



## **POLICY AND RESOURCES COMMITTEE**

Thursday 2 February 2017 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**

(Pages 3 - 8)

**4 Recommendations from the Resources Working Party held on 19 January 2017**  
(Pages 9 - 12)

**5 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.

**6 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**

7 **Ryedale Development Fund - Progress and Next Steps** (Pages 13 - 22)

8 **Delivering the Council Plan** (Pages 23 - 30)

**PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL**

9 **Financial Strategy 2017/18** (Pages 31 - 80)

10 **Policy for allocation of S106 Monies** (Pages 81 - 94)

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

## Policy and Resources Committee

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Held at Council Chamber, Ryedale House, Malton  
on Thursday 24 November 2016

### Present

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Councillors Joy Andrews, Paul Andrews, Steve Arnold (Vice-Chairman), Bailey, Clark, Cowling (Chairman), Ives, Oxley and Raper

By invitation of the Chairman: Councillor Jowitt

Overview & Scrutiny Committee Observers: Councillors Keal, Potter and Wainwright

### In Attendance

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Jos Holmes, Peter Johnson, Marcus Lee, Nicki Lishman, Kim Robertshaw, Clare Slater and Janet Waggott

### Minutes

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28 **Apologies for absence**

Apologies for absence were received from Councillor V Arnold.

29 **Minutes**

**Decision**

That the minutes of the Policy and Resources Committee held on 22 September 2016 be approved and signed by the Chairman as a correct record.

**Voting record**

Unanimous

30 **Recommendations from the Resources Working Party held on 10 November 2016**

**Decision**

That the recommendations of the Resources Working Party held on 10 November 2016 be agreed and the other business be noted.

31 **Urgent Business**

There were no items of urgent business.

32 **Declarations of Interest**

Councillor Raper declared a personal non pecuniary but not prejudicial interest in Item 11 as a member of the Vale of Pickering Internal Drainage Board and Councillor Ives declared a personal non pecuniary but not prejudicial interest in Item 11 as he has a business interest in a company that has a relationship with Yorkshire Water.

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

**33 Revenue Budget Monitoring**

Considered - Report of the Finance Manager (s151)

**Decision**

That the contents of the report be noted.

**Voting record**

For 6

Against 2

Abstentions 1

Councillors J Andrews and Clark requested that their votes against the recommendation be recorded.

**34 Update on the Homelessness Strategy 2015-2020**

Considered - Report of the Head of Planning and Housing

**Decision**

That the update on the 2015/2020 Homelessness Strategy Action Plan be noted.

**Voting record**

Unanimous

**35 Delivering the Council Plan**

Considered - Report of the Deputy Chief Executive

**Decision**

1. That the progress made in delivering the Council Plan be noted.

2. That members consider the performance information they would like to receive in future

**Voting record**

For 6

Against 2

Abstentions 1

Councillors J Andrews and Clark requested that their vote against the recommendation be recorded.

The Deputy Chief Executive advised members that any suggestions for performance information were to be welcomed.

## PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL

### 36 Localisation of Council Tax Support Scheme

Considered - Report of the Finance Manager (s151)

#### Recommendation to Council

That Council be recommended to approve;

(i) a Local Council Tax Support Scheme for 2017/18 to include a minimum payment of 8.5%, and with the changes proposed to align the new Council Tax Support scheme with changes to Housing Benefit and Universal Credit regulations as follows:

(a) To reduce the length of time someone can be temporarily absent from Great Britain and still receive Council Tax Support from 13 to 4 weeks (some exceptions will apply)

(b) To change the treatment of Employment and Support Allowance (ESA) cases affecting new claims made after 1 April 2017

(c) To limit the number of dependent children within the calculation for Council Tax Support to a maximum of two where the third child is born after 1 April 2017 (some exceptions will apply)

(d) To remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them

(e) To use a set income for self employed earners after one years self employment

(ii) To authorise the Finance Manager in consultation with the Chairman of Policy and Resources Committee to undertake the necessary consultation work to design a scheme for 2018/19, in light of the experience in previous years, to be presented to Policy and Resources Committee in December 2017.

#### Voting record

For 8

Abstentions 1

### 37 Scrutiny Review - The role of the Council in Flood Management

Considered - Report of the Chairman of Overview and Scrutiny Committee

The consensus of the Scrutiny Committee is that permanent pumps as proposed in the motion on notice to Council is not the best solution for flood prevention.

An amendment was moved by Councillor Cowling and seconded by Councillor Ives;

1. That RDC commits £12,000 funding (up to a maximum of 20%) to resource a project manager to progress delivery of the Malton, Norton and Old Malton Flood Study project and drive partnership working, and seeks match funding from the partners of the Malton and Norton Project Group
2. RDC commits £2.5k (20%) funding towards a CCTV monitoring survey to understand the drainage system in Old Malton.
3. That Natural Flood Management (NFM) considerations should be integral to all local flood management solutions and that RDC continues to facilitate links across the various partners and interested stakeholders endorsing a whole catchment approach

4. That RDC allocates a sum of £50,000 to a grant fund to support local flood solutions which will be allocated through Resources Working Party (similar to the arrangements for the allocation of Community Grants) where the criteria for allocation will also be agreed. Town and Parish Councils would be eligible to apply (including Malton and Brawby), as should any fully constituted community group, with any grant conditional on the preparation of a Community Resilience Plan to ensure sustainability and linkage to NYCC and other flood risk management partner organisations. Any contribution RDC makes towards a local solution involving equipment is on the basis that:
  - a) The community group or parish council engage with NYCC to set up a community resilience group (CRG) with a Community Resilience Plan (CRP)
  - b) The CRG undertake training and take responsibility for deploying and insuring the pump with sign off from NYCC`
  - c) That the Resources Working Party make recommendations to the Policy & Resources Committee on the grant applications for this fund, and that the criteria be similar to that used for the Community Grant applications ie;
    - i. Grant must not exceed £5000.00 or 25% of the total cost - whichever is the lowest
    - ii. Grants up to £1000 may be 100% of the total cost.
    - iii. In certain circumstances the above criteria may be waived if it is felt that an application will be of exceptional benefit to a community.
5. That the above spending be funded from the New Homes Bonus Reserve
6. That council may consider that funding be allocated from the New Homes Bonus towards the funding gap of £1.8m of the approved GiA scheme for the alleviation of flooding in Malton, Norton and Old Malton. That any contribution should be to a maximum of 20% of the funding gap.

Upon being out to the vote the amendment was carried.

### **Recommendation to Council**

That Council be recommended to approve;

1. That RDC commits £12,000 funding (up to a maximum of 20%) to resource a project manager to progress delivery of the Malton, Norton and Old Malton Flood Study project and drive partnership working, and seeks match funding from the partners of the Malton and Norton Project Group
2. RDC commits £2.5k (20%) funding towards a CCTV monitoring survey to understand the drainage system in Old Malton.
3. That Natural Flood Management (NFM) considerations should be integral to all local flood management solutions and that RDC continues to facilitate links across the various partners and interested stakeholders endorsing a whole catchment approach
4. That RDC allocates a sum of £50,000 to a grant fund to support local flood solutions which will be allocated through Resources Working Party (similar to the arrangements for the allocation of Community Grants) where the criteria for allocation will also be agreed. Town and Parish Councils would be eligible to apply (including Malton and Brawby), as should any fully constituted community group, with any grant conditional on the preparation of a Community Resilience Plan to ensure sustainability and linkage to NYCC and other flood risk management partner organisations. Any contribution RDC makes towards a local solution involving equipment is on the basis that:

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  - iii. In certain circumstances the above criteria may be waived if it is felt that an application will be of exceptional benefit to a community.
- 5. That the above spending be funded from the New Homes Bonus Reserve
- 6. That council may consider that funding be allocated from the New Homes Bonus towards the funding gap of £1.8m of the approved GiA scheme for the alleviation of flooding in Malton, Norton and Old Malton. That any contribution should be to a maximum of 20% of the funding gap.

**Voting record**

For 5

Against 3

Councillor P Andrews requested that his vote against the recommendation be recorded.

Members requested that a note be made that North Yorkshire National Park Authority had been successful in their recent bid to the Heritage Lottery Fund.

**38 Timetable of meetings**

Considered - Report of the Council Solicitor

**Recommendation to Council**

That Council be recommended to approve the timetable of meetings for 2017-2018, attached as Annex A of the report.

**Voting record**

Unanimous

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

There being no items of urgent business the meeting closed at 8.25 pm.

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## Resources Working Party

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Held at Meeting Room 1, Ryedale House, Malton  
on Thursday 19 January 2017

### Present

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Councillors Cowling (Chairman), Clark, Ives, Steve Arnold, Frank and Elizabeth Shields

### In Attendance

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Janet Waggott, Peter Johnson, Clare Slater, Cllr Robert Wainwright and Will Baines

### Minutes

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70 **Apologies for absence**

Apologies were received from Cllr Raper and Cllr Val Arnold.

71 **Minutes of the meeting held on the 10 November 2016**

**Decision**

That the minutes of the meeting of the Resources Working Party held on 10 November 2016 be approved and signed by the Chairman as a correct record.

72 **Urgent Business**

There were no items of urgent business.

73 **Declarations of Interest**

There were no declarations of interest.

74 **Capital Monitoring**

Considered – Report of the Resources and Enabling Services Lead (s151).

**Decision**

That the report be noted.

75 **Capital Programme**

Considered – Report of the Resources and Enabling Services Lead (s151).

**Decision**

That the report be noted.

76 **Draft Capital Programme**

Considered – Report of the Resources and Enabling Services Lead (s151)..

**Decision**

That the report be noted.

77 **Capital Reserve List**

Considered – Report of the Resources and Enabling Services Lead (s151).

**Decision**

That the report be noted.

78 **New Homes Bonus Reserve**

Considered – Report of the Resources and Enabling Services Lead (s151).

**Decision**

That the report be noted.

79 **Section 106 Contributions**

Considered – Report of the Resources and Enabling Services Lead (s151).

**Decision**

That the report be noted.

80 **Financial Management Information**

Considered – Report of the Resources and Enabling Services Lead (s151).

**Decision**

That the report be noted.

81 **2017/18 Budget and beyond - Verbal update**

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

There being no other business, the meeting closed at 7:52pm.



