report and monitoring reports.
- 6.2 The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short-term (under 12 months) and only invest with highly credit rated financial institutions.
- 6.3 As at 31 December 2014 internally managed investments totalled £10,430,000 which were lent out as follows:

Period of Maturity	£
Cash Equivalents:	
Call Monies (SIBA)	4,430,000
Repayable within 1 month	0
Fixed Term Deposits:	
Repayable 1 month to 3 months	2,000,000
Repayable 3 months to 6 months	2,000,000
Repayable 6 months to 12 months	2,000,000
Repayable 12 months to 24 months	0
Total	10,430,000

- 6.4 The above investments were held with the following types of institutions:

Type of Institution	£
UK Clearing Banks	9,430,000
Foreign Banks	0
Building Societies	1,000,000
Local Authorities	0
Total	10,430,000

- 6.5 This Council uses the creditworthiness service provided by Sector Treasury Services as specified in the Council's Investment Strategy approved by Full Council 25 February 2014. The service uses a sophisticated modelling approach with credit ratings from all three agencies – Fitch, Moodys and Standard & Poors, forming the core element. The modelling approach combines credit ratings, credit watches, credit outlooks and credit default swap spreads in a weighted scoring system, which

indicates the relative creditworthiness of counterparties.

- 6.6 All the above borrowers met the required credit rating at the time of investment.
- 6.7 The following table shows the relative performance of cash equivalents (deposits restricted to a duration of under 30 days) and fixed term deposits, with the 7-day benchmark for the period ended 31 December 2014:

	Average Investment £	Gross Rate of Return	Net Rate of Return	Benchmark Return
Cash Equivalents	6,119,091	0.50%	n/a	n/a
Fixed Term Deposits	829,741	0.75%	n/a	0.35%

- 6.8 As illustrated above the Authority has to date outperformed the benchmark. The Council's budgeted investment return for 2014/15 is £68k and the actual interest received from investments and loans for the nine-month period to 31 December 2014 totals £52k. Based on the current level of return it is anticipated that the budget will be achieved.
- 6.9 In December the policymakers at the Bank of England held interest rates at 0.5% for the 69th month in a row. Sectors latest economic forecast predicts that the first Bank Rate increase will be in the 4th quarter of 2015 to 0.75%.
- 6.10 The Authority has now borrowed £1.75m of the £2.07m required to fund the capital programme, specifically towards the contribution to the A64 Brambling Fields upgrade. Officers will look to borrow the remaining £320k towards the end of this year/early next year, dependent on actual capital spend, taking advantage of downward movements in gilt yields to obtain the best borrowing rate. The following table gives details of the current loans.

	Lender	Amount	Years	Interest Rate	Loan Type
Loan 1	PWLB	1,000,000	50	3.69	Maturity
Loan 2	PWLB	750,000	19	2.99	EIP

- 6.11 Officers can confirm that since the last reporting period the approved limits within the Annual Investment Strategy have not been breached.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
The results of the investment strategy affect the funding of the capital programme.
 - b) Legal
There are no legal implications regarding this report.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None to report

Peter Johnson
Finance Manager (s151)

Author: Peter Johnson, Finance Manager (s151)
Telephone No: 01653 600666 ext: 385
E-Mail Address: peter.johnson@ryedale.gov.uk

Background Papers:
None.



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	5 FEBRUARY 2015
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	FINANCIAL STRATEGY 2015/2016
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report sets out the budget for 2015/16, a proposed Council Tax level, the Financial Strategy, details of balances and reserves, the indicators under the Prudential Code for capital finance as required by the Local Government Act 2003 and the Pay Policy for 2015/2016.
- 1.2 Members should note that this report is prepared on the basis of the provisional Local Government Finance Settlement. Further updates will be provided to the meeting.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended:
- (i) To approve the Council's Financial Strategy (Annex A) which includes:
 - a. Savings/additional income totalling £402k (Financial Strategy Appendix A)
 - b. Growth Pressures totalling £294k (Financial Strategy Appendix A)
 - c. The Prudential Indicators (Financial Strategy Appendix B)
 - d. The revised capital programme (Financial Strategy Appendix D)
 - e. The Pay Policy 2015/2016 (Financial Strategy Appendix E)
 - (ii) a Revenue Budget for 2015/2016 of £6,895,350 which represents a 1.99% increase in the Ryedale District Council Tax, equivalent to £3.51 per band D property and taking the total charge to £180.23 for a Band D property (note that total Council Tax, Including the County Council, Fire and Police is covered within the separate Council Tax setting report to Full Council);
 - (iii) to approve the special expenses amounting to £35,130;
 - (iv) to approve the use of the New Homes Bonus Reserve to finance the initial £120k funding shortfall for the capital programme (paragraph 6.30 of this report);

- (v) to note the financial projection for 2015/16 – 2019/20 (Annex B).

3.0 REASON FOR RECOMMENDATIONS

- 3.1 To agree a balanced revenue budget for submission to Council for the financial year 2015/2016 and prepare the Council to deliver the same in future years.

4.0 SIGNIFICANT RISKS

- 4.1 Section 9 of the Financial Strategy outlines the significant risks in the Council's finances and mitigating controls.

5.0 POLICY CONTEXT CONSULTATION

- 5.1 The Financial Strategy is a key strategy document that affects all service delivery. It links to the Corporate Plan and all other strategic plans as well as providing the means for attaining the Council's objectives and priorities.
- 5.2 The Policy and Resources Committee is the Committee designated to make recommendations to the Council relating to the budget and levels of Council Tax. Consequently, recommendations from this Committee will inform the Council and subsequently the Council Tax resolution.
- 5.3 Budget consultation with the public took place last year. A questionnaire was made available for residents to complete online via the Council website, and was also sent out to the members of the Citizens Panel. A summary of the result of the consultation is available for Members..
- 5.4 Member consultation has been through the Resources Working Party and Member Briefing.

REPORT

6.0 BACKGROUND AND INTRODUCTION

- 6.1 The Financial Strategy sets out the Council's financial position in the medium term in detail, including issues around the Local Government Finance Settlement and efficiencies as well as the principles and procedures adopted by the Council to manage its finances to a high standard.
- 6.2 Monitoring of the 2014/2015 budget has taken place through the Resources Working Party and this Committee who receive Revenue Budget Monitoring reports. There are currently no material issues arising from the current year's revenue budget.

KEY ASSUMPTIONS

- 6.3 In preparing the draft budget for consideration a number of pieces of key information are not yet known and government announcements are awaited. Key assumptions therefore are:
- The final settlement will not vary significantly from the draft announcement.

- The figures in this report are based on the draft NNDR1, the deadline for the NNDR1 is the 31 January.
- Capital receipts assumed in the capital programme for the sale of a property in Norton will be received.

Budget and Council Tax for 2015/2016

6.4 Budgets have been drafted in line with Service Delivery Plans and the Budget Strategy. The following budget assumptions have been made in preparing the budget:

- General Inflation 3%
- Pay Inflation 1.2%
- Council Tax 1.99%
- Fees and Charges up to 4.5%, with exceptions considered by the Policy and Resources Committee (all Fees and Charges were set within the parameters).

6.5 Council resolved on the 9 October 2014 that the budget be prepared on the assumption of a 1.99% rise in Council Tax.

6.6 The referenda limit for 2015/16 was proposed at 2% as part of the Local Government Finance Settlement announced on 18th December. With a referenda costing c£70k to undertake and with 2% on Council Tax equating to c£70k it is clear that the Council should not approve a position which requires a referenda.

6.7 The Government also confirmed the criteria for the Council Tax Freeze Grant. If a Council chooses to freeze Council Tax it receives a grant equivalent to 1% of the basic amount of council tax set for 2014-15 multiplied by the amount calculated as the authority's council tax base for 2015-16 but not taking into account reductions to be awarded under council tax reduction schemes equivalent, in RDC's case £39k.

6.8 The budget as presented with this report therefore assumes an increase in the RDC part of the Council Tax of 1.99%. Should members wish to revert to take the freeze grant, the adjustment to the figures is relatively straightforward, with the shortfall being seen through a £33k increase in the New Homes Bonus required to support the revenue budget.

Grant Settlement and specific grants

6.9 The Provisional Local Government Finance Settlement was announced on the 18 December 2014, at the time of writing this report the final announcement had not been received.

6.10 The Council received indicative figures for Revenue Support Grant (RSG) for 2015/2016 as part of last years financial settlement. The draft announcement on the 18 December was better than expected mainly through the inclusion of additional grant for rural service delivery of £28k. This brings the total rural service delivery funding to £109k within RSG. The new funding is welcomed, although is still far from compensating for lost grant for rural areas through the formula damping system.

6.11 There were a number of announcements and changes to business rates announced in the autumn statement. Councils will not lose financially from the announcements and section 31 grant will be available to compensate.

6.12 In addition to the above there are the following significant specific grant movements

for RDC:

Grant	£k
Loss of Community Right to Challenge New Burdens Grant	(9)
Loss of Community Right to Bid New Burdens Grant	(8)
Loss of Benefits Administration Subsidy	(32)
Add New Burdens Funding LCTS	(47)

Retained Business Rates

- 6.13 Members will be aware that from 2013/14 the Council retains a percentage of business rates. The Council retains 40% of the rate income it collects; it then pays a fixed tariff to the Government (£5.131m in 15/16). If it then has income above a pre determined target the Council keeps 50% of this sum with the remainder paid as a levy to the Government.
- 6.14 Members are also aware that the Council has formed a business rates pool with North Yorkshire County Council (NYCC), Richmondshire District Council, Scarborough Borough Council, Hambleton District Council and Craven District Council. The benefit of forming the pool is that the levy rate on growth above target is reduced to zero. This benefit is shared between the pool members in accordance with the agreement, the level of benefit is dependent on the performance of each member of the pool (excluding NYCC), having particular regard to the level of business rate appeals.

Council Tax Income

- 6.15 Council Tax income, including the projected surplus on the collection fund is estimated at £3.805m. The Council Tax Base has increased by 2.27% for 2015/2016 and provides additional income to assist the Council's financial position.

Base Budget Adjustments

- 6.16 These are as follows:

Issue	£k	Comments
Pay and Price Inflation	150	3% Price and 1.2% Pay
Cost of Borrowing	22	Brambling Fields Junction Improvements
Total	172	

Growth Items

- 6.17 The position is detailed in appendix A to the Financial Strategy at Annex A.

Savings/Cuts/Additional Income

- 6.18 Over the three budget years 2011/12, 2012/13 and 2013/14 the Council undertook a fundamental review of all services resulting in significant efficiency savings. Whilst the scope for large efficiencies is limited, through budget review efficiencies of £178k have been identified, as well as offsetting small growth items with savings elsewhere.
- 6.19 At Council in October 2013 members approved the following cuts/additional income:
- Charging for Garden Waste Collection. Revised estimated savings of £192k in 2015/16 (£120k in 2014/15).
 - Reduction in the parish grant (relating to the implementation of LCTS), saving £32k in 2015/16 (£32k in 2014/15).

New Homes Bonus

- 6.20 Provisional figures for 2015/16 show an increase in New Homes Bonus from

£1.127m to £1.387m. To date the Council has used £175k to support the revenue budget, the plans approved last year identified the gradual increase in use of this revenue funding to protect services. It is predicted that NHB will rise to a total of around £1.7m by 2016/17 before it plateaus (this being the maximum six years on which the payments are based).

- 6.21 The budget as proposed includes an additional £260k in NHB receipts and uses an additional £317k of the 2015/2016 NHB to support the revenue budget and a further £288k to fund the shortfall on the capital programme. There is therefore £608k NHB unallocated in the budget and this will be put into reserves. Members can allocate this funding as they see fit at any time in the future. In producing the MTFS last year it was estimated that an additional £432k of New Homes Bonus would be required this year to fund the revenue budget.
- 6.22 Members need to be aware of risks around the capital programme later in this report which may need to be financed from this remaining sum.