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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>2 FEBRUARY 2017</b>
<b>REPORT OF THE:</b>	<b>EXTERNAL PARTNERSHIPS LEAD</b>
<b>TITLE OF REPORT:</b>	<b>RYEDALE DEVELOPMENT FUND - PROGRESS AND NEXT STEPS</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To assist delivery of the Ryedale Economic Action Plan 2016-20 through reallocation of unspent elements of the Ryedale Development Fund (RDF). In addition, an additional priority project is proposed for the Ryedale Economic Action Plan 2016-20.

### **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that:

- (i) £35,334 from the 'Ryedale Employment Initiative' strand be re-allocated to delivery of the REAP objective 3 - Inspired People to support '3(a) School Based Activities' and '3(b) Business Employability Charter'.
- (ii) £25,000 from the 'Major Projects' strand be reallocated to REAP objective '4(b)i Malton and Norton Internal Junctions', specifically as the Council's contribution towards project development/feasibility work to enhance rail parking and measures to reduce congestion at the rail crossing, Norton.
- (iii) Dalby Forest: Forest Artworks project be included as a major project in the Ryedale Economic Action Plan, under 'Successful and Distinctive Places'.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 To utilise existing funding to advance delivery of 'Priority Economic Projects for delivery 2016-20' (as agreed at Council on 14 April 2016), specifically 'Skills Initiatives' and 'Enhance rail parking and measures to reduce congestion at the rail crossing, Norton'.
- 3.2 To update the Ryedale Economic Action Plan to reflect strategic opportunities.

#### **4.0 SIGNIFICANT RISKS**

4.1 Risks are highlighted in Appendix A.

#### **5.0 POLICY CONTEXT AND CONSULTATION**

5.1 The Ryedale Economic Action Plan 2016 - 2020 was adopted in April 2016 following consultation with partners and represents the Council's detailed policy and prioritisation of economic projects. In addition, 'Creating Economic Success' is one of the Council's corporate aims.

### **REPORT**

#### **6.0 REPORT DETAILS**

6.1 During 2013 members agreed that £370k of the Council's New Homes Bonus should be 'ringfenced into a Ryedale Development Fund for spending on projects which deliver or protect employment within Ryedale'. This funding was split into 4 work strands, taking account of the priorities in the Ryedale Economic Action Plan 2012-15 and consultation with key partners including the LEP:

- Ryedale Employment Initiative £150K
- RDC Apprentice Scheme £100K
- Ryedale Business and Skills Initiative £20K
- Ryedale Major Projects £100k

6.2 A summary of the outcomes of these allocations is set out below, together with details of any unspent funding:

##### **Ryedale Employment Initiative**

This grant scheme was for local businesses to support apprenticeship employment and training equipment. Following approval by Council in September 2013, grants were offered to 13 businesses and grants totalling £84,666 have been claimed to date. 19 apprentices were employed under this scheme, achieving a range of qualifications including;

- Electrical Technician
- Business Administration and Customer Services
- Catering
- Auto Cad Technician
- Mechanical Engineering
- Welding & Fabricating
- ICT
- Art Management
- Advanced Engineering
- Electrical Engineering

All the businesses to which grants were offered have either claimed their grant, or have indicated that the grant is no longer required due to market conditions / business circumstances. In addition, £30K was reallocated to the RDC Apprentice Scheme (see below) to extend the apprenticeship of 2 of the appointed candidates.

*£35.3k available for reallocation.*

### **RDC Apprentice Scheme**

Funding for the employment of 10 apprentices within the District Council. Following the recruitment process, 7 apprentices joined the authority for a two year period and one for a three year mechanic apprenticeship. Qualifications gained include:

- Year 1: NVQ level 2 and Technical Certificate/Functional skills
- Year 2: NVQ level 3
- Year 3: NVQ level 4.

The apprentices subsequently went onto secure employment and / or training following their tenure at RDC.

*No funds remaining.*

### **Ryedale Business and Skills Initiative**

To support a range of skills related initiatives, including the Skills Summit. Two Ryedale Skills Summits, two 'Inspire and Explore' days (young people visiting local employers to understand career opportunities and pathways) and Opportunity Knocks Careers events have been held as a result of this expenditure.

*No funds remaining.*

### **Ryedale Major Projects**

Council in May 2014 allocated funding to the following major projects to bring them forward to the 'investment ready' stage:

- Malton Livestock Market - up to £25K as an interest free loan.  
Significant progress has been made on the development of the Food Enterprise Zone site in preparation for the relocation of the Livestock Market. £2.1m is being drawn down from the Local Enterprise Partnership's Growth Deal to support infrastructure development and the Local Development Order has been recommended by Planning Committee for approval by Council. Plans for the relocation of the livestock market are currently under negotiation and so the £25k allocation remains committed unless it becomes clear that it is not needed.  
*No funds available at this stage.*
- Milton Rooms Improvement - Up to £25K  
Funding of £23.3k is committed to enable the Milton Rooms to progress designs to RIBA Stage 3 "Developed Design", including submission of applications for Planning and Listed Building Consent. Match funding has been sourced from Malton and Norton Town Councils and the Milton Rooms own funds. Architects have been appointed and work to date has included consultation with key stakeholders (including Fitzwilliam (Malton) Estate, potential partners and building users) and development of initial designs. A developed design brief has been refined and agreed with the Milton Rooms for the next stage of work and this will progress further once a Stage 1 application to the Heritage Lottery Fund has been submitted (expected to be early-mid 2016/17) and its outcome is known. All committed funding is due to be spent by the end of 2016/17.  
*£1.7k remaining - it is recommended that this remains allocated to the project as a contingency to allow for unforeseen eventualities.*
- FERA National Agri Food Innovation Campus - Up to £25K  
This funding has not been drawn down and the site is now owned by the private sector. Enhanced access to site is to be considered as part of A64 upgrade options.  
*£25k available for reallocation.*

- A64 Improvements - £20k  
The funding was combined with similar contributions from NYCC and Scarborough BC to deliver the A64 Scheme Identification and Feasibility Study, which has been submitted as evidence for Highways England's Route Management Strategy. The Study identified outline business case and alignment options for dualling between Crambeck and Malton and a series of localised improvement schemes between Norton and Staxton roundabout.  
*No funds remaining.*
- Malton to Pickering Cycleway Feasibility - £3k  
Allocation of £3k utilised to fund feasibility study undertaken by Sustrans. Draft study has been produced, consulted upon with local Members and parish/town Councils and final amendments agreed. Officers will continue to investigate potential funding options for detailed designs and implementation of the cycleway.  
*No funds remaining.*

6.3 Detailed progress on all these projects is indicated on the Covalent Performance Monitoring system and reported quarterly on the REAP Progress report, on the RDC Website.

### **Proposed Re-allocation of Remaining Funds**

#### *Skills Initiatives*

6.4 The REAP Objective 3 'Inspired People' aims to achieve a productive workforce for our growing businesses. Projects 3(a) and 3(b) promote positive careers advice and guidance for young people, particularly targeted at local employment and career opportunities. This results in activities such as the 'Opportunity Knocks' careers event, 'Explore and Inspire' days, school career advisers continuing professional development days and individual school careers guidance activity and events in partnership with local businesses.

6.5 When the Ryedale Employment Initiative was initiated in 2013 the economic context was somewhat different, with increasing youth unemployment at that time. This level is now decreasing as the graph in Annex B illustrates and Ryedale businesses are anticipating growth and skills shortages in the local employment market. The commencement of the York Potash development will further contribute to the demand for skilled workforce locally. There is consequently a growing need for the activity identified in the REAP Objective 3(a) and 3(b), to enable people to gain the skills needed by local businesses. It is recommended that the £35.3k underspend from the Ryedale Employment Initiative be reallocated to enable this activity to continue for a period of two years.

6.6 *Enhance rail parking and measures to reduce congestion at the rail crossing, Norton*  
REAP objective 4(b)i Malton and Norton Internal Junctions seeks to develop a package of internal junction improvements to improve connectivity. Members are aware from previous reports that public sector organisations are working together to develop a series of interlinked measures to mitigate the impacts of the increase in frequency of rail services and the consequent level crossing closures anticipated from December 2019 (at the latest). This is reflected in the identification of 'Enhance rail parking and measures to reduce congestion at the rail crossing, Norton' as a Priority Economic Project in the REAP, for delivery before 2020. There is also the need to mitigate potential impacts on addition crossing closures on air quality, given

the designation of parts of Malton as an Air Quality Management Area. Many of the potential measures will require project development / feasibility work to be undertaken before decisions can be made whether to implement them. Officers will continue to work in partnership with key delivery partners (particularly NYCC, Network Rail and the train operating companies) to secure funding commitments as appropriate and to develop and prioritise a package of proposals, including project development/feasibility work. Officers will also continue to engage with local community representatives to refine these proposals further. It is therefore recommended that the underspend of £25k from the Major Projects strand be reallocated as the Council's contribution to the feasibility work for this project. North Yorkshire County Council Highways have also agreed to contribute £25k to this work and to commit key officer time and specialist technical knowledge through their partner consultants.

### **Ryedale Economic Action Plan - Dalby Forest**

6.7 Dalby Forest - Forest Artworks project was subject of a Member visit in October 2016. The Forestry Commission (FC) has now been successful in its application for grant aid from Arts Council England, match funding the RDC Creative Economy Commission to further develop the concept of Forest Artworks (the national FC programme) in Dalby Forest (or in the local area) and engage local people and visitors in developing the concept.

6.8 There is considerable capital investment required to progress the project and to ensure that Dalby has appropriate infrastructure and facilities to be able to accommodate the expected growth in visitor numbers over the next 10 years. The FC is now looking to develop an investment plan for this ambitious programme of work, which will be largely focused on the Adderstone area of Dalby Forest and include:

- completion of the Dry Stone Wall Maze project
- new Blue cycle trail to ensure the site has full range of networked trails for all abilities\*
- a range of additional sports facilities (e.g. climbing facility)\*
- renewal of existing play facilities\*
- upgrading existing as well as new trails linking existing facilities\*
- extending the field to increase capacity to attract large scale nationally and internationally important event (such as mountain bike world cup and concerts)\*
- new building hosting cafe/kiosk, toilet & shower facilities and potentially astronomy facilities\*
- potential provision of low key overnight accommodation within the forest.