Summary Revenue Budget Position

- 6.23 Taking all of the above into account the summary position is as follows:

Issue	£k
Base Budget Brought forward	7,176
Add:	
Base Budget Adjustments	172
Growth items	294
Total 'Cost'	7,642
Less:	
Retained Business Rates	1,775
Council Tax Income	3,805
Revenue Support Grant	1,315
Efficiencies/Savings/Additional Income	402
Movement in New Homes Bonus	345
Balance	0

- 6.24 Given the significant efficiencies already within the proposed budget and Financial Strategy it will be difficult to identify additional robust deliverable efficiency savings for the 2015/16 budget. Therefore any Member proposals for additional expenditure will necessitate allocation of more of the 2015/2016 New Homes Bonus or cuts to existing services.

MTFS projections to 2019/20

- 6.25 Members will note the financial projections to 2019/20 (Annex B). This shows the NHB being drip fed into the budget to enable the Council to survive the austerity years with the vast majority of its services maintained. Notwithstanding the decisions already taken and being implemented the forecasts show the continued choice between use of NHB to support revenue and service cuts being required. The forecast identifies £600k of cuts being required in the four year period 2016/17 to 2019/2020. This would provide an estimated cumulative £1.8m of New Homes Bonus available over the 5 years for members to consider.
- 6.26 Annually when updating the capital programme a further year is added, which equates to around £500k. At present there is around a £288k shortfall in funding each additional year and the proposed capital programme has therefore taken an

allocation from 2015/16 New Homes Bonus to meet this shortfall. Without this action and in the absence of significant capital receipts Members would either have to remove existing schemes from the programme or considering borrowing with the associated revenue cost and affordability test under the prudential code.

Capital Programme

- 6.27 The Financial Strategy provides a detailed breakdown of the Council's Capital Programme (appendix D) up to 2018/2019 totalling £5.817m. External funding of £1.308m is included, leaving a balance of £4.509m to be financed by the Council's funds and reserves as follows:

Funding Source	£
Capital Fund (incl £288k from NHB)	1,821k
Capital Receipts	618k
Borrowing	2,070k
	4,509k

- 6.28 The principle of the capital plan is that only those schemes which are fully worked up, evaluated and approved by Members and as such would not require further Member approval to proceed (other than in meeting constitutional requirements) are within the Capital Programme. The Capital Programme, as profiled above, necessitates borrowing to be undertaken in 2014/2015.
- 6.29 Members should note that there are only £14k unallocated capital resources available for investment in new schemes based on existing assumptions of capital receipts and investment interest receipts. Schemes on the reserve list are for information and the inclusion of any of the schemes will be a Council decision based on evaluation of the detailed proposals.
- 6.30 The 4 year capital programme is based upon the full capital receipt from the sale of Norton Bowls Club. This is assumed within the capital programme at a value of £350k, of which £120k is deferred to be paid by instalments over 10 years, therefore **Members are recommended to approve the use of the New Homes Bonus Reserve to initially fund this shortfall** and as a result to reduce the required ongoing contribution from the New Home Bonus Reserve to the Capital programme from £300k to £288k over the next 10 years in order to recoup this initial funding.
- 6.31 The capital programme as proposed also includes the predicted final payment towards the Brambling Fields junction improvements. The final cost is now estimated to be £250k over the budget provided and the unprecedented weather was the major factor in creating this cost. Assumptions about developer contributions have been increased to cover this cost. The position on the receipt of these will need consideration over time and may necessitate other funding to be identified if they are not received.

Pay Policy 2015/2016

- 6.32 The Pay Policy for RDC for 20105/2016, as required under the Localism Act is attached at appendix E to the Financial Strategy (Annex A). Members will note that there are few changes to the policy as presented to Council in February 2014.

Special Expenses

- 6.33 As in previous years, the Council undertakes the management of street lighting in the areas of the former Malton and Norton Urban District Councils and Pickering Rural

District Council. The special expenses are a specific charge to the residents of the Parishes concerned and are estimated as follows:-

<u>Town/Parish</u>	£
Malton	4,870
Norton	9,780
Pickering Rural	<u>20,480</u>
TOTAL SPECIAL EXPENSES	<u>35,130</u>

National Non-Domestic Rates (NNDR)

- 6.34 For 2014/15 the NNDR multipliers are: a small business non-domestic rate multiplier of 47.1p and a non-domestic rate multiplier of 48.2p. For 2015/16 the draft multipliers are 48.0 and 49.3p respectively.

Prudential Code

- 6.35 Under the Local Government Act 2003 it is necessary for the Council to agree a series of prudential indicators mainly related to capital but taking account of affordability of the revenue consequences. Appendix B of the Financial Strategy lists the various indicators.
- 6.36 These indicators can be amended during the year if they are found to be inadequate.

Funds & Reserves

- 6.37 As part of the budget setting process, it is necessary to give Members an indication of the levels of reserves and balances and comment thereon. Appendix C in the Financial Strategy sets out the projected major Funds and Reserve balances. The Council's revenue budget for 2015/2016 assumes no draw on the General Reserve to support the budget.

Local Government Act 2003 – Section 25 Report

Section 25 of the Local Government Act 2003 requires the Chief Finance Officer (Section 151 Officer) to report to the Authority when it is making the statutory calculations required to determine its Council tax or precept. The Authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.

What is required is the professional advice of the Chief Finance Officer on these two questions. Both are connected with matters of risk and uncertainty. They are interdependent and need to be considered together. In particular, decisions on the appropriate level of reserves should be guided by advice based on an assessment of all the circumstances considered likely to affect the Authority.

In each Local Authority the Chief Finance Officer alone must prepare the Section 25 report.

Section 25 requires the report to be made to the Authority when the decisions on the calculations are formally being made (i.e. Council). However, those decisions are the conclusion of a process involving consideration of the draft budget by various parts of the organisation. During this process appropriate information and advice has been

given at the earlier stages on what would be required to enable a positive opinion to be given in the formal report.

DCLG guidance states that *“it should be possible to identify the sections of a composite report that are made under section 25, so that the Authority is able to discharge its duty to take account of the statutory report under section 25 (2).”*

Section 25 Report (Report of the Chief Finance Officer – Finance Manager (s151))

In setting the Revenue budget for 2015/2016 **I consider that the proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.**

The total savings and additional income proposals are £402k. This level is significant in relation to the Authority’s overall budget and therefore inherently carries a risk. The achievement of these savings will be crucial in managing within the budget. The risk of this has been mitigated in part by thoroughly reviewing all savings proposals for their robustness and effective budget monitoring procedures are in place. There inevitably remains a risk in delivering on this level of savings and there is always potential for delay in achieving savings or failure to achieve income targets. Where this occurs, compensating savings will need to be identified. Assumptions are within the 2015/2016 budget that the 3 month moratorium £31k will be delivered.

The overall level of reserves is considered in detail within the Financial Strategy. I consider that the overall level of reserves is adequate.

The Capital Plan and Capital Programme have been regularly reviewed during the year. The unapplied capital resources will need to be considered in knowledge of the ongoing expectations of low interest rates and limited capital receipts generated by the Authority. It is important that proper project management disciplines are followed for schemes within the programme together with regular monitoring to minimise the potential for unexpected overspends.

Within the current economic climate it will be important that close budget monitoring of services which generate income and partnerships takes place. In particular Land Charges, Building Control, Recycling, Trade Waste, Green Waste, Car Parking, Planning and Ryecare to enable action to be taken in year where necessary.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
Significant financial implications on the Council are detailed in the report and the Financial Strategy.
- b) Legal
There are no additional legal issues on the Council from the recommendations.
- c) Other
The proposals within the Financial Strategy do impact on the staffing resources of the Authority. Appropriate procedures and plans are in place to manage these issues.

**Peter Johnson
Finance Manager (s151)**

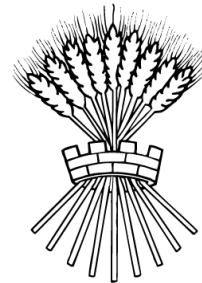
Author: Peter Johnson, Finance Manager (s151)
Telephone No: 01653 600666 ext: 385
E-Mail Address: peter.johnson@ryedale.gov.uk

Background Papers:
None

Background Papers are available for inspection at:
N/A

This page is intentionally left blank

RYEDALE
DISTRICT
COUNCIL



FINANCIAL STRATEGY

2015 - 2019

FINANCIAL STRATEGY

CONTENTS

Main Report

1. Purpose and Scope
2. Objectives of the Financial Strategy
3. The Current Financial Position
4. The Financial Strategy Objectives
5. The Revenue Plan 2015 – 2019
6. Development of the Financial Strategy
7. The Capital Plans 2015 – 2019
8. Balances and Reserves
9. Impact/Risk Assessment
10. Pay Policy 2015/2016
11. Conclusion

Appendix A: 2015/2016 Revenue Budget Pressures and Savings

Appendix B: Prudential Indicators

Appendix C: Reserves and Balances

Appendix D: Capital Programme 2015 – 2019

Appendix E: Pay Policy 2015/2016

1.INTRODUCTION – THE PURPOSE AND SCOPE OF THE FINANCIAL STRATEGY

The Financial Strategy sets out the overall shape of the Council's budget by establishing how available resources will be allocated between services, reflecting Council and community priorities, and therefore providing a framework for the preparation of annual budgets.

The Strategy is linked with and supports service priorities and the Council's other strategies and plans, including but not limited to:

- The Community Plan – Imagine Ryedale
- The Council's Corporate Plan
- The Asset Management Plan
- The IT Strategy
- The Procurement Strategy
- The Treasury Management Strategy
- The Risk Management Strategy
- The HR Strategy

The focus of the Financial Strategy is on medium and long term planning, and decision making for the future. Whilst the Strategy includes specific proposals for a particular financial year, there should not be an over concentration on just one years budget. This Strategy seeks to avoid year on year budget setting, and use of short term/one off measures to balance the budget. It is a Strategy for the future, to ensure effective resource planning and the delivery of Corporate Objectives.

In particular it:

- sets out the Council's medium term financial aims and the measures to be taken to ensure they will be achieved;
- sets out the Council's approach to delivering improved services and value for money over the next few years;
- describes the Council's arrangements for developing the financial strategy, including:
 - The identification and prioritisation of spending needs;
 - The key financial influences on the medium term financial planning and the assumptions made in developing the plan;
 - The challenges and risks associated with the plan and how the Council will deal with them.
- sets out the Council's policy on reserves and balances.
- identifies the resource issues and principles, which will shape the Council's Financial Strategy and annual budgets.

The Financial Strategy covers all revenue and capital spending plans of the Authority.

2. OBJECTIVES OF THE FINANCIAL STRATEGY

The Financial Strategy seeks to achieve the following **Objectives**: -

1. Budgets are Prudent and Sustainable in the Long Term,
2. Financial plans recognise corporate Priorities and Objectives,
3. Significant risks are identified, and mitigation factors identified,
4. The Capital Programme is planned over a 4 year period. Borrowing will only take place where there is a clear financial business case to borrow and it meets the requirements of the Prudential Code,
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and use of resources.

3. THE CURRENT FINANCIAL POSITION

The Council's net budget for 2014/2015 totals £7.176m and is allocated to services as shown:

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	5,903	5,127	776
Cultural & Related Services	1,454	48	1,406
Environmental & Regulatory Services	4,507	1,712	2,795
Highways & Transport Services	364	833	(469)
Housing Services	13,709	12,707	1,002
Planning Services	2,018	1,197	821
	27,955	21,624	6,331
General Fund Reserve			1
Other Financial Adjustments			844
Net Revenue Budget			7,176
Financed By:			
Government Grant and Retained Business Rates			3,485
Collection Fund Surplus – Council Tax			142
Ryedale District Council Precept			3,549
Total			7,176

Overall Ryedale continues to have a strong financial discipline, which is exemplified by the size and diversity of its balances and its year-on-year budgetary performance. However, revenue spending demands are increasing in several areas.

These spending demands have a fundamental impact on the way in which the Council operates. It has to continually deliver real efficiencies to balance year-on-year financial resources with the high quality services which residents and visitors expect.

Appendix A details the budget pressures and savings/additional income proposals for the 2015/2016 budget.

Council Tax currently pays for 45% of the Council's revenue spending. With 55% of the Council's resources coming from central government, the financial strategy is to some extent shaped by factors outside the Council's immediate control. However, there are many facets to an effective financial strategy, and the Council must ensure it proactively manages its resources with a view to ensuring robust financial planning that delivers Council priorities.

External Factors:

Revenue Support Grant and Retained Business Rates – In December 2014 the council received the provisional finance settlement for 2015/16, this followed indicative figures for 2015/16 as part of the 2013 spending round.

Draft settlement figures for 2016/17 have not been made available to councils and therefore there will remain significant uncertainties in long term planning. The Revenue Support Grant will see substantial reductions in future years. The fundamental change to the Local Government Finance Settlement for 2013/2014 saw the introduction of the 'Business Rate Retention Scheme'. Under this scheme RDC keeps a proportion of business rates collected, but must pay a fixed tariff from its share. The retained share is 40% and any income above target performance will increase the retained share for Ryedale (after paying a levy of 50% of any growth). The down side risk is that any reductions in collected business rates will see a 40% reduction in RDC income. Careful monitoring of business rates collection and appeals will be required. The financial impact of any significant appeal costs will need to be managed through reserves.

In order to reduce levies payable the Council has formed a business rates pool with North Yorkshire County Council (NYCC), Hambleton District Council, Craven District Council, Richmondshire District Council and Scarborough Borough Council. This should generate additional retained business rates, however this will dependent not only on Ryedale's business rate income but that of the other partners (excluding NYCC).

Public Spending Plans and National Priorities - It is clear from the last Comprehensive Spending Review and the subsequent autumn statements that the Authority will see several years of reducing Government financial support. Public services are however under increased pressure from their customers for improved service provision. In addition new legislation proposals may create burdens as well as opportunities for the Council. This financial strategy seeks to ensure national priorities are considered alongside local priorities.

Efficiencies

The requirement to formally record and report efficiencies has now been removed however the achievement of efficiencies will be essential to balancing the Council's budget with minimal impact to front line services with the likely levels of government Grant support.

These efficiencies have to be achieved through a greater focus on Value for Money (VFM) and through a culture of innovation. Responsibility for identifying opportunities for efficiency gains are left to individual Councils and it will be up to them to put in place the processes that they need to plan VFM projects, track delivery, measure achievement, and assure service quality. The Council's Corporate Efficiency Programme, which started with the One-11 programme for 2011/2012, Going for Gold for 2012/2013 and Round 3 for 2013/2014, has been an essential tool in delivering savings to meet the target and to finance other services within the Authority. Having completed the review of the whole organisation, the scope for significant savings without more radical approaches to service delivery are not there. Careful evaluation of more radical approaches and proper consideration of risk will be vital to deliver sustainable savings.

Additional Cost Pressures

There has been a trend in local government in recent years for additional cost pressures (for example pay increases, impact of meeting national targets, new duties/legislation) to significantly outweigh increases in Government funding. In addition to this some of the pressures carry significant growth year on year, which is not reflected in Revenue Grant Settlements.

Looking ahead, it is likely that further pressures will be placed upon local authorities resulting in the requirement for authorities to achieve efficiencies/savings. These anticipated pressures are reflected within this financial strategy.

New Homes Bonus

This funding started in 2011/2012 and provided Authorities funding based on the number of new properties brought into use with an added element for affordable housing. The calculation provides that 80% of the funding is paid direct to District Councils with the County Council receiving the remaining 20%. This funding under the local government finance scheme is now provided through a top slice of aggregate external funding.

2014/15 was the first year that NHB funding was used to support the revenue budget (£175K) with the proposal to drip feed the money into the budget over a number of years to protect existing services. The following table sets out the received and predicted income from New Homes Bonus for RDC:

Year	£000
2011/2012 (received)	215
2012/2013 (received)	440
2013/2014 (received)	708
2014/2015 (received)	1,127
2015/2016 (due)	1,387
2016/2017 (estimated)	1,687

With ongoing cuts to RSG predicted for a number of years, using part or all of the New Homes Bonus for the revenue budget will need to be considered against the alternative of cuts to services.

External Funding

The Audit Commission sees the achievement of external funding as a key part in the demonstration of Value for Money. It is likely that the Local Economic Partnerships (LEP) could have roles in the distribution of external funding and RDC will need to ensure it has a voice and link to the LEPs.

The Council must carefully appraise the role that external grant resources can play in meeting its objectives. Decisions about bidding for external grants must be taken in the context of the priorities in the Corporate Plan.

Pensions

The Council's contribution rate for the North Yorkshire Pension Fund (NYPF) is set based upon the returns to the fund and the recovery period for the fund. These are affected by economic fluctuations and with the economic downturn increases in contribution rates may ensue. The contribution rates are established in consultation with the Council based on a triennial review by the actuary. Changes to the scheme benefits have been made which should reduce overall costs. A review has taken place in 2013/14 and reflecting good performance of the fund particularly in 2013/14 the contribution rates have increased, however by less than expected and based on the interim valuations. The next review will be in 2016/2017 and some estimation of the impact is included in the Financial Strategy.

Significant Partnerships

The following have been identified as the Council's significant partnerships:

- The Local Enterprise Partnership
- North Yorkshire Building Control Partnership
- White Rose Home Improvement Agency

Further partnerships and shared service may be sought to secure efficiency savings and/or service resilience in future years. Proper governance and security of Council finances will be an important consideration of any such proposals.

The above is meant to be indicative only as there are many other areas of increased customer expectation, Government priorities or Members' wishes for improved services. As stated these future revenue pressures are increasing amidst a heightened need for moderate Council Tax increases although the Government is providing some funding for its new spending pressures. In these circumstances the Council will have to consider further pro-active approaches to reallocation of resources with the attendant consequences for some existing local services as funding is switched to meeting new initiatives.

4. THE FINANCIAL STRATEGY OBJECTIVES

The following are the objectives of the Council's financial strategy:

Objective 1 - Budgets are Prudent and Sustainable in the Long Term

This seeks to ensure that budgets recognise real cost pressures.

This will be achieved by ensuring:-

- Adequate provision is made for inflation pressures, pay awards, and new legislation
- The revenue budget is not supported by significant one off savings, or any significant use of reserves
- Effective budget monitoring to ensure early identification of issues and action planning

Objective 2 – Financial Plans Recognise Corporate Priorities and Objectives

This seeks to ensure that financial plans link in with corporate planning and priorities, and that there is provision within the Financial Strategy for growth/development funding on an ongoing basis.

This will be achieved by ensuring:-

- additional investment, and savings proposals make explicit reference to corporate priorities
- Local and national targets are considered
- Long term vision and objectives are considered within the report
- Provision within financial planning figures for growth and contingency amounts based upon perceived risk

Objective 3 - Significant risks are identified, and mitigation factors identified

Risk Management is crucial in long term planning, and it is essential that the Financial Strategy clearly identifies the associated risks, and that this is supported by an embedded risk management culture within the organisation.

This will be achieved by:-

- Risk Management being embedded in corporate and service planning
- Financial risks being specifically considered on an ongoing basis, and specifically reflected within the Financial Strategy

Objective 4 - The Capital Programme is planned over a 4 year period, with no further borrowing planned.

This seeks to ensure that the capital programme is prudent and sustainable, and does not lead to unaffordable revenue implications.

This will be achieved by ensuring: -

- the development of a 4 Year capital programme
- regular review of reserves and balances
- a Corporate approach to external funding opportunities
- that only includes fully evaluated schemes within the programme

Objective 5 - Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account;

It is important that the Financial Strategy is realistic and that there is a corporate awareness of the constraints on Council funding.

This will be achieved by ensuring:-

- specific reference within each financial strategy of constraints, and current issues

- regular reporting to members on local government finance issues
- awareness of the financial position within the organisation through effective communication

Objective 6 - Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change.

It is important in developing the financial plan that an assumed Council Tax increase is included, ensuring that financial plans do not place over-reliance upon excessive Council Tax increases.

This will be achieved by ensuring that financial plans take account of this level of Council Tax increase, Government expectations on Council Tax increases, and in particular that target efficiency gains reflect the likely levels of Council Tax. However, it has to be recognised that additional burdens and demands can be placed upon local authorities, and that it may not always be feasible to achieve an increase in Council Tax in line with the inflation rate.

Objective 7 - Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council.

It is important to strike a balance between maintaining adequate reserves and contingencies and delivering priorities and achievement of Value For Money.

This will be achieved by ensuring:-

- an annual review of reserves, linked to corporate priorities and treasury management implications
- that capital reserves are maintained at a level to fund the planned capital programme

Objective 8 - Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy

Value For Money should be at the heart of everything the Council does, and the pursuit of improved efficiency and performance needs to be established as an ongoing underlying principle

This is being achieved through an ongoing review of costs and service standards, challenge, and benchmarking with others.

Objective 9 - The Financial Strategy supports the achievement of Excellence in Financial Management and Use of Resources

A Financial Plan in isolation will achieve little. It needs to be supported by:-

- Effective financial governance arrangements
- Financial Management that supports performance
- Effective Monitoring arrangements

- Effective Financial Reporting

This will be achieved by

- Implementation of the action plans following external inspection
- Developing the financial culture within the Council
- Financial reporting and documentation based upon stakeholder needs
- Maintaining the quality and performance of the Financial Systems
- Training and Development – finance/non finance
- Integration of financial and non financial performance measures

5. THE REVENUE PLAN 2015-2019

The medium term revenue plan is based on an analysis of the key influences on the Council's financial position and an assessment of the main financial risks facing the Council. The financial forecast is based on the following factors and assumptions:

Local Government Finance Settlement

The Council receives external support from Central Government through the distribution of resources within the Local Government Finance Settlement. The distribution is made in accordance to authorities' relative needs with a mechanism for protection against detrimental changes in grant allocations.

External funding has been announced for 2015/16 however proposals beyond this are not known, and are subject to a number of uncertainties including the next general election. Announcements indicate that further cuts to funding should be expected in the next parliament. Predictions are that funding support will continue to be cut and the medium term predictions incorporate the best estimates based on Government announcements.

Localised Business Rates

As previously stated the Council retains a proportion of business rates out of which it must pay a fixed tariff (subject to RPI uplift). The revenue plan takes the estimated business rates income for 2015/16 as part of the business rates pool and assumes no growth in business rates base over the plan period.

Council Tax

In accordance with Objective 6 of this Financial Strategy, the plan makes a clear assumption that future Council Tax increases will be restricted to below Government upper limits. The Government has announced that the limit above which increases in Council Tax must be subject to referendum for 2015/16 is 2%. With a District wide referendum likely to cost in excess of £70k, the authority must look to manage increases below the threshold and future forecasts assume the referendum limit will be 2%.

The recommended Council Tax increase for 2015/16 is 1.99%. Future years Council Tax rises are provisionally predicted at the same level.