(\* All incorporating art as a means of providing the visitor with a truly unique and memorable experience)

6.9 As a non-ministerial government department, the FC's ability to access funding streams is significantly restricted. Given the potential benefits of the scheme to the local economy (including increased visitor numbers & visitor spend, improved recreational facilities and improved access to cultural assets) it is considered appropriate that the project be added as a Major Project in the Economic Action Plan, under Objective 4; Successful and Distinctive Places. The FC has indicated that it would greatly welcome support from the District Council in the form of:

- assistance with development of the business case for the project
- identification of appropriate funding sources
- advice and assistance with securing external funding towards the project

- advice on appropriate delivery mechanism/s for the project
- provision of political support

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

a) Financial

There are no financial implications as this is expenditure of existing budget.

## **8.0 NEXT STEPS**

8.1 Progress will be reported through the Covalent Performance Management system.

**Julian Rudd**

**External Partnerships Lead**

**Author: Jos Holmes, Economy and Community Manager**

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## RDF Progress and Next Steps - ANNEX A

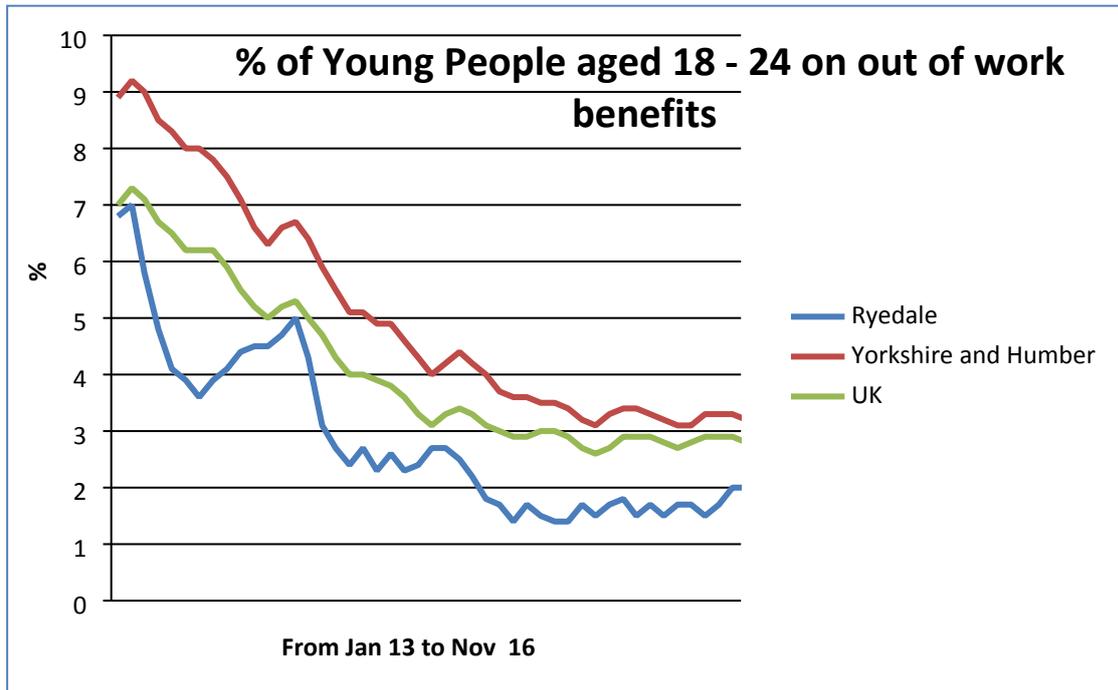
Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Failure to spend RDF budget	Lack of impact on local economy	<b>3</b>	<b>C</b>	Reallocation as per report will ensure that impact on economy is realised.	<b>1</b>	<b>B</b>
Failure to delivery major projects	Local economy lacks support	<b>3</b>	<b>C</b>	Pro active support for the economy is part of the Ryedale Economic Action Plan	<b>1</b>	<b>A</b>

Score	Likelihood	Score	Impact
1	Very Low	A	Low
2	Not Likely	B	Minor
3	Likely	C	Medium
4	Very Likely	D	Major
5	Almost Certain	E	Disaster

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P&R 2 February 2017

Ryedale Development Fund Annex B



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# Council Plan

Generated on: 20 January 2017

<b>1. Employment Opportunity &amp; Economic Success</b>												
	EC 10	EC 12a	EC 12b	EC 12c	EC 12d	EC 13a	EC 13b	EC 40				
<b>2. Housing Need</b>												
	BS RB 3	FP 7	FP 8	HS 1	HS 5	HS 8	HS 11b	HS 2	HS 14	HS 10b	BS RB 2	HS 17
<b>3. High Quality Environment</b>												
	DM 157a	DM 157c	HE 13	SS 15	SS 16	SS 17	DM 157b	SS 192	DM 2	SS 35	SS 36	
<b>4. Active Safe Communities</b>												
	HE 10	EC 77										
<b>5. Transforming the Council</b>												
	BS AS 3	HR A 01 R	BS AS 1 RDC	BS BI 02	BS RB 11	BS RB 12	BS MD 1					

## Status Icon Key

 On track	 Warning	 Alert	 Data only indicator	 Long term trend arrow
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## 1. Employment Opportunity & Economic Success

		EC 10	Total Job Seeker Allowance and Universal Credit Out of Work Claimants Aged 16 - 64			
Current Value		1.1%	November 2016	Previous Result	1.0%	October 2016
Yorkshire and The Humber 2.1%, Great Britain 1.8%						
		EC 12a	% Ryedale population aged 16-64 qualified - NVQ1 or equivalent			
Current Value		83.5%	2015/16	Previous Result	83.1%	2014/15
Ryedale had 25,100 residents between January-December 2015 aged 16-64 studying at NVQ1 level and above. 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		70.5%	2015/16	Previous Result	67.5%	2014/15
Ryedale had 21,200 residents between January-December 2015 aged 16-64 studying at NVQ2 level and above. 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		45.1%	2015/16	Previous Result	54.4%	2014/15
The percentage of Ryedale residents aged 16-64 reaching NVQ3 and above dropped from 15,900 attaining the qualification to 13,600 from January-December 2015.						
		EC 12d	% Ryedale population aged 16-64 qualified - NVQ4 or equivalent			
Current Value		29%	2015/16	Previous Result	41.0%	2014/15
The number of the Ryedale residents qualified to NVQ4 or equivalent has dropped from 12,000 to 8,700						
		EC 13a	Gross weekly earnings by workplace			
Current Value		£460.10	2016/17	Previous Result	£410.40	2015/16
Ryedale has the lowest median gross weekly wage in the LEP area. Although unemployment is low, low wages cause many people to have more than one job and also cause housing affordability issues. Priorities to increase wage levels for local people are in the Ryedale Economic Action Plan.						
		EC 13b	Gross weekly earnings by residency			
Current Value		£443.10	2016/17	Previous Result	£411.80	2015/16

Earnings by Workplace 2015 annual data (pounds) Ryedale £411.80, Craven £450.20, Scarborough £467.90, Hambleton £479.50, York £496.00, Harrogate £518.00, Richmond £518.50, Selby £526.50. Yorkshire and Humber region average £480.50, Great Britain £529.60

Ryedale has the lowest median gross weekly wage in the LEP area. Although unemployment is low, low wages cause many people to have more than one job and also cause housing affordability issues. Priorities to increase wage levels for local people are in the Ryedale Economic Action Plan.

		EC 40	Employment Rate - aged 16-64			
Current Value	81.5%	2015/16	Previous Result	84.5%	2014/15	

2015/16: Yorkshire and Humber 72.2% Great Britain 73.7%

Although generally buoyant, the high technology manufacturing sector specialising in sub sea technologies has been declining due to global oil price depressing oil exploration activity. RDC is continuing to support the high technology manufacturing sector through training and infrastructure support. Seasonality is also an issue addressed in the Visitor Economy activity delivered by RDC.

## 2. Housing Need

		BS RB 3	Speed of processing - changes of circumstances for HB/LCTS claims			
Current Value	6.0 days	December 2016	Current Target	12.0 days		

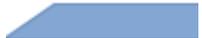
The performance for changes of circumstance for both housing benefit and local council tax support has been strong over recent months. However the implementation of the full service for Universal Credit in June 2016 for Ryedale working age claimants may cause a significant increase in the volume of changes to be processed for LCTS claimants, which may in turn affect performance.

25 		FP 7	Net additional homes provided			
Current Value	245	2015/16	Current Target	200		

The target of 200 is the LDF plan requirement. 261 net additional homes were provided in 2014/15

		FP 8	Supply of deliverable housing sites			
Current Value	116.0%	2015/16	Current Target	100.0%	See Annual Monitoring Statement and Strategic Housing Land Availability Assessments. Target five year housing supply= 100%	

The new five year deliverable supply figure at 31/3/16 is 1158 plots which equates to 5.8 years of deliverable supply (based on the Plan requirement of 200) or 116%

		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 2016/17	Current Target	100.0%	Target is to decide on all applications within 33 days	

4 decisions made within period and notified within 33 days of application

		HS 2	Length of stay in temporary accommodation (B&B, weeks) Snapshot	
Current Value	0.43 weeks	Q3 2016/17	Current Target 4.00 weeks	Target: National maximum allowable is 6 weeks. Local target of 4 weeks
2 occasions only where a total of 3 days were spent in B & B (1 day + 2 days)				
		HS 5	Number of Homeless Applications	
Current Value	5	Q3 2016/17	Current Target 13	
5 Applications were received in the is period (01/10/16 - 31/12/2016)				
		HS 8	Prevention of Homelessness through Advice and Proactive Intervention (values and targets are per quarter, not accumulative)	
Current Value	44	Q3 2016/17	Current Target 39	Target is to achieve 10% improvement in numbers of preventions year on year
Between 01/10/16 and 31/12/2016 there were 44 Homelessness Preventions through Advice and Proactive Intervention through the Local Authority				
		HS 11b	Properties empty for six months or more	
Current Value	233	2015/16	Current Target 249	
This figure is included on the government return CTB1 which informs the New Homes Bonus Allocation. The figure is calculated in October and is the total of empty properties which have been empty for six months or more				
		HS 14	Affordability Ratio	
Current Value	8.5	2015/16	Current Target 8.39	Target is to improve on previous years performance
Affordability ratios in 2015 were calculated using earnings data from April 2015 and house price data for the period September 2014-September 2015.				
		BS RB 2	Speed of processing - new HB/LCTS claims	
Current Value	43.5 days	December 2016	Current Target 25.0 days	
The delay in processing new claims for Housing Benefit and Local Council Tax support is due to one full time member of staff leaving and holidays and in addition for Local Council Tax Support there are delays with Universal Credit up to six weeks for new claims which is administered by the Department for Work and Pensions but we use as income in the assessment of Local Council Tax Support.				
		HS 10b	% Households in Ryedale in Fuel Poverty (Low Income High Cost)	
Current Value	15.9%	2014/15	Current Target 10.6%	Target is to improve on previous years performance
3636 out of 22827 households in Ryedale were in fuel poverty in 2014				

		HS 17	Number of affordable homes delivered (gross)			
Current Value		30	2015/16	Current Target	75	35% of market housing target would result in 70 affordable homes arising from 200 net additional homes.
93 Affordable homes under construction with 35 completed.						