Inflation rates and pay increases

The medium term plan makes provision for inflation and pay awards as follows:

Inflation: a composite rate of approximately 3% has been used for non-salary expenditure budgets

Pay awards: an increase of 1.2% has been included for 2015/16. Future years are based on a 1% increase.

The ongoing effect of existing policies and priorities

The ongoing effect of current policies is included in the plan. These additional costs include planned changes in the contribution rate to the Pension Fund, salary increments and revenue implications of capital projects.

Spending Pressures Contingency

The plan assumes provision to meet spending pressures as follows:-

2016/17 - £250,000

2017/18 - £340,000

2018/19 - £150,000

Provision is included for years 2016 onwards to recognise the likelihood of additional burdens/pressures upon the Council. 2016/17 includes provision for changes to employers national insurance contributions and 2017/18 includes provision for the next pension fund revaluation which also will need to consider national pension changes as well as additional replacement vehicles previously funded via grant.

Efficiency savings

The Council no longer has efficiency targets set by Government. Following review of all services over the years 2011/12, 2012/13 and 2013/14, further efficiencies will be sought, however significant sums are not expected without a fundamental review of the management structure involving external partners.

The Budget for 2015/16 includes estimated efficiency savings of £178k. These have been primarily delivered through the Budget Review Process.

Risks, contingencies and balances

There are significant risks inherent in the Medium Term Plan for the reasons summarised above and exemplified in the section below. A number of key items in the plan cannot be estimated with accuracy and the figures in the plan assume that significant savings will be made. In this situation it is essential to maintain sufficient balances, not only to deal with unforeseen events but also to cover the potential risk of not achieving the savings required.

6. DEVELOPMENT OF THE FINANCIAL STRATEGY

As noted above, the development of the budget and medium term financial plan is driven by the Council's priorities.

The Council already has in place a comprehensive Financial Strategy, and this document represents an update to the existing Strategy. The objectives are to:

- § help Members to determine priorities;
- § forecast the changes in demand for services;
- § identify the likely financial implications of changes in legislation;
- § demonstrate the future cost of policies or proposals;
- § match the demand for spending with the resources likely to be available; and
- § provide a financial framework within which services and individual managers can plan their services.

The budget process

The Financial Strategy comprises a 4-year revenue plan and a 4-year capital plan.

The plans will be reviewed annually and rolled forward by a year. The process, from the start of the review of the financial plans through to the approval and allocation of budgets, spans the whole year.

One of the key features of the budget processes is the linkage between the corporate financial requirements and the operational needs and demands of the Council. This will be done through the Service Delivery Plans that identify funding requirements for the revenue and capital budget, performance outcome expectations and risk assessments.

Consultation and Communication

There is a need for this Strategy to be effectively communicated to staff and key stakeholders. In addition, it is important that in the development of the Strategy, allocations of resources, and the setting of Council Tax that there are effective consultation mechanism in place.

Looking ahead the following broad actions are planned to ensure effective communication and consultation:-

- Budget Consultation – working with Parish Councils, the Citizens Panel and meeting with harder to reach groups.
- Regular communication with staff at all levels and with Unions

Budget Monitoring arrangements

It is essential that the financial plan is regularly monitored, with the progress being reported to Members. This will be done through the issuing of monthly revenue and capital monitoring reports to Corporate Management Team, and quarterly financial and performance monitoring reports to the Resources Working Party and the Policy and Resources Committee.

The monitoring process focuses on high risk budgets and involves:

- Regular reviews/dialogue between finance staff and service managers with timely and accurate budget monitoring information
- Quarterly service level performance review boards incorporating budgets and financial performance.

The process requires budget holders to explain the reasons for any significant variances and Heads of Service to identify ways in which such variances can be managed within their total resources available. This is one of the key principles underlying this strategy – that growth items are wherever possible accommodated from existing resources. To achieve this requires a culture of financial awareness within the authority and this is seen as a key priority.

7. THE CAPITAL PLANS 2015 - 2019

The capital strategy is the key vehicle for developing long term change to deliver the key priorities and corporate objectives.

a) Prioritisation methodology

New schemes are reviewed against the Council priorities plus a detailed assessment of deliverability prior to consideration by Council. This methodology will be applied to all proposals, regardless of the source of funding, prior to any decision being made to apply for external capital support such as grant funding, so that the Council can ensure that they form part of an overall capital investment strategy.

b) Engagement with partners of the community

The Council is committed to seeking out innovative partnership and funding opportunities in order to deliver the capital strategy and achieve best value.

The Council has worked closely with funding partners (particularly Yorkshire Forward and Government Office). Future projects will continue to be developed through partnership working more likely with the Local Enterprise Partnership (LEP). The Council also recognises the importance of increased community engagement and participation as fundamental to the quality of public services and the health of community life. The Council will therefore seek to develop major projects with the full involvement of local communities and ensure appropriate consultation prior to scheme approval.

c) Affordability of funding

Financing the Capital Programme for the Future

Resources to fund capital spending are provided from central government grants, with other external grants and contributions sought. Council funding in the form of capital receipts, use of reserves, borrowing and from revenue sources make up the balance of resources. However, grants provided by central government and resources from other external agencies are often specific to an individual scheme and cannot be used for any other purpose by the Council. The Council has limited scope to generate significant capital receipts other than through the sale of Wentworth Street Car Park.

(d) Integration of Capital and Revenue Decision-Making

The Prudential Code

Under the Prudential Regime, which has operated since April 2004, the Council has the responsibility to demonstrate that its capital investment programme is affordable, prudent and sustainable. The Prudential Code requires that this is done by calculating specific indicators for capital expenditure and financing and by setting borrowing limits. The indicators and borrowing limits for the current and next two years are set out at Appendix B.

Revenue Implications

The revenue implications of funding the capital programme are built into the medium term financial forecasts.

(e) Framework for Managing and Monitoring the Capital Programme

The Finance Manager (s151) has overall responsibility for the preparation and monitoring of the Council's capital programme and for reporting the outcome to Members. The process involves:

- Reviewing the capital programme annually.
- Reviewing the current and estimated future availability of external earmarked funding and other opportunities for obtaining or bidding for additional capital resources.
- Prioritising and appraising any new proposals against agreed corporate criteria.
- Preparing the Council's capital programme, strategy and consultation process.
- Monitoring progress in achieving the capital programme objectives.
- Ensuring that the outcomes of investment are reported to members.
- Ensuring there are effective arrangements for project planning and project evaluation.
- Issuing corporate guidance to ensure that there is a consistent approach across all service areas.
- Reviewing and monitoring the Council's capital resources and asset disposal programme.

Full details of the programme together with funding streams are attached at Appendix D. The programme is split into five sections:

- Asset Management
- Priority Aims
- Major Schemes
- Externally Funded Schemes
- Other

Schemes relating to Asset Management comprise all those that will result in the Council's assets being improved. These can include works to land and buildings or IT upgrades of either hardware or software.

Schemes under Priority Aims are those where the Council has taken a deliberate decision that these will help satisfy its corporate objectives/key priorities.

8. BALANCES AND RESERVES

The Local Government Act 2003 places a specific duty on the Chief Finance Officer, i.e. the Finance Manager (s151), to make a report to the authority when it is considering its budget and the level of the Council Tax. This report must deal with the robustness of the estimates and the adequacy of reserves allowed for in the budget proposals. The Council must have regard to this report in making their decisions.

The Council also has a fiduciary duty to local taxpayers and the Finance Manager (s151) must be satisfied that the decisions taken on the level of balances and reserves represent the proper stewardship of funds.

In assessing the adequacy of the contingencies, balances and reserves, the Finance Manager (s151) takes account of the key financial assumptions underpinning the budget, together with an assessment of the Council's financial management arrangements. This assessment will include a review of past performance and external influences on the financial plan, and full consideration of the risks and uncertainties associated with the plan, their likelihood and potential impact.

The Council's policy is to maintain its contingencies, balances and reserves at levels that are prudent but not excessive.

Appendix C details the position on the Councils Reserves.

9. IMPACT/RISK ASSESSMENT

This section recognises the challenges and risks that have implications for the Council's financial position in the medium term. This assessment of risk is an essential element of the budget process; it is used to inform decisions about

the appropriate levels of contingencies and reserves that may be required and to indicate priorities for financial monitoring.

Managing Risk is an important part of the Financial Strategy. In addition to the Corporate Risk Register each service maintains its own risk register. The Corporate Risk Register will be reported to the Overview and Scrutiny Committee during the forthcoming year.

The key risks identified for 2015/16 and in the medium term are listed below, together with comments on how they will be managed:

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Fluctuations in inflation, Government grants, business rate receipts and changes in Government legislation	Council unable to set a balanced budget without significant cuts to services and service quality, adverse external inspection, excessive call on Council reserves	Very Likely	Major	Keep under review through the financial strategy. Consider fully any changes in legislation. Ensure minimum reserves are maintained to mitigate the risk. Ensure authorities interests are represented through the LGA/other groups. Memberships of business rate pool to retain increased business rates. Prioritise work on receipt of NHB. Ensure Longer Term plans for significant variations are in place.	Likely	Medium
Budgets are overspent	Unplanned use of reserves which may impact on future year Council Tax, adverse external inspection	Not Likely	Major	Robust budget setting, challenging budget provision. Regular monitoring with corrective actions. Develop a culture of financial awareness. Effective project planning and management. Ensure sufficient contingency sums. Review of any material overspends.	Not Likely	Minor
Savings are not achieved	If compensating savings not identified unplanned use of reserves, potential for cuts to services or service levels	Likely	Major	Regular budget monitoring to identify issues at an early stage. Detailed scrutiny and review of all savings proposals prior to approval.	Not Likely	Minor

Changes in demand/usage levels affecting income from fees and charges	Unplanned use of reserves with potential to impact on future Council Tax levels or requiring cuts to services or service levels	Very Likely	Major	Ensure regular monitoring Review trends Take appropriate action Ensure base income budgets are realistic.	Likely	Medium
Business Rate Pool does not generate savings through significant appeals success across the pool area.	NNDR deficit to be carried forward to future years, possibly leading to service reductions elsewhere being required/use of NHB.	Likely	Medium	Significant risk management work undertaken before pool formed reviewing pool membership and rates risk. Prudent assumptions on business rates income taken into revenue forecasts.	Not Likely	Medium
Budget does not reflect corporate priorities	Council fails to achieve Corporate plan with consequent impact on Community Plan. Adverse external inspection.	Not Likely	Major	Ensure corporate involvement in the process. Early consideration of budget pressures and legislation changes. Regular reporting to members. Up to date Service Delivery plans in place linked to corporate plan.	Not Likely	Minor
The capital programme is not affordable	Council may need to remove existing planned schemes from the programme or use reserves earmarked for other purposes. Adverse External inspection.	Likely	Major	Schemes are monitored and reported on a regular basis. Financing profile based on realistic assumptions. Ensure only fully evaluated schemes are included within the programme with sufficient contingency sums.	Not Likely	Medium
Poor budget planning with decisions being made without proper	Council fails to meet community needs, adverse impact on Corporate and	Likely	Major	Develop a long-term financial strategy. Set out a clear budget timetable. Regular updates to	Not Likely	Minor

consideration/consultation	Community Plan. Adverse external inspection			Members. Effective ongoing consultation processes.		
Council Tax Support scheme –above expected demand or collection rates not achieved	Collection fund into deficit which may require savings/cuts in future years. Impact on other major preceptors	Likely	Major	Proper assessment of likely take up based on historic trends, comparison with other authorities, in year monitoring of spend and collection. Regular reporting to members and s(151). Annual approval of the scheme.	Not Likely	Major
Decision on Pension fund contribution rates create future significant cost pressure	Additional savings/cuts to services required in future years	Likely	Major	Market interest rates and investment returns are expected to improve. Monitor interim valuations and make provision in financial forecasts.	Likely	Medium

10. PAY POLICY 2015/2016

The Localism Act 2011 requires that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. The Pay Policy for 2015/2016 is incorporated within this Financial Strategy at Appendix E.