### 3. High Quality Environment

		DM 157a	Processing of planning applications: Major applications (13 weeks)			
Current Value		86.40%	December 2016	Current Target	70.00%	Targets originally set under Planning Delivery Grant regime
At the end of December 2016 performance stood at 86.4% being dealt with within agreed target times, exceeding the target of 70% . Again this figure can be volatile arising from the relatively low numbers of major category applications received.						

		DM 157c	Processing of planning applications: Other applications (8 weeks)			
Current Value		90.20%	December 2016	Current Target	90.00%	Targets originally set under Planning Delivery Grant regime
Performance at 90.2% exceeds the 90% target and has been consistent for several months.						

		HE 13	% of Food establishments in the area broadly compliant with food hygiene law			
Current Value		86%	2015/16	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 accessed and by default not compliant under the national definition for this indicator.

The "broadly compliant" performance Indicator is defined as the percentage of food establishments within the local authority area that are broadly compliant with food law. The assessment is based on a scoring system that is defined in the national Code of Practice. When officers inspect a food business they rate the business with respect to several aspects. Three of those aspects namely the standard of hygiene, the structural standard and the confidence in management are awarded numerical values and if any one of them falls below a prescribed level then the establishment is judged to be non broadly compliant.

		SS 15	% of Household Waste Recycled			
Current Value		21.73%	2015/16	Current Target	20.00%	Target set following analysis of previous performance levels
Performance continues to improve. The priority is to maintain this level of performance.						

		SS 16	% of Household Waste Composted			
Current Value		24.07%	2015/16	Current Target	23.00%	Target set following analysis of previous performance levels

The target has been reduced from 30% to 23%. This is to reflect the reduction in tonnages post garden waste subscription, which is circa 35-40% per annum. Although overall tonnage PA has reduced, it is clear to see from sales and tonnage data that participation per household has increased by 36%. Taking the average kg's per household from 297 kg's up to 462 kg's. So whilst

tonnage has reduced and impacts on overall recycling performance, residents using the service are 'super users' justifying the kerbside collection. In addition to this rates of contamination have reduced to almost zero.

		SS 17	Household Waste Collection - % change in kilograms per head			
<b>Current Value</b>		-3.45%	2015/16	<b>Current Target</b>	0.25%	Target is to improve on previous years change

Year on year the amount of household waste collected has significantly reduced, giving a net change of -3.45% in 15/16.  
 2015-16 408.78 kg/per head, 2014-15 423.41 kg per head.

		DM 157b	Processing of planning applications: Minor applications (8 weeks)			
<b>Current Value</b>		75.00%	December 2016	<b>Current Target</b>	80.00%	Targets originally set under Planning Delivery Grant regime

Performance has continued to improve over 2015/16 end of year performance - assisted in part by the reduced numbers of planning permissions which require S106 legal agreements to be completed (relating to small sites).

		SS 192	% of household waste sent for reuse, recycling and composting			
<b>Current Value</b>		45.80%	2015/16	<b>Current Target</b>	49.70%	National target to achieve 50% by 2020

2016 was the first full year of data that reflects the full impact of charging for garden waste. Results are positive, achieving 46% subscription rate against a target of 35%. The overall recycling rate has reduced by 8% against a forecast reduction of 15%.  
 15/16 45.8% (first full year charging for garden waste)  
 14/15 48% (Part year charging for garden waste collection)  
 13/14 53% (no charge for garden waste collection)  
 A new target will be issued upon a review of current performance.

		DM 2	Planning appeals allowed			
<b>Current Value</b>		40.0%	Q3 2016/17	<b>Current Target</b>	33.0%	Target based on national averages and benchmarking

At the end of Quarter Two 10 decisions had been received which included three allowed . It is of note that two of these were on adjacent sites relating to appeals by Gladmans at Langton Rd Norton . Whilst the 33% allowed appeals target is being met it is also of note that this target can be extremely volatile because of the low numbers of appeals lodged.

		SS 35	% CO2 reduction from LA operations.			
<b>Current Value</b>		18.5%	2015/16	<b>Current Target</b>	-12.5%	Target set for three years, based on national guidance. To be reviewed following analysis of performance to date

A recent audit has identified issues in the calculation of performance data and targets. This matter is being investigated and a revised target will be set. The issue identified is in the analysis of data and NOT performance. However both need assessing to determine a fair and reasonable level of performance.

		SS 36	Tonnes of CO2 from LA operations			
<b>Current Value</b>		1,680	2015/16	<b>Current Target</b>	1,418	Target set for three years, based on national guidance. To be reviewed following analysis of performance to date

The large increase in CO2 emissions in 2015-16 is due to the energy consumption of the pools not being included for part of 2014-15. The pools are still owned by the Council and therefore should be included in the calculation of this performance indicator. As such future targets will be revised based on 16/17 performance.

## 4. Active Safe Communities

		EC 77	Total Crime in Ryedale			
Current Value	1,015	2016/17 to date	Current Target	1659	2015/16	
The level of crime recorded in 2014/15 was unsustainably low at 1487 and the performance for subsequent years will be higher than this. In 2013/14 2273 crimes were recorded.						

		HE 10	Adult participation in sport and active recreation. Sport England Active People Survey-Annual			
Current Value	35.5%	2015/16	Current Target	32.7%	Target is to improve on previous years performance	
The percentage of Ryedale residents exercising with moderate intensity for 30 minutes at least once a week has increased for 2015/16 to 35.5%. This is above the Yorkshire (35.0%) but below the percentage for England (36.1%)						

## Page 29 Transforming the Council

		BS AS 1 RDC	Service enquiries resolved at first point of contact (telephone)			
Current Value	68%	December 2016	Current Target	50%	Target is for year on year improvement	
Following changes of staffing within the team at front of house, performance has improved, and call volumes managed at peak times, such as council tax billing and garden waste licence renewals, with support of other hub teams.						

		BS AS 3	Payments made using electronic channels			
Current Value	97%	December 2016	Current Target	85%	Target is set to maintain performance	
Electronic channels include web, telephone and Direct Debit.						

		HR A 01 R	Average number of Working Days Lost Due to Sickness Absence per FTE, RYEDALE			
Current Value	0.46 days	December 2016	Current Target	0.63 days	Average absence calculated by the CIPD in their annual survey of absence management last year for the public sector was 8.7 days and in the private sector 6.9. The annual 2016/17 target has therefore been revised to 7.2 days for RDC to reflect our ambition to be more commercial in how we deliver our business.	
Performance continues to improve. The total number of days lost to sickness absence in 2015/16 was 2450 days. The number of days lost in April 2015 was 236 compared with 140 days in April 2016, for both long term and short term absence. The % of working days lost to sickness absence in 2015/16 was 4%, an improvement of 2% on 2014/15.						

		BS BI 02	% FOI Requests responded to within 20 working days			
Current Value		94%	November 2016	Current Target	95%	
51 out of 54 FOI requests were responded to within 20 days.						
		BS RB 11	% of Council Tax collected			
Current Value		85.82%	December 2016	Current Target	86.26%	Target is set to maintain performance
In-Year collection drop attributable to the uptake of 12 monthly payers increasing. The effect of this is that collection is lower between April & January compared to the previous year, but we expect it to catch back up in February & March 2017.						
		BS RB 12	% of Non-domestic Rates Collected			
Current Value		85.60%	December 2016	Current Target	85.94%	Target is set to maintain performance
Decrease in collection compared to previous year attributable to various factors. Primarily increase in uptake of 12 monthly instalment plans and Rateable Value changes.						
		BS MD 1	Standard searches completed in 5 working days			
Current Value		54.2%	December 2016	Current Target	90.0%	Target is set to maintain performance
CCC late responses are leaving it too late for us to deal with and dispatch search notices within the 5 working day target.						



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>2 FEBRUARY 2017</b>
<b>REPORT OF THE:</b>	<b>RESOURCES AND ENABLING SERVICES LEAD (s151) PETER JOHNSON</b>
<b>TITLE OF REPORT:</b>	<b>FINANCIAL STRATEGY 2017/18</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 The report sets out the budget for 2017/18, 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 2017/2018.
- 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 £1.081m (Financial Strategy Appendix A)
    - b. Growth Pressures totalling £328k (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 2017/2018 (Financial Strategy Appendix E)
  - (ii) a Revenue Budget for 2017/18 of £6,156,794 which represents a £4.34 increase in the Ryedale District Council Tax, increasing the total charge to £186.05 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 £49,620, equivalent to £0.66 increase at band D;
  - (iv) to note the financial projection for 2017/18 – 2021/22 (Annex B);

- (v) to approve reserve movements as highlighted in paragraphs 6.38 to 6.40 of this report.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 To agree a balanced revenue budget for submission to Council for the financial year 2017/18 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. There is currently a significant outstanding issue around the location of the new waste transfer station which could have an adverse impact on the savings requirement identified within the MTFS (Annex B). It is estimated that the North Yorkshire County Council preferred option would add c£300k to this Council's current savings requirement as early as 2018/19.