11. CONCLUSION

This Financial Strategy sets out a range of proposals regarding the future management of resources and delivery of priorities.

The Strategy is underpinned by nine key Objectives, which are set out within section 2.

The process of developing the Financial Strategy is ongoing. Although there is a considerable amount of work to be done, and further improvements to be made, the Council has put in place the framework for ensuring a strong financial base that delivers priorities. This strong financial base has been previously commented upon within External Audit reports, with the Council receiving high scores for its financial management and reporting.

As far as possible, the plan anticipates future needs and recognises the financial uncertainties, risks and challenges faced by the Council. The Council has in place rigorous financial monitoring and aims to ensure it holds balances and reserves that are considered adequate without being excessive.

Consequently, Ryedale now has in place a sound Financial Strategy and a robust financial plan that is designed to support the delivery of the targets in the Corporate Plan and meet the Council's Objectives.

APPENDIX A

2015/2016 Budget Pressures

		£'000
Additional Costs		
- District Election	Inc. costs/change to the basis of cost allocation	45
- Dry Recycling	Reduced Income from Dry Recycling contract	23
- Ryecare Lifeline	Reduced Income	25
- Environmental Health Resource	Additional capacity to carry out Private Water Risk Assessments	14
- HR Support	Additional Service Capacity	40
Specific Grants		
- 14/15 CT Freeze Grant	Baselined into 2015/16 Revenue Support Grant	38
- 14/15 Rural Delivery Grant	Baselined into 2015/16 Revenue Support Grant	14
- LCTS New Burden Grant	Cut to grant	47
- Community Right to Bid	Fall out of grant in 2015/16	8
- Community Right to Challenge	Fall out of grant in 2015/16	8
- Benefits Admin Subsidy	Cut to grant	32
Total		294

2015/2016 Efficiencies/Savings/Additional Income Proposals

Proposal	Savings £'000	Risk L/M/H
- Budget Review Efficiencies	118	L
- Management Review incl LEP Secondment	20	L
- Additional Rental Income	20	L
- Re-tender Leisure contract	20	L
- Green Waste Charging	192	M
- Parish Grant	32	L
Total of Savings	402	

Prudential Indicators

Capital Expenditure

The actual capital expenditure that was incurred in 2013/14 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2013-14 Actual £'000	2014-15 Forecast £'000	2015-16 Estimate £'000	2016-17 Estimate £'000	2017-18 Estimate £'000
Total Capital Programme	3,331	2,328	1,263	782	749

Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2013/14 are:

	2013-14 Actual	2014-15 Forecast	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
Estimate of ratio of financing costs to net revenue stream	1.80%	2.71%	3.91%	2.81%	2.06%

Capital Financing Requirement

Estimates of the Capital Financing Requirement for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2014 are:

2013-14 Actual £'000	2014-15 Forecast £'000	2015-16 Estimate £'000	2016-17 Estimate £'000	2017-18 Estimate £'000
254	2,306	2,686	2,764	2,620

The Capital Financing Requirement (CFR) measures the authority's underlying need to borrow for a capital purpose.

CIPFA's' Prudential Code for Capital Finance in Local Authorities' includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years."

The Finance Manager (s151) reports that the authority had no difficulty meeting this requirement in 2013/14, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Authorised Limit for External Debt

In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt gross of investments for the next three financial years, and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. These limits separately identify borrowing from other long-term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to the Finance Manager (s151), within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Borrowing	20,000	20,000	20,000	20,000
Other Long Term Liabilities	900	1,000	1,100	900
Authorised Limit	20,900	21,000	21,100	20,900

The Finance Manager (s151) reports that these authorised limits are consistent with the Authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Finance Manager (s151) confirms that they are based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

Operational Boundary for external debt

The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Finance Manager's (s151) estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the Finance Manager (s151). Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified.

The Council is also asked to delegate authority to the Finance Manager (s151); within the total operational boundary for any individual year; to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	600	700	800	600
Operational Boundary	5,600	5,700	5,800	5,600

The Council's actual external debt at 31 March 2014 was nil. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.

In taking its decisions on this budget report, the Council is asked to note that the Authorised Limit determined for 2015/16 (see above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

Estimate of Incremental Impact of Capital Investment

The estimate of the incremental impact of capital investment decisions proposed in this budget report, over and above capital investment decisions that have previously been taken by the Council are:

For the Band D Council Tax	2015/16	2016/17	2017/18
	£1.08	£1.40	£1.82

These forward estimates are not fixed and do not commit the Council.

Consideration of options for the capital programme

In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax
- prudence and sustainability, e.g. implications for external borrowing
- value for money, e.g. option appraisal
- stewardship of assets, e.g. asset management planning
- service objectives, e.g. strategic planning for the authority
- practicality, e.g. achievability of the forward plan.

A key measure of affordability is the incremental impact on the Council Tax, and the Council could consider different options for its capital investment programme in relation to their differential impact on the Council Tax.

APPENDIX C

Key Reserves and Balances

	General Reserve	Capital Fund	Capital Receipts	Capital Grants & Conts	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2014	546	604	155	62	1,367
Add					
Estimated Income During Year:					
Contribution from General Fund	1	105	-	-	106
Interest on Investment of Balances	-	59	-	-	59
Capital Receipts	-	-	450	-	450
Capital Grants & Contributions	-	-	-	446	446
	547	768	605	508	2,428
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-30	-	-508	-538
Estimated Balance 31 March 2015	547	738	605	-	1,890
Add					
Estimated Income During Year:					
Contribution from General Fund	-	363	-	-	363
Interest on Investment of Balances	-	49	-	-	49
Capital Receipts	-	-	42	-	42
Capital Grants & Contributions	-	-	-	200	200
	547	1,150	647	200	2,544
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-376	-407	-200	-983
Estimated Balance 31 March 2016	547	774	240	-	1,561
Add					
Estimated Income During Year:					
Contribution from General Fund	-	363	-	-	363
Interest on Investment of Balances	-	100	-	-	100
Capital Receipts	-	-	42	-	42
Capital Grants & Contributions	-	-	-	200	200
	547	1,237	282	200	2,266
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-552	-30	-200	-782
Estimated Balance 31 March 2017	547	685	252	-	1,484
Add					
Estimated Income During Year:					
Contribution from General Fund	-	363	-	-	363
Interest on Investment of Balances	-	143	-	-	143
Capital Receipts	-	-	42	-	42
Capital Grants & Contributions	-	-	-	200	200
	547	1,191	294	200	2,232
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-327	-135	-200	-662
Estimated Balance 31 March 2018	547	864	159	-	1,570

RYEDALE DISTRICT COUNCIL - PROPOSED CAPITAL PROGRAMME 2014/15 TO 2018/16

Category / Scheme	2014/15 Rev Est £'000	2014/15 Forecast £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	Total Cost £'000	External Funding £'000	Net RDC Cost £'000	Net Cumulative £'000	Comments	External Funding Assumptions		Revenue Implications					
												Comments	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Comments	
ASSET MANAGEMENT																			
Car Parks Major Repairs	18	18	0	0	0	0	18	0	18	18	In accordance with Asset Mgt Plan, Hlth & Safety risk	0		0	0	0	0	0	0
Vehicle Replacement Programme	46	46	60	50	50	20	226	0	226	244	Replacement for recycling, street cleansing and grass cutting services	0		0	0	0	0	0	0
Public Conveniences Refurbishment	10	10	0	0	0	0	10	0	10	254	Refurbishment of sites	0		0	0	0	0	0	0
Wall Repairs Land Castlegate Malton	18	18	0	0	0	0	18	0	18	272	Repairs to boundary walls	0		0	0	0	0	0	0
Derwent Pool Major Repairs	293	293	0	0	0	0	293	0	293	565	Necessary works over the life of this capital programme	0		0	0	0	0	0	0
Ryedale Pool Major Repairs	35	35	0	0	0	0	35	0	35	600	Necessary works over the life of this capital programme	0		0	0	0	0	0	0
Trade Waste Equipment	15	15	0	0	0	0	15	0	15	615	Replacement of trade waste bulk bins	0		0	0	0	0	0	0
Property Condition Survey	235	235	125	125	125	125	735	0	735	1,350	Programme of minor capital works to property portfolio	0		0	0	0	0	0	0
IT Infrastructure Strategy	15	15	224	57	24	0	320	0	320	1,670	Necessary IT Infrastructure Upgrades	0		0	0	0	0	0	0
Replacement Polling Booths	0	0	40	0	0	0	40	0	40	1,710	Booths reaching the end of their useful lives	0		0	0	0	0	0	0
Garage Inspection Pit	0	0	50	0	0	0	50	0	50	1,760	Extend and improve the inspection pit.	0		0	0	0	0	0	0
	685	685	499	232	199	145	1,760	0	1,760			0		0	0	0	0	0	0
PRIORITY AIMS - HOUSING																			
Aff Hsg Init - Exception Sites Land Purchase	100	100	0	0	0	0	100	0	100	1,860	Contribution to RSL land acquisitions	0		0	0	0	0	0	0
Aff Hsg Init - Property Improvement Loans	157	157	95	95	95	95	537	0	537	2,397	Recoverable Loans to ensure properties are to the decent home standard	0		0	0	0	0	0	0
Aff Hsg Init - Landlord Improvement Loans/Grants	143	143	80	80	80	80	463	0	463	2,860	Recoverable Loans or Grants to Landlords	0		0	0	0	0	0	0
Aff Hsg Init - New Supported Accommodation Facility	36	36	0	0	0	0	36	36	0	2,860	Derwent Court	36	Developer Contributions	0	0	0	0	0	0
Private Sector Energy Efficiency Grants	55	55	50	50	50	50	255	0	255	3,115	Provide insulation improvements	0		0	0	0	0	0	0
Private Sector Renewal - Disabled Facilities Grants	376	376	325	325	325	325	1,676	1,010	666	3,781	Improve access to and within properties for people	1,010	DCLG	0	0	0	0	0	0
Mortgage Rescue Scheme	21	21	0	0	0	0	21	0	21	3,802	Scheme in partnership with Registered Social Landlord	0		0	0	0	0	0	0
Malton Travellers Site	62	62	0	0	0	0	62	62	0	3,802	Scheme to create 7 new pitches and upgrade the current pitches at Tara Park	62	HCA	0	-10	-10	-10	-10	-10
	950	950	550	550	550	550	3,150	1,108	2,042			1,108		0	-10	-10	-10	-10	-10
PRIORITY AIMS - JOBS (also see reserve list below)																			
Contribution towards the expansion of Derwent Training	0	30	0	0	0	0	30	0	30	3,832	Provision for contribution to external scheme	0		0	0	0	0	0	0
	0	30	0	0	0	0	30	0	30			0		0	0	0	0	0	0
MAJOR SCHEMES																			
A64 Brambling Fields Junction Upgrade	0	82	0	0	0	0	82	200	-118	3,714	Contribute to upgrade for improvement to traffic management in Malton	200	Developer Contributions	0	25	122	122	122	Borrowing
	0	82	0	0	0	0	82	200	-118			200		0	25	122	122	122	
OTHER SCHEMES																			
Helmsley Sports	31	31	0	0	0	0	31	0	31	3,745	Grant for the redevelopment of existing sports facilities in Helmsley	0		0	0	0	0	0	0
Pickering Flood Defence	550	550	0	0	0	0	550	0	550	4,295	Major grant contribution to Environment Agency Scheme	0		0	0	0	0	0	0
Assembly and Milton Rooms - Preservation Works	214	0	214	0	0	0	214	0	214	4,509	Work required under terms of lease to prevent further deterioration of building	0		0	0	0	0	0	0
	795	581	214	0	0	0	795	0	795			0		0	0	0	0	0	0
TOTAL OF PROPOSED CAPITAL PROGRAMME	2,430	2,328	1,263	782	749	695	5,817	1,308	4,509		TOTAL	1,308	TOTAL	0	15	112	112	112	