### **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. 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 2016/17 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 including NHB.
- 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 from the sale of property and land will be received.

#### **Budget and Council Tax for 2017/2018.**

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 up to 3%
- Pay award as agreed through national negotiations. Comprising a headline of one per cent for staff at spinal column 18 and above and higher percentages for staff on lower bands
- 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 7 July 2016 that the budget be prepared on the assumption of a £5 increase in Council Tax.

6.6 The referenda limit for 2017/18 has been proposed at £5 for Shire Districts as part of the Provisional Local Government Finance Settlement. With a referenda costing c£70k to undertake and with £5 on Council Tax equating to c£100k it is clear that the Council should not approve a position which requires a referenda.

6.7 Once again there will be no Council Tax Freeze Grant in 2017/18. The Governments Core Spending assessment assumes that Local Authorities will apply an inflationary increase to Council Tax throughout the life of the current Parliament.

#### **Grant Settlement and specific grants**

6.8 The Provisional Local Government Finance Settlement was announced on the 15 December 2016, at the time of writing this report the final announcement had not been received.

6.9 During the course of the current year the Council accepted the offer of a 4 year funding settlement which included Revenue Support Grant (RSG) and Rural Service Delivery Grant (RSDG). The figures announced for 2017/18 as part of the provisional settlement are in line with our expectations from the 4 year settlement.

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

6.11 In addition to the above there are the following significant specific grant movements for RDC:

<b>Grant</b>	<b>£k</b>
Reduction in Housing Benefits Administration Subsidy Grant	(26)
Loss of New Burdens Funding LCTS	(3)

#### **Retained Business Rates**

- 6.12 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. 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.
- 6.13 The Government has announced that Local Authorities will keep 100% of Business Rate Income before the end of the current Parliament, in return additional responsibilities are to be devolved to Local Government. The Council responded to the Governments consultation during the year and a further technical consultation is expected shortly.
- 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 £3.959m. Based on Council Tax referendum principles, a £5 increase in the Band D council Tax will deliver A £5 increase in Council Tax equates to additional funding towards the councils net revenue budget of £90k in 2017/18 and is worth £470k to the Council over the next 5 years. The Council Tax Base has increased by 1.59% for 2017/18 and provides additional income to assist the Council's financial position.

#### **Base Budget Adjustments**

- 6.16 These are as follows:

<b>Issue</b>	<b>£k</b>
Pay and Price Inflation	93

#### **Growth Items**

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

#### **Savings/Additional Income**

- 6.18 The council has undertaken an organisational review to deliver the first tranche of savings through its towards 2020 efficiency programme. The restructure will deliver £894k of efficiency savings in 2017/18, rising to £994k by 2019/20.
- 6.19 The Leisure contract has delivered further efficiencies of £90k (the position is detailed in appendix A to the Financial Strategy at Annex A).

#### **New Homes Bonus**

- 6.20 Provisional figures for 2017/18 show a decrease in New Homes Bonus (NHB) from £1.676m to £1.420m. In 2016/17 the Council used £327k to support the revenue budget and £188k to fund the shortfall on the capital programme, the plans approved last year identified the gradual increase in use of this revenue funding to protect services although. Following Government consultation, the MTFs was amended to reflect a 4 year rather than 6 year scheme, which was the Governments preferred option through the consultation. The outcome of the Governments consultation

formed part of the Provisional Finance Settlement announced in December 2016. The settlement reflected an interim 5 year scheme for 2017/18 followed by a 4 year scheme from 2018/19 onwards. The scheme also included a 'deadweight' of 0.4% below which NHB will not be payable. The reduced scheme also started a year earlier than anticipated within the consultation.

- 6.21 The budget as proposed includes a reduction of £256k in NHB receipts and uses only £32k (£294k less than last year) of the 2017/18 NHB to support the revenue budget and £188k to fund the shortfall on the capital programme. There is therefore £1.2m of NHB unallocated in the budget and this will be transferred into reserves.
- 6.22 Members also need to be aware of risks around the capital programme later in this report which may need to be financed from part of 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	6,413
Add:	
Base Budget Adjustments	93
Growth items	328
Total 'Cost'	6,834
Less:	
Retained Business Rates	(1,775)
Council Tax Income	(4,004)
Revenue Support Grant	(378)
Movement in Rural Service Delivery Grant	110
Movement in New Homes Bonus	294
Efficiencies/Savings/Additional Income	(1,081)
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 2017/18 budget. Therefore any Member proposals for ongoing additional expenditure will necessitate cuts to existing services.

### Medium Term Revenue Forecast (MTRF) projections to 2021/22

- 6.25 Members will note the financial projections to 2021/22 (Annex B). Although the Council has delivered a further £1.081m in savings within the 2017/18 budget, there is still a further forecast savings requirement through to 2021/22 of c£680k
- 6.26 Annually when updating the capital programme a further year is added, which equates to around £500k of additional expenditure. The current programme includes ongoing funding from NHB of £188k to bridge the shortfall in delivering a basic capital scheme.

### Capital Programme

- 6.27 The Financial Strategy provides a detailed breakdown of the Council's Capital Programme (appendix D) up to 2020/21 totalling £5.949m. External funding of £2.105m is included, leaving a balance of £3.844m to be financed by the Council's funds and reserves as follows:

Funding Source	£
Capital Fund	3,048k
Capital Receipts	476k
Borrowing	320k
	<b>3,844k</b>

- 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 the use of borrowing in 2017/18.
- 6.29 Members should note that there are £249k unallocated capital resources available for investment in new schemes based on existing assumptions of capital receipts and investment interest receipts. The inclusion of any new 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 a number of pieces of land and property. This is assumed within the capital programme at a value of £326k.
- 6.31 The capital programme as proposed also includes the predicted final payment towards the Brambling Fields junction improvements, which takes into account a final split of costs with NYCC. The final split of costs is still subject to negotiation. The maximum final cost is now estimated to be slightly in excess of the maximum scheme contribution agreed by Council, if this situation remains then a further report will be brought before members to approve this increase before payment is made. 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 2017/18**

- 6.32 The Pay Policy for RDC for 2017/18, as required under the Localism Act is attached at appendix E to the Financial Strategy (Annex A).

#### **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:-

<b><u>Town/Parish</u></b>	<b>£</b>
Malton	8,690
Norton	14,920
Pickering Rural	<u>26,010</u>
<b>TOTAL SPECIAL EXPENSES</b>	<b><u>49,620</u></b>

#### **National Non-Domestic Rates (NNDR)**

- 6.34 For 2016/17 the NNDR multipliers are: a small business non-domestic rate multiplier of 48.4 p and a non-domestic rate multiplier of 49.7p. For 2017/18 the draft multipliers are 46.6 and 47.9p 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.
- 6.38 During the current financial year Council agreed to transfer £958k from the NHB reserve and £150k from the General Fund to support the cost of transformation. The Restructure Reserve received £778k of this sum to fund the cost of voluntary redundancies. The current round of voluntary redundancies has cost £555k and therefore it is proposed that the balance of £223k is transferred back into the NHB reserve in line with the decision of Council. The Improvement, Contingency and Emergency (ICE) Fund received the remaining £330k towards other organisational costs of change, this work is ongoing.
- 6.39 Currently the Council's budget includes a transfer of £50k from the General Fund to the Restructure Reserve to ensure an adequate balance is maintained to fund the cost of any future redundancy. Following the latest round of redundancies and having regard to the future likely pressure on the reserve it is considered that, in the medium term, this transfer is no longer required.
- 6.40 The Government has announced that by the end of the current Parliament, the Local Government Sector will receive 100% of Business Rates Income. Based on the current 50% scheme, the Council has sufficient balances within the ICE Fund to mitigate the effect of a significant reduction in business rates income to cover the shortfall between its budgeted figure and the Governments safety net level. Although the details of a 100% scheme have yet to be published it would be prudent for the Council to start to increase the level of this balance in anticipation of a 100% scheme which may increase the councils financial liability. It is therefore proposed that the £50k General Fund transfer previously earmarked to the Restructure Reserve be allocated to the ICE Fund in 2017/18, to be reviewed when further information on the new scheme becomes available.
- 6.41 The Council's revenue budget for 2017/18 assumes no draw on the General Reserve to support the budget. With the outlook for 2017/18 and beyond being very tough, and the scale and risk of achieving cost reduction being high, the council's policy on surplus reserves is remains the same: to invest to save and, if required, to smooth the curve of cost reduction in the light of timescales needed to drive costs out.

### **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 – Resources & Enabling services Lead (s151))**

In setting the Revenue budget for 2017/2018 **I consider that the proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.**

The total saving proposals are £1.081m. 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.

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**  
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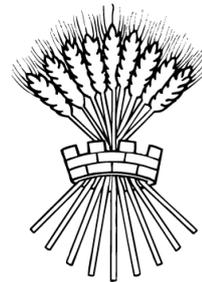
**Background Papers:**  
[Local Government Finance Settlement 2017 to 2018 - Search - GOV.UK](#)

[Ryedale District Council Budget consultation - 2017-18 results](#)

**Background Papers are available for inspection at:**  
N/A

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RYEDALE  
DISTRICT  
COUNCIL



# **FINANCIAL STRATEGY**

**2017 - 2021**

# **FINANCIAL STRATEGY**

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## **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 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 2016/17 totals £6.413m and is allocated to services as shown:

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	4,368	3,787	581
Cultural & Related Services	1,021	6	1,015
Environmental & Regulatory Services	4,425	2,118	2,307
Highways & Transport Services	347	885	(538)
Housing Services	14,073	13,006	1,067
Planning Services	1,834	721	1,113
	26,068	20,523	5,545
Other Financial Adjustments			868
<b>Net Revenue Budget</b>			<b>6,413</b>
Financed By:			
Government Grant and Retained Business Rates			2,538
Collection Fund Surplus – Council Tax			69
Ryedale District Council Precept			3,806
<b>Total</b>			<b>6,413</b>

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 2017/18 budget.

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, Rural Services Delivery Grant and Retained Business Rates** – In December 2016 the council received the provisional

finance settlement for 2017/18, the figures were in line with the 4 year funding settlement accepted by the Council.