APPENDIX D

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES

£14k

CAPITAL PROGRAMME 2014/15 TO 2018/19 - SUMMARY OF FUNDING

Source of Funding	2014/15 Rev Est Funding £'000	2014/15	2015/16	2016/17	2017/18	2018/19	Total	Scheme
		Forecast Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	
External Grants and Contributions								
Department Communities & Local Government (DCLG)	200	210	200	200	200	200	1,010	Private Sector Renewal - Disabled Facilities Grant
Developers Contributions	283	236	0	0	0	0	236	Malton Travellers Site and A64 Brambling Fields
Homes and Communities Agency	1487	62	0	0	0	0	62	Malton Travellers Site and Supported Accommodation Facility
Total External Grants and Contributions	1,970	508	200	200	200	200	1,308	
Ryedale DC Funding of Schemes	460	1,820	1,063	582	549	495	4,509	
TOTAL FUNDING OF CAPITAL PROGRAMME	2,430	2,328	1,263	782	749	695	5,817	

CAPITAL INVESTMENT PLAN - RESERVE LIST

	Estimated Year	Max Cost £'000	Net Cost RDC £'000	
Targetted A64 Improvements	2018-2021	50,000	3,300	
Livestock Market Relocation	2015/16	3,500	1,000	Proposed Loan Arrangement
Employment Land, Pickering	2016-2018	1,500	500	
Access imp's to enable expansion of high-tech engineering Kirkbymoorside	2015/16	1,000	0	
Malton & Norton Transport Improvements Package	2016-2019	1,900	650	Possible funding from Community Infrastructure Levy (£500k)
Milton Rooms Redevelopment	2017	4,500	1,000	
Redevelopment of Malton Public Transport Interchange	2017-2019	1,000	200	Possible funding from Community Infrastructure Levy (£200k)
High speed broadband to Ryedale Business Parks	2015/16	200	n/k	
Replacement of Derwent Pool	2018+	4,000	2,000	



PAY POLICY STATEMENT 2015-2016

CONTENTS

1	INTRODUCTION	2
2	DEFINITION OF OFFICERS COVERED BY THE POLICY STATEMENT	2
3	POLICY ON REMUNERATING CHIEF OFFICERS	2
4	POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE	2
5	POLICY ON THE RELATIONSHIP BETWEEN CHIEF OFFICER REMUNERATION AND THAT OF OTHER STAFF	3
6	POLICY ON OTHER ASPECTS OF CHIEF OFFICER REMUNERATION	3
7	APPROVAL OF SALARY PACKAGES IN EXCESS OF £100K	3
8	FLEXIBILITY TO ADDRESS RECRUITMENT ISSUES FOR VACANT POSTS	3
9	AMENDMENTS TO THE POLICY	4
10	POLICY FOR FUTURE YEARS	4
11	ANNEX A	5
12	ANNEX B	6
13	ANNEX C	7

1 INTRODUCTION

In accordance with Sections 38 – 43 of the Localism Act 2011 the authority is required to produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement sets out the arrangements and meets the requirements of the Localism Act. It also complies with the guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. This policy also correlates with the data on pay and reward for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011). It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex A to this policy statement.

2 DEFINITION OF OFFICERS COVERED BY THE POLICY STATEMENT

This policy statement covers the following posts:

1. Head of the Paid Service, which in this authority is the post of Chief Executive
2. Chief Financial Officer (s151)
3. Monitoring Officer
4. Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service) which in this authority are the posts of:
 - Corporate Director
 - Head of Economy
 - Head of Corporate Services
5. Deputy Chief Officers (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
 - Head of Planning and Housing
 - Head of Streetscene and Environment

3 POLICY ON REMUNERATING CHIEF OFFICERS

The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Annex B. The Chief Executive's and Corporate Director's remuneration packages are set by Elected Members. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skill level, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time. The Chief Executive and the Corporate Director are the only employees appointed by Elected Members.

4 POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local)

or as a consequence of authority decisions, these are then incorporated into contracts of employment. The lowest pay point in this authority is spinal column point six of Grade one, this relates to an annual salary of £13,614 (from 1 January 2015) which expressed as an hourly rate of pay is £7.0565. This pay point and salary was determined by the authority as part of a pay scale for employees employed on Local Government Services Terms and Conditions in April 2004 and has been applied since that date. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.

5 POLICY ON THE RELATIONSHIP BETWEEN CHIEF OFFICER REMUNERATION AND THAT OF OTHER STAFF

The highest paid salary in this authority is £104,460 (2014/2015 £104,460) which is paid to the Chief Executive. The average median salary in this authority is £19,742. The ratio between the two salaries, the 'pay multiple' is 5.29:1. This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

6 POLICY ON OTHER ASPECTS OF CHIEF OFFICER REMUNERATION

Other aspects of Chief Officer remuneration are covered by this policy statement. These other aspects are defined as these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, termination payments, transparency and re-employment when in receipt of an LGPS pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Annex C.

7 APPROVAL OF SALARY PACKAGES IN EXCESS OF £100K

The authority will ensure that, prior to an offer being made, any salary package for any post that is in excess of £100k will be considered by Full Council. The salary package will be defined as base salary, fees, routinely payable allowances and benefits in kind that are due under the contract.

8 FLEXIBILITY TO ADDRESS RECRUITMENT ISSUES FOR VACANT POSTS

In the vast majority of circumstances the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a

departure from this policy can be implemented except for the appointment of the Chief Executive or Corporate Director.

9 AMENDMENTS TO THE POLICY

It is anticipated that this policy will not need to be amended during the period it covers (1 April 2015 to 31 March 2016), however if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft policy will be presented to Full Council for consideration.

10 POLICY FOR FUTURE YEARS

This policy statement will be reviewed each year and will be presented to Full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

11 ANNEX A

The Secretary of State for CLG Code of Recommended Practice for Local Authorities on Data Transparency indicates that local authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and numbers of staff for all staff in receipt of a salary of more than £58,200
- An organisational chart of the staff structure of the authority including salary bands and details of currently vacant posts
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole authority workforce

The Accounts and Audit (England) Regulations (2011) require that the following data is included in the authority's accounts:

- Numbers of employees with a salary above £50k per annum (pro-rata for part time staff) in multiples of £5k
- Job title, remuneration and employer pension contributions for senior officers. Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act
- Names of employees paid over £150k per annum

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year
- Bonuses paid or receivable for the current and previous year
- Expenses paid in the previous year
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment
- Total estimated value of non-cash benefits that are emoluments of the person

For the above pension contributions to include:

- The amount driven by the authority's set employer contribution rate
- Employer costs incurred relating to any increased membership or award of additional pension.

Aspect of Chief Officer Remuneration	RDC Policy
Recruitment	The post will be advertised and appointed to at the appropriate approved salary for the post in question unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the Council's policy and any variation will be approved through the appropriate decision making process.
Pay Increases	The Council will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The Council will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts subject to approval by the appropriate decision making process.
Additions To Pay	The Council would not make additional payments beyond those specified in the contract of employment.
Performance Related Pay	The Council does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed in accordance with Council Policy.
Earn-Back (Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Termination Payments	The Council applies its normal redundancy payment arrangements to senior officers and does not have separate provisions for senior officers. The Council also applies the appropriate Pensions regulations when they apply. The Council has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred regarding senior officers are published in the Council's accounts as required under the Accounts and Audit (England) Regulations 2011.
Transparency	The Council meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment	The Council is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The Council will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.

13 ANNEX C

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£104,460	Paid through normal authority procedures	None	None	None	None	None	Election duty fees are paid in accordance with normal authority and national procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2014/15.
Corporate Director	£67,000	Paid through normal authority procedures	None	None	None	None	None	Election duty fees are paid in accordance with normal authority procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2014/15.

Page 89

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Head of Planning and Housing	£56,316	Paid through normal authority procedures	None	None	None	Paid through normal authority procedures, none planned.	Paid through normal authority procedures, none planned.	Election duty fees paid in accordance with normal authority and national procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments are anticipated for 2015/2016
Head of Corporate Services	£56,316									
Head of Economy & LEP (Planning and Housing)	£56,316									
Head of Streetscene and Environment	£56,316									
Council Solicitor/Monitoring Officer	£56,316									
Finance Manager (s151)	£43,853					£3,000				

Medium Term Revenue Forecast 2015/16 - 2019/20

	2015/16 Projection £'000	2016/17 Projection £'000	2017/18 Projection £'000	2018/19 Projection £'000	2019/20 Projection £'000	
Base Budget and Inflation						
Base Budget	7,175	6,895	6,590	6,463	6,463	
Pay Increase & General Inflation	150	165	165	165	165	
	7,325	7,060	6,755	6,628	6,628	
Add Future Cost Increases						
Budget Pressures	295	250	340	150	150	
Capital Programme Borrowing	22	0	0	0	0	
Deduct Future Savings						
Efficiency Savings	-178	-100	-100	-100	-100	
Service Cuts	-224	-250	-150	-100	-100	
NHB Movement	-345	-370	-382	-115	-42	
Net Revenue Budget	6,895	6,590	6,463	6,463	6,536	
Financing						
RSG	1,315	882	592	397	266	
Business Rates	1,775	1,811	1,847	1,884	1,921	
Collection Fund Surplus	104	50	25	25	25	
Council Taxpayers	3,621	3,775	3,924	4,080	4,241	
CT Base Growth	80	72	76	78	82	
Budget Requirement	6,895	6,590	6,463	6,463	6,536	
NHB Note						
2011/12 Earned	215	215				
2012/13 Earned	225	225	225			
2013/14 Earned	268	268	268	268		
2014/15 Earned	419	419	419	419	419	
2015/16 Estimate	260	260	260	260	260	
2016/17 Estimate		300	300	300	300	
2017/18 Estimate			300	300	300	
2018/19 Estimate				300	300	
2019/20 Estimate					300	
NHB Earned	1,387	1,687	1,772	1,847	1,879	
Applied to Revenue cumulative	491	861	1,243	1,358	1,400	
Applied to Capital	288	288	288	288	288	
To be allocated	608	538	241	201	191	1,779

Budget Pressure in 2016/17 includes additional provision for changes to Employers National Insurance contributions.

Budget Pressure in 2017/18 includes additional provision for Pension Fund Revaluation and additional vehicle requirements.

This page is intentionally left blank



EXEMPT PART B: RECOMMENDATIONS TO COUNCIL

REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 5 FEBRUARY 2015

**REPORT OF THE: HEAD OF CORPORATE SERVICES
 CLARE SLATER**

**TITLE OF REPORT: FUTURE OF PICKERING TOURIST INFORMATION
 CENTRE**

WARDS AFFECTED: ALL

EXEMPT INFORMATION

Exemption Category: Certain information in this report is considered to be exempt as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

- 1) Reason for Exemption: The information relates to the financial or business affairs of any particular person (including the authority holding that information)

The public interest test has been considered and, in all the circumstances of the case, the public interest in maintaining the exemption is considered to outweigh the public interest in disclosing the information.

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 Following the implementation of the decisions resulting from the review of visitor information services it is now proposed to close Pickering TIC at the end of the summer season 2015 and support the development of a visitor information point in Pickering.

2.0 RECOMMENDATION(S)

- 2.1 That Council is recommended to approve:
- (i) That Pickering TIC be closed from 6 September 2015, with no Sunday opening.

 - (ii) That a visitor information point be established in Pickering.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 The TIC continues to experience a reduction in levels of accommodation bookings, enquiries and footfall. This rate of reduction has been steady over the last 5 years

and has not been impacted by the focus of TIC services at Pickering. Whilst delivering visitor information services and supporting the development of the visitor economy continues to be a priority for the Council, the TIC is no longer considered to be the most effective means of meeting the needs of visitors or business partners. Supporting the operation of the TIC is therefore no longer considered to be a priority for the use of Council resources. It is anticipated that other organisations providing information services such as Pickering Library may be able to benefit from the provision of some of the services currently provided by the TIC.

- 3.2 Closure of Pickering TIC will enable consideration of the future management of Ropery House as part of the Councils property portfolio. Additional income could be achieved for the Council from the rental of the unit currently occupied by the TIC. The TIC occupies approximately a third of Ropery House Alternatively the Council could at some point in the future consider the sale of the asset for a capital receipt. Neither option is possible with the TIC in situ.
- 3.3 Continuing to operate the TIC service results in an implication for the revenue budget in the region of £17,670, if the projected sales target was met for 2015/16. The implication of retaining the service until September 2015 would be £8,835.
- 3.4 Ceasing delivery of TIC services directly by the Council results in a small saving in non-salary running costs of £15,000 with existing staff retained in the Access to Services team of the Business Support Hub.
- 3.5 It is proposed to cease the operation of the TIC at the end of the summer season for 2015. This will enable the transfer to the new arrangements for promoting Ryedale and inclusion of new contact details on literature for 2016/17.

4.0 SIGNIFICANT RISKS

- 4.1 Possible negative impact on economy or tourism industry will be mitigated through the development of a VIP in Pickering. Liaison with Businesses will continue through the tourism service, along with further development of the online offer to visitors.
- 4.2 Risk to budget due to failure to meet income targets. Closure therefore removes the risk to balancing the budget.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Tourism is a non-statutory function for a local authority.
- 5.2 The Council has agreed an economic action plan for Ryedale. In relation to the visitor economy it identifies hospitality (tourism) as one of Ryedale's key economic sectors.

Within a list of growth sectors to consider is included 'visitor and creative economy – links to the high landscape value of the Moors, Wolds and howardian Hills'

The Economic Action Plan includes the following action points:

- a) B5 Sector Specific Support: Visitor and Creative Economy – supporting business led initiatives, product development and community owned facilities. Creative Economy Commissioning project.
- b) B6 Market Towns – promotion of vital and viable town centres through engaging with local businesses and supporting private sector initiatives. Working with

businesses and residents on their local initiatives, particularly those aspirations identified in the LDF such as promotion of local heritage, retailing or social enterprise facilities

- 5.3 The Council has undertaken consultation with representatives of the tourism industry linked to the development of the Tourism Commissioned services and also the development of the Ryedale Economic Action Plan.

In 2013 the Council undertook a detailed budget consultation with members of the public and an area for savings identified was the direct provision of Tourist Information services by the Council.

Consultation has also been undertaken with tourism operators regarding the design and delivery of visitor information services in Ryedale.

REPORT

6.0 REPORT DETAILS

- 6.1 In September 2013, the Commissioning Board concluded a review of visitor information services ([link to CB papers](#)). The resolution of Council was as follows:

- (i) That the Visitor Information Services review at Annex B be endorsed; and
- (ii) That the Council's primary visitor information services be supported, utilising existing budgets, through the following commissioned tourism services:
 - establishment of Visitor Information Points in Malton and Helmsley;
 - electronic marketing initiatives be undertaken including the development and enhancements to on-line visitor information and website (utilising funding currently used to support the 'Visit North Yorkshire' paper guide);
- (iii) Support marketing and information services for the Wolds and Malton and Norton, and local activities in partnership with Scarborough Borough Council and the North York Moors National Park Authority.

- 6.2 Following implementation in April 2014 of the resolutions made by Council, an evaluation of the operation of Pickering TIC has been undertaken. A summary of this evaluation is as follows with further information attached at annex A:

- a) Pickering TIC has not received an increase in calls or other business following the changes to the provision of visitor information services in Malton and Helmsley.
- b) The majority of transactions through Pickering TIC are in relation to RDC services such as parking permits. These represent the highest value of transactions as well as greatest volume. In other market towns parking permits are available through a range of outlets including shops and the post office. This can be arranged for Pickering.
- c) The other top selling items can all be purchased from other retailers in the town.
- d) The decline in footfall, sales and contacts made through Pickering TIC can be seen over a number of years.
- e) Bookings for accommodation made through the TIC have declined.

These findings are supported by other research into the future design of visitor

information services which suggest that the direct provision of visitor information centres may not be the best means for developing the visitor economy available to a local authority.

6.3 An evaluation of the operation of the two visitor information points has also been undertaken. The information point in Helmsley is located in the Cut-price Bookstore in Helmsley market place. This is working successfully in terms of meeting customer requests and has had a positive impact on the host business. Following discussion with a number of retailers in Malton town centre the visitor information point in Malton is now located in Ryedale House, the take up of information by visitors is low. The location of the Malton information point is being kept under review. Analysis of phone contacts made with the Council has shown that the anticipated increase in phone calls at Pickering TIC has not materialised. It is therefore proposed that a visitor information point be developed for Pickering using the same principles as those used to develop the one currently operating in Helmsley, with the possibility of locating this in a community setting such as Pickering Library to be explored.

6.4 Financial implications

The financial implications of closure of the TIC are minimal. If the closure takes place in September 2015 then half of the budget provision will be required in 2015/16.

Option	Non salary costs 15/16
1. Continue to operate Pickering TIC	17,670.00
2. Cease to operate Pickering TIC	2,690.00*

*ongoing requirement for RDC to pay business rates until unit is let or asset is sold

The TIC is currently staffed by members of the Access to Services Team of the Business Support Hub. No staff would be made redundant as a result of closure of the TIC.

6.5 The table included in Annex A illustrates the lower level of footfall and transactions on a Sunday through Pickering TIC. Operating the TIC on a Sunday places increased pressure on the resources available to support the TIC within the Access to Services Team. During a consultation with staff who work in the TIC undertaken in November 2013 the view of all staff was that the TIC should be closed on a Sunday throughout the year. The resources available to the TIC can be more efficiently utilised in supporting the transition to new arrangements if the TIC is closed on a Sunday.

6.6 A successful precedent has been established for the operation of Visitor Information Points in Ryedale by the North York Moors National Park in Thornton Dale and Hutton le Hole. The Council now operates a VIP in Helmsley and would like to extend the provision of VIP's to Kirkbymoorside.

6.7 The Council will continue to support the development of the visitor economy in partnership with other organisations and the private and community sectors, in line with the Ryedale Economic Action Plan.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

The closure of Pickering TIC will enable the council to offer the vacated unit at the Ropery House, Pickering, for rental or potentially release the whole site for sale. The Council will continue to have a liability for business rates until the unit is let or the whole asset is sold.

- b) Legal
There are no legal implications
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
An impact assessment has been undertaken and no other impacts have been identified.

8.0 NEXT STEPS

- 8.1 It is proposed that Pickering TIC be closed in September 2015 to enable the promotion of new arrangements for visitor information to be promoted in the literature produced for the promotion of Ryedale as a visitor destination.

Clare Slater Head of Corporate Services

Author: Clare Slater Head of Corporate Services
Telephone No: 01653 600666 ext: 347
E-Mail Address: clare.slater@ryedale.gov.uk

Background Papers:

<http://democracy.ryedale.gov.uk/ieListDocuments.aspx?CId=258&MID=1119#AI7830>

Commissioning Board Papers – 19 September 2013

Ryedale Economic Action Plan

Council Business Plan

Background Papers are available for inspection at:

www.ryedale.gov.uk

Annex A

Summary of data relating to operation of Pickering TIC

Fig 1 Value of transactions by type (April 2014 to date):

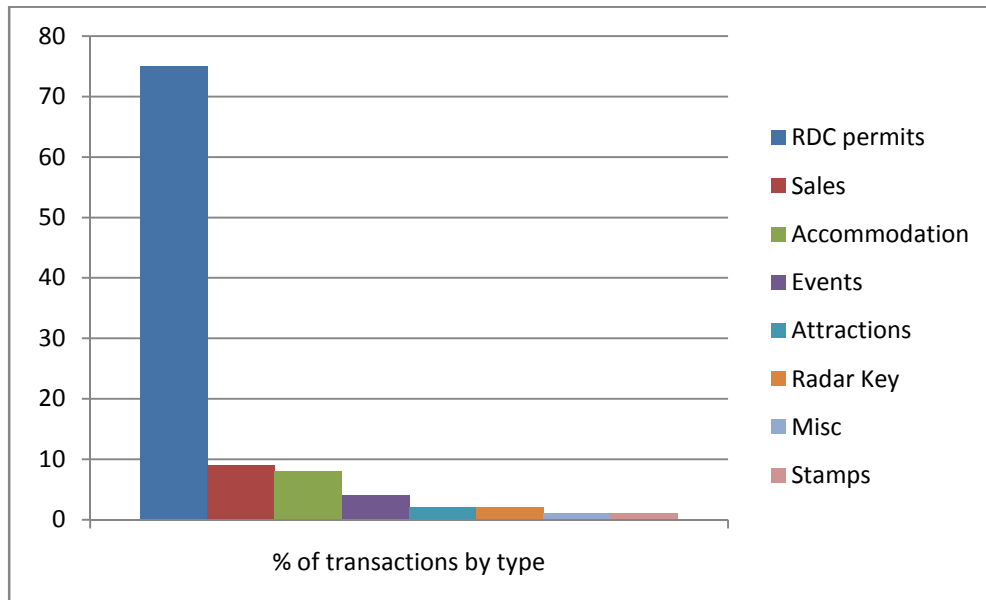


Fig 2 Value of sales by type of goods (April 2014 to date):