Revenue Support Grant will see continued substantial reductions in future years reducing to zero followed by ongoing reductions to the Business Rates Tariff. Under the Business Rate Retention 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 lead to 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 (see para 6.40 to the main report). 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 Spending Review and the subsequent Provisional Local Government finance settlement 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. Following the success of previous efficiency programmes which started with the One-11 programme for 2011/2012, Going for Gold for 2012/2013 and Round 3 for 2013/2014, the council is now implementing a more radical approach to transformation through the Towards 2020 programme, work so far is expected to deliver circa £1m. Following the previous efficiency programmes which involved a review of services, the level of savings required necessitates the council to invest resources in achieving the transformation.

### **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%.

The Government has provided details of changes to the current NHB scheme, the which has resulted in the reduction of the amount of NHB available. The change will see a reduction to the current 6 year scheme to a 5 year scheme in 2017/18 and then a 4 year scheme from 2018/19 onwards. Additionally, and unexpectedly, the new scheme will see a 'deadweight' below which NHB will not be paid, the threshold has been set at 0.4% of the increase in the Council Tax Base. The following table sets out the received and predicted income from New Homes Bonus, the budgeted/ forecast allocation of NHB and the remaining balance available for RDC:

<b>Year</b>	<b>NHB £000</b>	<b>Revenue Support £000</b>	<b>Capital Support £000</b>	<b>Balance £000</b>
2014/2015 (received)	1,127	175	0	952
2015/2016 (received)	1,387	559	288	540
2016/2017 (received)	1,676	327	188	604
2017/18 (due)	1,420	32	188	1,200
2018/19 (illustrative)	913	32	188	693
2019/20 (illustrative)	837	146	188	503
2020/21 (Illustrative)	735	547	188	0

The table highlights the indicative reduction in NHB over the life of the current Parliament. It's forecast that by 2020/21 the whole of NHB will be required to support revenue and capital. There is a risk that the illustrative NHB figures for 2018/19 onwards could reduce further dependent on the level of house building throughout the district.

### ***External Funding***

The Audit Commission sees the achievement of external funding as a key part in the demonstration of Value for Money. The Local Economic Partnerships (LEP) has a role in the distribution of external funding and RDC will need to ensure that it continues to have 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 current economic turbulence 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 of the fund took place in 2016/17 and the overall contribution rates have increased, however by less than expected based on the interim valuations. The next review will be in 2019/20 and an 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. 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 2017 - 2021**

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.

The Council has accepted the Governments offer of a 4 year funding settlement, although the settlement delivers very significant funding cuts it does offer a degree of certainty for financial planning. The medium term predictions incorporate the estimates based on these details. The 2017/18 Provisional Finance Settlement was announced in December 2016 and the grant funding figures for the council were in line with the 4 year offer. Announcements indicate that further cuts to funding should be expected in the next parliament.

### ***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 2017/18 based on the NNDR1 information 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

2017/18 is £5 on the band D equivalent including the Special levy. 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 £5.

A £5 increase in Council Tax has been included within this strategy for 2017/18 in line with the decision of Council. Future years Council Tax rises are provisionally predicted at £5.

### ***Inflation rates and pay increases***

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

*Inflation:* a rate of up to 3% has been used for non-salary expenditure budgets where more accurate information is unavailable.

*Pay awards:* as agreed through national negotiations. Comprising a headline of one per cent for staff at spinal column 18 and above and higher percentages for staff on lower bands. Future years are based on a 1% increase, rising to 2% from 2020/21..

### ***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:-

2018/19 - £150,000

2019/20 - £150,000

2020/21 - £220,000

### ***Efficiency savings***

In accepting the 4 year funding settlement the Council was required to produce, and have approved, an efficiency statement which was based on the Towards 2020 Transformation Programme. The statement identified a £1.1m savings requirement. The programme has delivered £894k of these savings for the 2017/18 budget, with the work undertaken to date expected to deliver a further £100k of savings by 2019/20.

The provisional settlement announcement in December 2016 identified further reductions in New Homes Bonus funding, the effect of this reduction is estimated to increase the Council's savings requirement by £300k. The revised MTFs, which also includes a reduction in anticipated Business Rates Income and downward changes to growth in the Council Tax base, identifies a further savings requirement of £600k through to 2021/22.

Identification of savings over the next 12 months will focus on asset utilisation and a review of Streetscene services.

### ***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 5-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 mechanisms in place.

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

- Budget Consultation.
- 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 revenue and capital monitoring reports to Corporate Management Team, and 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 timely and accurate budget monitoring information to Budget Managers.

The process requires budget holders to explain the reasons for any significant variances and Leads 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 2017 - 2021**

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 accept 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. 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 major underutilised assets.

### ***(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 Chief Financial Officer 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 and strategy.
- 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 Resources and Enabling Services Lead (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 Chief Finance Officer 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 Chief Finance Officer 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. With the outlook for 2017/18 and beyond being very tough, and the scale and risk of achieving cost reduction being high, any reserves identified as being surplus should be prioritised to

invest to save schemes and, if required, to smooth the curve of cost reduction in the light of timescales needed to drive costs out.

Appendix C details the position on the Councils Key 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 2017/18 and in the medium term are listed below, together with comments on how they will be managed:

<b>Issue/Risk</b>	<b>Consequences if allowed to happen</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>	<b>Mitigated Likelihood</b>	<b>Mitigated Impact</b>
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 adequate 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. 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	Unplanned use of reserves with potential to impact on	Very Likely	Major	Ensure regular monitoring Review trends	Likely	Medium

fees and charges	future Council Tax levels or requiring cuts to services or service levels			Take appropriate action Ensure base income budgets are realistic.		
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 consideration/consultation	Council fails to meet community needs, adverse impact on Corporate and Community Plan. Adverse external inspection	Likely	Major	Develop a long-term financial strategy. Set out a clear budget timetable. Regular updates to Members. Effective ongoing consultation processes.	Not Likely	Minor

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 2017/18**

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 2017/18 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

### 2017/18 Budget Pressures

		£'000
<b>Additional Costs</b>		
- Development Control Fees	Reduction in Income Budget	40
- Housing Benefit Income	Anticipated reduction due to roll out of Universal Credit	40
- Other reductions in Income		26
- Vehicle Leases	Replacement of 3x recycling vehicles 1x street sweeper	98
- Pension Contributions	Triennial Valuation	29
- Apprenticeship Levy	Statutory Levy	10
- Other Growth items		30
<b>Specific Grants</b>		
- Benefits Admin Subsidy	Cut to grant	26
- Housing Grant	Fall out of grant	10
- Community Safety Grant	Fall out of grant in 2017/18	15
- Other reductions in grants		4
<b>Total</b>		<b>328</b>

### 2017/18 Efficiencies/Savings/Additional Income

Proposal	Savings £'000	Risk L/M/H
- T2020 Net Efficiencies	894	M
- Additional Income	55	L
- Leisure Contract	100	L
- Reduction in Grant Funding Expenditure	13	L
- Others	19	L
<b>Total of Savings</b>	<b>1,081</b>	

**Prudential Indicators****Capital Expenditure**

The actual capital expenditure that was incurred in 2015/16 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2015/16 Actual £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Capital Programme	1.076	2.543	0.957	0.853	0.788

**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 2015/16 are:

	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non HRA	2.09%	2.66%	3.62%	3.73%	2.82%

**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 2016 are:

	2015/16 Actual £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Total CFR	2.351	2.227	2.491	2.278	2.214

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 Chief Finance Officer reports that the authority had no difficulty meeting this requirement in 2015/16, 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 Chief Finance Officer, 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.

	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Borrowing	10,000	10,000	10,000	10,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000
Authorised Limit	11,000	11,000	11,000	11,000

The Chief Finance Officer 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 Chief Finance Officer 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 Chief Finance Officers 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 Chief Finance Officer. 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 Chief Finance Officer; 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.

	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	600	600	400	400
Operational Boundary	5,600	5,600	5,400	5,400

The Council's actual external debt at 31 March 2016 was £1.75m. 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 2017/18 (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	2017/18	2018/19	2019/20
	£0.06	£0.13	£0.21

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
	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2016</b>	547	1,839	286	0
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	313	-	-
Interest on Investment of Balances	-	90	-	-
Capital Receipts	-	-	356	-
Capital Grants & Contributions	-	259	-	408
	547	2,501	642	408
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-150	-	-	-
Capital Expenditure	-	-1,779	-356	-408
<b>Estimated Balance 31 March 2017</b>	<b>397</b>	<b>722</b>	<b>286</b>	<b>-</b>
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	263	-	-
Interest on Investment of Balances	-	65	-	-
Capital Receipts	-	-	30	-
Capital Grants & Contributions	-	-	-	408
	397	1,050	316	408
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-	-	-	-
Capital Expenditure	-	-199	-30	-408
<b>Estimated Balance 31 March 2018</b>	<b>397</b>	<b>851</b>	<b>286</b>	<b>-</b>
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	75	-	-
Interest on Investment of Balances	-	59	-	-
Capital Receipts	-	-	30	-
Capital Grants & Contributions	-	-	-	408
	397	985	316	408
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-	-	-	-
Capital Expenditure	-	-415	-30	-408
<b>Estimated Balance 31 March 2019</b>	<b>397</b>	<b>570</b>	<b>286</b>	<b>-</b>
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	75	-	-
Interest on Investment of Balances	-	125	-	-
Capital Receipts	-	-	30	-
Capital Grants & Contributions	-	-	-	408
	397	770	316	408
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-	-	-	-
Capital Expenditure	-	-350	-30	-408
<b>Estimated Balance 31 March 2020</b>	<b>397</b>	<b>420</b>	<b>286</b>	<b>-</b>

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**RYEDALE DISTRICT COUNCIL - PROPOSED CAPITAL PROGRAMME 2016/17 TO 2020/21**

Category / Scheme	2016/17 Rev Est £'000	2016/17 Forecast £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	Total Cost £'000	External Funding £'000	Net RDC Cost £'000	Net Cumulative £'000	Comments	External Funding Assumptions		Revenue Implications						
												£'000	Comments	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Comments	
<b>ASSET MANAGEMENT</b>																				
Car Parks Major Repairs	11	11	0	0	0	0	11	0	11	11	In accordance with Asset Mgt Plan, Hlth & Safety risk	0		0	0	0	0	0	0	0
Vehicle Replacement Programme	116	116	50	20	20	40	246	0	246	257	Replacement for recycling, street cleansing and grass cutting services	0		0	0	0	0	0	0	0
Public Conveniences Refurbishment	8	8	0	0	0	0	8	0	8	265	Refurbishment of sites	0		0	0	0	0	0	0	0
Wall Repairs Land Castlegate Malton	0	0	0	0	0	0	0	0	0	265	Repairs to boundary walls	0		0	0	0	0	0	0	0
Ryedale Pool Major Repairs	33	33	0	0	0	0	33	0	33	298	Necessary works over the life of this capital programme	0		0	0	0	0	0	0	0
Trade Waste Equipment	0	0	0	0	0	0	0	0	0	298	Replacement of trade waste bulk bins	0		0	0	0	0	0	0	0
Property Condition Survey	385	385	125	125	110	110	855	0	855	1,153	Programme of minor capital works to property portfolio	0		0	0	0	0	0	0	0
IT Infrastructure Strategy	158	158	24	0	0	0	182	0	182	1,335	Essential upgrade of IT Infrastructure	0		0	0	0	0	0	0	0
Replacement of Garage Inspection pit	50	50	0	0	0	0	50	0	50	1,385	Essential upgrade to accommodate new style of vehicle	0		0	0	0	0	0	0	0
	<b>761</b>	<b>761</b>	<b>199</b>	<b>145</b>	<b>130</b>	<b>150</b>	<b>1,385</b>	<b>0</b>	<b>1,385</b>			<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRIORITY AIMS - HOUSING</b>																				
Aff Hsg Init - Exception Sites Land Purchase	100	100	0	0	0	0	100	0	100	1,485	Contribution to RSL land acquisitions	0		0	0	0	0	0	0	0
Aff Hsg Init - Property Improvement Loans	95	95	95	95	75	75	435	0	435	1,920	Recoverable Loans to ensure properties are to the decent home standard	0		0	0	0	0	0	0	0
Aff Hsg Init - Landlord Improvement Loans/Grants	80	80	80	80	60	60	360	0	360	2,280	Recoverable Loans or Grants to Landlords	0		0	0	0	0	0	0	0
Private Sector Energy Efficiency Grants	65	65	50	50	40	40	245	0	245	2,525	Provide insulation improvements	0		0	0	0	0	0	0	0
Private Sector Renewal - Disabled Facilities Grants	437	645	533	483	483	483	2,627	2,040	587	3,112	Improve access to and within properties for people	2,040	DCLG	0	0	0	0	0	0	0
Mortgage Rescue Scheme	21	21	0	0	0	0	21	0	21	3,133	Scheme in partnership with Registered Social Landlord	0		0	0	0	0	0	0	0
	<b>798</b>	<b>1,006</b>	<b>758</b>	<b>708</b>	<b>658</b>	<b>658</b>	<b>3,788</b>	<b>2,040</b>	<b>1,748</b>			<b>2,040</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRIORITY AIMS - JOBS</b>																				
Expansion of Derwent Training	0	0	0	0	0	0	0	0	0	3,133	Provision for contribution to external scheme	0		0	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MAJOR SCHEMES</b>																				
A64 Brambling Fields Junction Upgrade	0	65	0	0	0	0	65	65	0	3,133	Contribute to upgrade for improvement to traffic managem't in Malton	65	Developer Contributions	0	0	0	0	0	0	0
	<b>0</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>65</b>	<b>0</b>			<b>65</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER SCHEMES</b>																				
Helmsley CPO	506	506	0	0	0	0	506	0	506	3,639		0		0	0	0	0	0	0	0
Flood Relief Grant Scheme	0	50	0	0	0	0	50	0	50	3,689		0		0	0	0	0	0	0	0
Assembly and Milton Rooms - Preservation Works	155	155	0	0	0	0	155	0	155	3,844	Work required under terms of lease to prevent further deterioration of building	0		0	0	0	0	0	0	0
	<b>661</b>	<b>711</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>711</b>	<b>0</b>	<b>711</b>			<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OF PROPOSED CAPITAL PROGRAMME</b>	<b>2,220</b>	<b>2,543</b>	<b>957</b>	<b>853</b>	<b>788</b>	<b>808</b>	<b>5,949</b>	<b>2,105</b>	<b>3,844</b>		<b>TOTAL</b>	<b>2,105</b>	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES

249k

**CAPITAL PROGRAMME 2016/17 TO 2020/21 - SUMMARY OF FUNDING**

Source of Funding	2016/17 Rev Est Funding £'000	2016/17 Forecast Funding £'000	2017/18 Estimate Funding £'000	2018/19 Estimate Funding £'000	2019/20 Estimate Funding £'000	2020/21 Estimate Funding £'000	Total Estimate Funding £'000	Scheme
<b>External Grants and Contributions</b>								
Department Communities & Local Government (DCLG)	245	408	408	408	408	408	2,040	Private Sector Renewal - Disabled Facilities Grant A64 Brambling Fields
Developers Contributions	200	65	0	0	0	0	65	
<b>Total External Grants and Contributions</b>	<b>445</b>	<b>473</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>2,105</b>	
<b>Ryedale DC Funding of Schemes</b>	<b>1,775</b>	<b>2,070</b>	<b>549</b>	<b>445</b>	<b>380</b>	<b>400</b>	<b>3,844</b>	
<b>TOTAL FUNDING OF CAPITAL PROGRAMME</b>	<b>2,220</b>	<b>2,543</b>	<b>957</b>	<b>853</b>	<b>788</b>	<b>808</b>	<b>5,949</b>	

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**PAY POLICY STATEMENT 2017 - 2018**

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## **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:
  - Deputy Chief Executive
  - External Partnerships Lead
  - Head of Planning
5. Deputy Chief Officers (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
  - Delivery and Frontline Services Lead
  - Customer Service Lead

## **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 Deputy Chief Executive'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 Deputy Chief Executive are the only employees appointed by Elected Members.

#### **4 POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE**

The Council 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 Council decisions. These are then incorporated into contracts of employment. The lowest pay point in this authority is Scale 1 point 6 which equates to an annual salary of £14,514 (i.e. £7.5230 per hour). This Council adopted the payment of a 'Living Wage' of £7.85 per hour with effect from 1 November 2015, which is paid as a supplement to the nationally agreed rate for all employees on spinal column points 6 to 10 inclusive.

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

The highest paid salary in this authority is £105,504 (2015/16 £104,460) which is paid to the Chief Executive (based on 1 FTE)

The average median salary in this authority is £19,939. 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 2017 to 31 March 2018), 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.

## 12 ANNEX B

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	£105,504	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 2017/18.
Deputy Chief Executive	£70,000	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 2017/18.

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Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Resources & Enabling Lead (s151)	£49,624	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 2017/2018
External Partnerships Lead	£56,879									
Delivery & Frontline Services Lead	£51,934									
Customer Services Lead	£40,619									
Head of Planning	£56,879									
Council Solicitor/ Monitoring Officer	£56,879									

### Medium Term Revenue Forecast 2017/18 - 2021/22

	2017/18 Estimate £'000	2018/19 Projection £'000	2019/20 Projection £'000	2020/21 Projection £'000	2021/22 Projection £'000	
<b>Base Budget and Inflation</b>						
Base Budget	6,413	6,157	6,092	6,021	5,957	
Pay Increase & General Inflation	93	100	100	150	150	
	6,506	6,257	6,192	6,171	6,107	
<b>Add Future Cost Increases:</b>						
Budget Pressures	328	150	150	220	150	
<b>Deduct Future Savings:</b>						
Efficiencies/Service Cuts/Additional Income	-1,081	-446	-101	-33	-102	
Movement in NHB Applied to Revenue	294	0	-114	-401	0	
Movement in Rural Service Delivery Grant	110	106	-106	0	0	
Movement in Transition Grant	0	25	0	0	0	
<b>Net Revenue Budget</b>	6,157	6,092	6,021	5,957	6,155	
<b>Financing</b>						
Revenue Support Grant	378	143	-120	-380	-380	
Business Rates	1,775	1,811	1,847	1,884	1,921	
Collection Fund Surplus	45	25	25	25	25	
Council Taxpayers	3,898	4,066	4,221	4,379	4,539	
CT Base Growth	61	47	48	49	50	
<b>Budget Requirement</b>	6,157	6,092	6,021	5,957	6,155	
NHB Earned	1,420	913	837	735	735	
Applied to Revenue cumulative	32	32	146	547	547	
Applied to Capital	188	188	188	188	188	
To be allocated	1,200	693	503	0	0	2,396

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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>DATE:</b>	<b>2 FEBRUARY 2017</b>
<b>REPORT OF THE:</b>	<b>HEAD OF PLANNING GARY HOUSDEN</b>
<b>TITLE OF REPORT:</b>	<b>POLICY FOR ALLOCATION OF S106 MONIES</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present members with options for a policy for allocation of S.106 monies received in relation to planning obligations relating to public open space and sport and recreation.

### **2.0 RECOMMENDATIONS**

- 2.1 That members agree the preferred option for the policy for the future disbursement of S.106 monies collected in relation to the provision of public open space and sport and recreation.
- 2.2 That the process for allocation/prioritisation of CIL monies collected should be the subject of a future report to P& R and Full Council.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 To ensure the involvement of the relevant Ward member(s) in the decision to allocate S.106 monies collected to community projects.

## **REPORT**

### **4.0 BACKGROUND AND INTRODUCTION**

- 4.1 Sums of S.106 funding has been collected in relation to development across the district. More recently significant developments have been permitted in the Malton and Norton wards which have given rise to significant contribution amounts. The S106 agreements in place require that these funds are used to support the provision of new public open space and/or the enhancement of an existing public open space and sport and recreation facilities.

- 4.2 Officers of the Council have worked with representatives of both Malton and Norton Town Councils to develop a process for allocating the relevant S.106 monies

collected.

## **5.0 POLICY CONTEXT**

- 5.1 Following changes in legislation, the Council will continue to collect S.106 contributions already agreed. From April 2016 further S.106 agreements will be made only in relation to planning obligations for affordable housing or for any site specific matter that is required to make a development acceptable in planning terms. All other contributions will be met through the application of the recently adopted Community Infrastructure Levy (CIL).
- 5.2 Members will recall that the CIL charging schedule has been adopted by Council following its independent examination by the planning Inspectorate. A summary of the charging schedule is attached at Annex B

## **6.0 CONSULTATION**

- 6.1 The town councils of Malton and Norton have been involved in the development of the first of the two options under consideration.