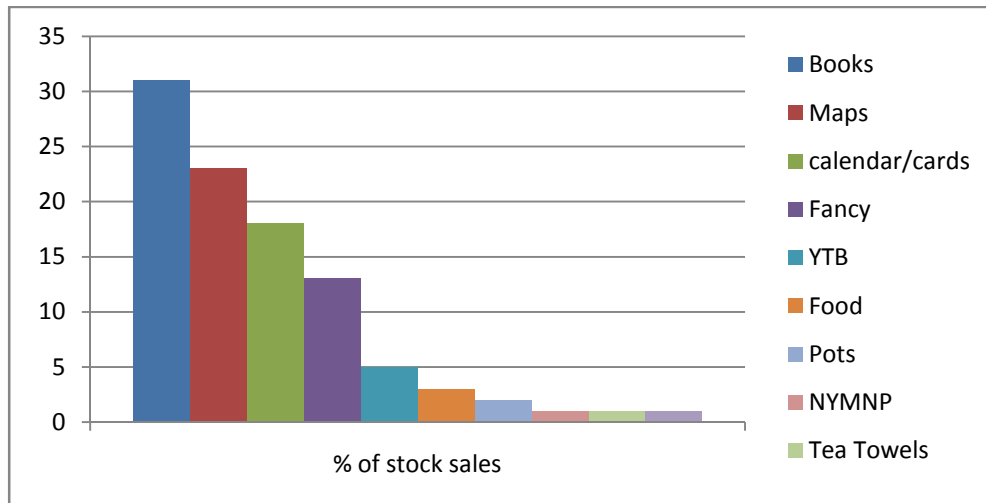
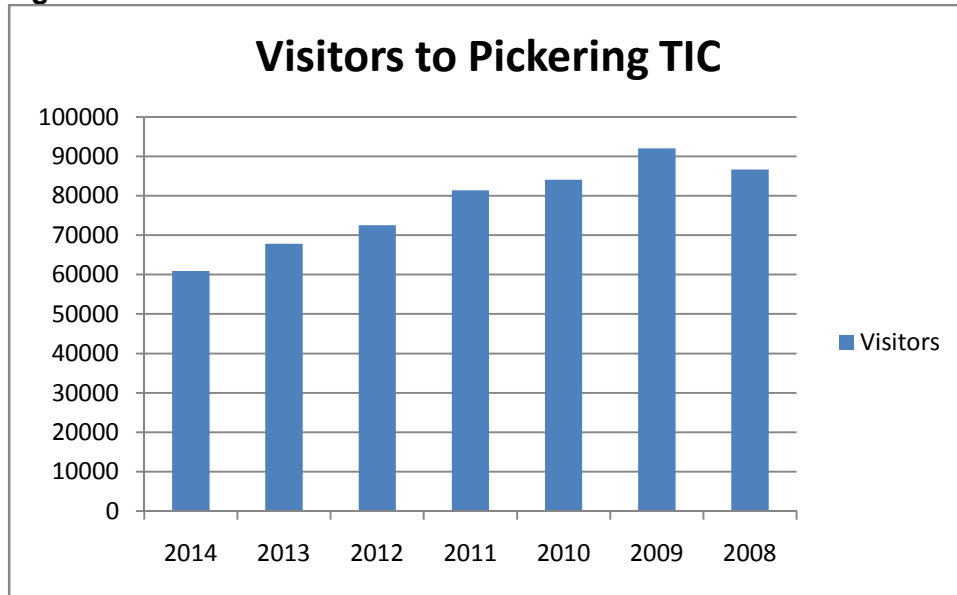


Fig. 3



All years refer to a calendar year from January to December

Fig. 4

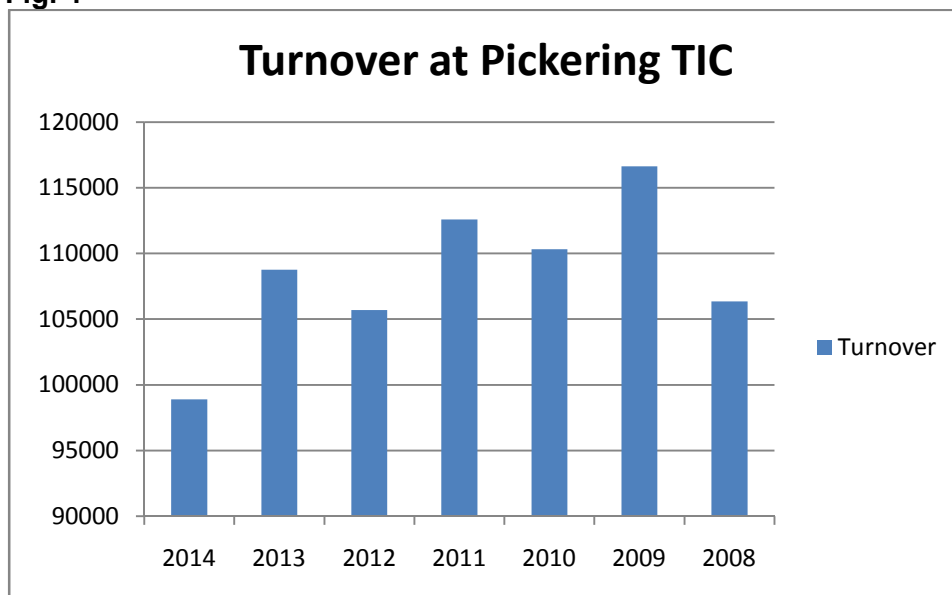
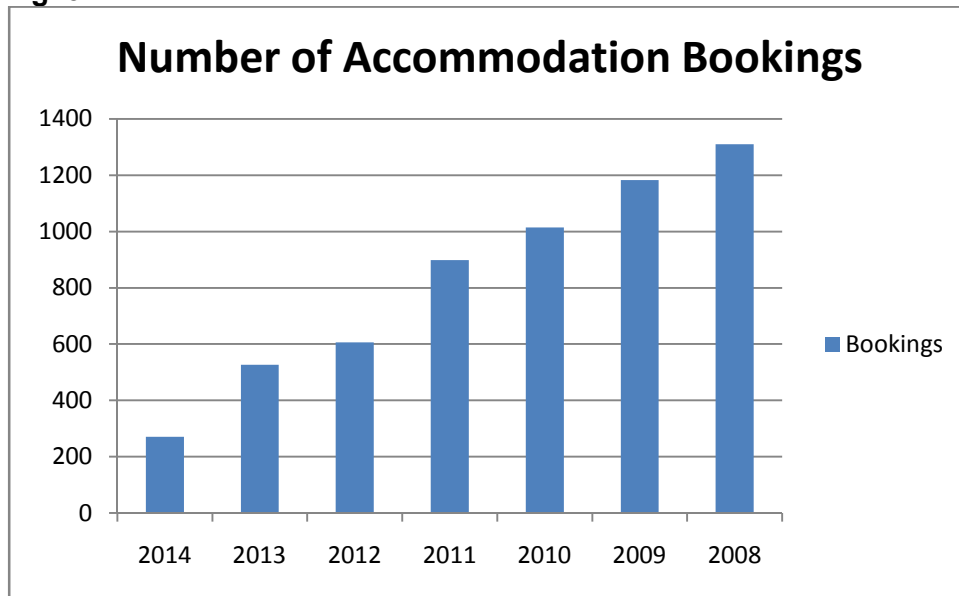


Fig. 5



Contacts made with Pickering TIC by type:

Fig.6

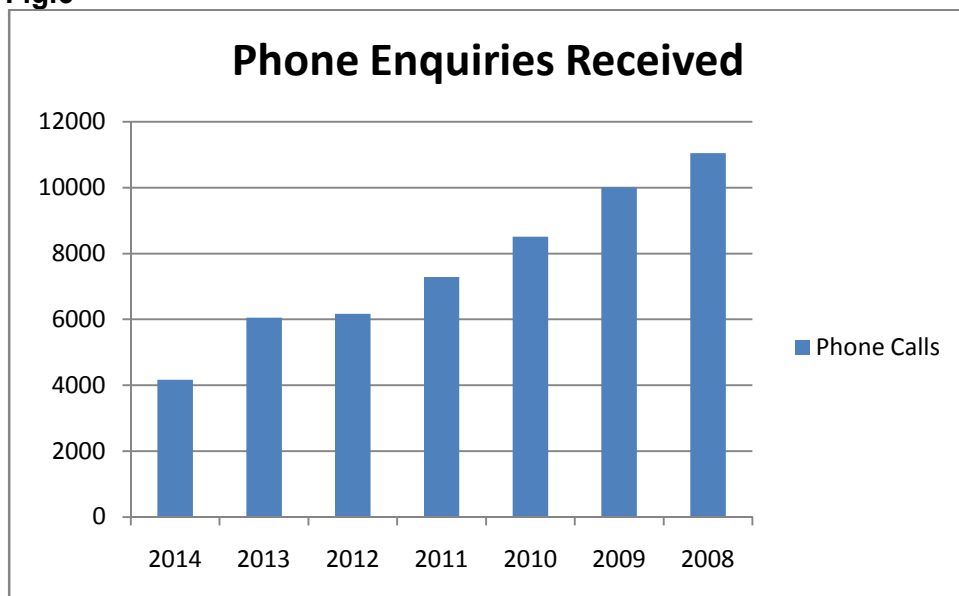


Fig.7

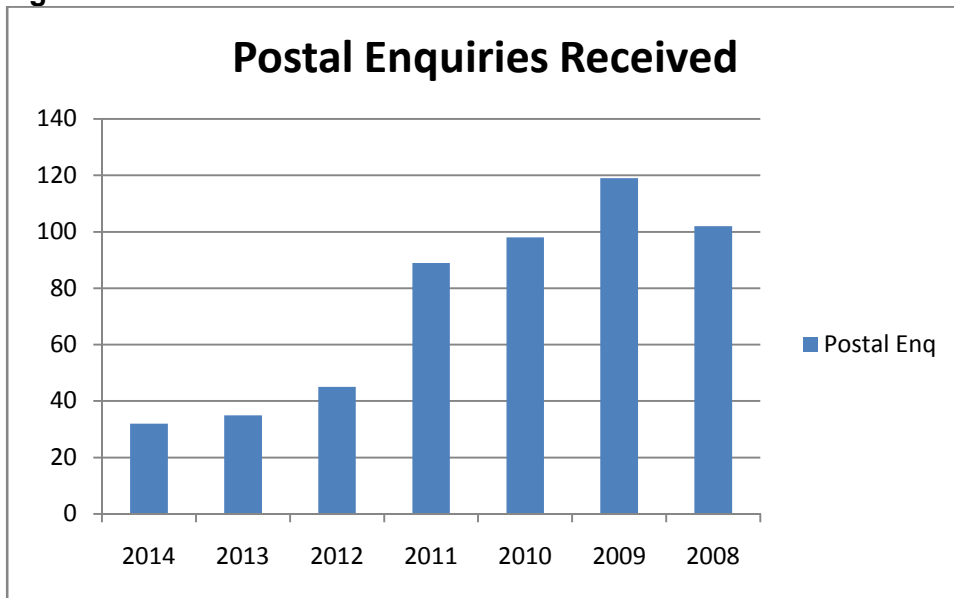
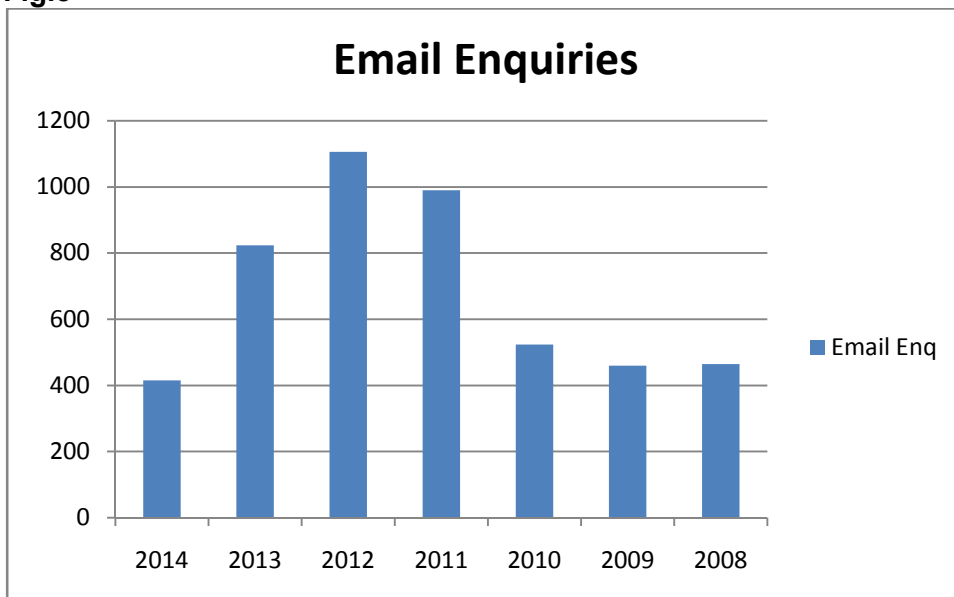


Fig.8



Weekly Data
Fig. 9