## **7.0 REPORT DETAILS**

- 7.1 The following options have been developed for Members further consideration.

### **7.2 Option 1**

That community groups bid for S106 monies via the relevant parish or town council who will forward the proposals to Ryedale District Council for consideration.

Officers of RDC will then assess the eligibility of the applications and ask for a recommendation from the relevant Town Council. Where an application concerns more than one town councils, for example, a joint committee involving both Councils will be convened.

The Chief Executive of RDC will receive the final recommendations from the relevant parish or town council, made either individually or jointly, and make the final decision for the allocation of the S.106 funding.

### **7.3 Option 2**

The applications be invited from community groups, in line with the eligibility criteria used for the Ryedale Community Grants Fund, with recommendations made by the Resources Working Party to Policy and Resources Committee.

- 7.4 A summary of the current position in relation to S106 contributions is attached at Annex A.

## **8.0 IMPLICATIONS**

- 8.1 The following implications have been identified:

a) Financial

There are no new financial implications in considering this report which are not accounted for in the Financial Strategy.

b) Legal

There are no significant legal implications arising from this report

c) Other

There are no significant other implications arising from this report.

**Head of Planning  
Gary Housden**

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**E-Mail Address:** [gary.housden@ryedale.gov.uk](mailto:gary.housden@ryedale.gov.uk)

**Background Papers:**

All s106 agreements are available linked to the relevant planning permission, accessible through the Ryedale District Council planning portal

<http://www.ryedale.gov.uk/residents/planning/view-a-planning-application.html>

All information relating to the CIL scheme is available on the Ryedale Plan website  
<http://www.ryedaleplan.org.uk/>

**Background Papers are available for inspection at:**  
[www.ryedale.gov.uk](http://www.ryedale.gov.uk)



**SECTION 106 MONIES RECEIVED - POS and Sport & Leisure**

Development	Ward	Town/ Village	Public Open Space Improvement £	Sports & Leisure Facilities £	Total £
Land at Station Road, Ampleforth	Ampleforth	Ampleforth	-	-	-
Land to Station Road, Ampleforth	Ampleforth	Ampleforth	-	75,000	75,000.00
Home Farm Duggleby	Wolds	Duggleby	6,500.00	-	6,500.00
White House Farm Foxholes	Wolds	Foxholes	-	66.00	66.00
Land To The South Of Pasture Lane Hovingham	Hovingham	Hovingham	3,806.42	-	3,806.42
Ducks Farm Kirby Misperton	Amotherby	Kirby Misperton	5,469.84	-	5,469.84
The Builders Yard Kirby Misperton	Amotherby	Kirby Misperton	6,825.00	-	6,825.00
Low Farm House, Main Street, Kirkbygrindalythe, Malton	Wolds	Kirkbygrindalythe	8,755.00	-	8,755.00
West End Mews Kirkbymoorside	Kirkbymoorside	Kirkbymoorside	7,636.29	-	7,636.29
White Horse Hotel, 5 Market Place, Kirkbymoorside	Kirkbymoorside	Kirkbymoorside	-	-	-
Peasey Hills Road Malton	Malton	Malton	-	-	-
Land Between York Road And Castle Howard Drive Malton	Malton	Malton	-	-	-
Ryedale Mowers Site Princess Road Malton	Malton	Malton	16,500.00	-	16,500.00
Hawthorn Avenue, Malton	Malton	Malton	6,500.00	-	6,500.00
Land At Castlegate, Malton	Malton	Malton	-	-	-
Land To West Of York Road Industrial Estate, York Road, Malton	Malton	Malton	-	-	-
Land To North of Broughton Road, Malton	Malton	Malton	-	69,958.00	69,958.00
Land To North of Broughton Road, Malton	Malton	Malton	-	69,692.00	69,692.00
Land To The West Of Station Road Nawton Helmsley	Helmsley	Nawton	-	4,357.24	4,357.24
Land At Westfield Nurseries, Scarborough Road, Norton	Norton (East & West)	Norton	145,017.07	145,017.00	290,034.07
Cheesecake Farm, Beverley Road, Norton	Norton (East & West)	Norton	112,587.96	-	112,587.96
Visis Meadows Pickering	Pickering	Pickering	-	-	-
The Nurseries, Whitby Road, Pickering	Pickering	Pickering	-	-	-
Land To The Rear Of 7 Eastgate Pickering	Pickering	Pickering	8,000.00	-	8,000.00
Spire View, Eastgate Square, Pickering	Pickering	Pickering	6,000.00	-	6,000.00
Land At Askham Bryan College, Swainsea Lane, Pickering	Pickering	Pickering	28,360.00	-	28,360.00
Land ar Site of Former North Riding Garage, Eastgate, Pickering	Pickering	Pickering	18,865.00	-	18,865.00
Land off Whitfield Avenue, Pickering	Pickering	Pickering	56,500.00	-	56,500.00
Land At Rectory Farm, Scrayingham, York	Derwent	Scrayingham	12,000.00	-	12,000.00
Ryelands Care Home, Hurrell Lane, Thornton le Dale	Thornton le Dale	Thornton le Dale	30,912.00	-	30,912.00
Land at Village Farm, Goose Track Lane, West Lilling, York	Sheriff Hutton	West Lilling	6,525.00	-	6,525.00
Land At Salents Lane Wharram Le Street Malton	Wolds	Wharram le Street	9,000.00	-	9,000.00
Land At The Garage Wintringham	Wolds	Wintringham	10,360.00	-	10,360.00
<b>Total</b>			<b>506,119.58</b>	<b>364,090.24</b>	<b>870,209.82</b>

**SECTION 106 MONIES RECEIVED - Other**

Development	Ward	Town/ Village	Public Open Space Maintenance £	Affordable Housing £	Highways £	Education £	Other £	Total £
Land at Station Road, Ampleforth	Ampleforth	Ampleforth	-	-	-	-	5,000.00	5,000.00
Land to Station Road, Ampleforth	Ampleforth	Ampleforth	-	200,001.00	-	-	-	200,001.00
Home Farm Duggleby	Wolds	Duggleby	-	-	-	-	-	-
White House Farm Foxholes	Wolds	Foxholes	-	-	-	-	-	-
Land To The South Of Pasture Lane Hovingham	Hovingham	Hovingham	-	-	-	-	-	-
Ducks Farm Kirby Misperton	Amotherby	Kirby Misperton	-	-	-	-	-	-
The Builders Yard Kirby Misperton	Amotherby	Kirby Misperton	-	-	-	-	-	-
Low Farm House, Main Street, Kirkbygrindalythe, Malton	Wolds	Kirkbygrindalythe	-	-	-	-	-	-
West End Mews Kirkbymoorside	Kirkbymoorside	Kirkbymoorside	30,000.00	-	-	-	-	30,000.00
White Horse Hotel, 5 Market Place, Kirkbymoorside	Kirkbymoorside	Kirkbymoorside	-	40,000.00	-	-	-	40,000.00
Peasey Hills Road Malton	Malton	Malton	9,828.00	-	-	-	-	9,828.00
Land Between York Road And Castle Howard Drive Malton	Malton	Malton	28,000.00	-	-	-	-	28,000.00
Ryedale Mowers Site Princess Road Malton	Malton	Malton	-	-	-	-	-	-
Hawthorn Avenue, Malton	Malton	Malton	-	-	-	-	-	-
Land At Castlegate, Malton	Malton	Malton	-	-	10,000.00	-	-	10,000.00
Land To West Of York Road Industrial Estate, York Road, Malton	Malton	Malton	-	-	19,465.77	-	-	19,465.77
Land To North of Broughton Road, Malton	Malton	Malton	-	-	74,998.50	119,226.00	-	194,224.50
Land To North of Broughton Road, Malton	Malton	Malton	-	-	149,427.00	118,773.00	-	268,200.00
Land To The West Of Station Road Nawton Helmsley	Helmsley	Nawton	-	-	-	-	-	-
Land At Westfield Nurseries, Scarborough Road, Norton	Norton (East & West)	Norton	-	400,694.50	-	122,749	-	523,443.50
Cheesecake Farm, Beverley Road, Norton, Malton	Norton (East & West)	Norton	-	-	30,430.10	39,732.88	-	70,162.98
Vivis Meadows Pickering	Pickering	Pickering	21,333.00	-	-	-	-	21,333.00
The Nurseries, Whitby Road, Pickering	Pickering	Pickering	-	3,280.45	22,368.22	285,516.00	4,250.00	315,414.67
Land To The Rear Of 7 Eastgate Pickering	Pickering	Pickering	-	-	-	-	-	-
Spire View, Eastgate Square, Pickering	Pickering	Pickering	-	-	7,500.00	-	-	7,500.00
Land At Askham Bryan College, Swainsea Lane, Pickering	Pickering	Pickering	-	-	-	-	-	-
Land ar Site of Former North Riding Garage, Eastgate	Pickering	Pickering	-	-	-	-	-	-
Land off Whitfield Avenue, Pickering	Pickering	Pickering	-	29,561.00	-	81,576	18,000.00	129,137.00
Land At Rectory Farm, Scrayingham, York	Derwent	Scrayingham	-	75,000.00	-	-	-	75,000.00
Ryelands Care Home, Hurrell Lane, Thornton le Dale	Thornton le Dale	Thornton le Dale	-	90,000.00	-	-	-	90,000.00
Land at Village Farm, Goose Track Lane, West Lilling, York	Sheriff Hutton	West Lilling	-	-	-	-	-	-
Land At Salents Lane Wharram Le Street Malton	Wolds	Wharram le Street	-	26,133.59	-	-	-	26,133.59
Land At The Garage Wintringham	Wolds	Wintringham	-	-	-	-	-	-
<b>Total</b>			<b>89,161.00</b>	<b>864,670.54</b>	<b>314,189.59</b>	<b>767,572.88</b>	<b>27,250.00</b>	<b>2,062,844.01</b>

**SECTION 106 NOTIFICATIONS - MONIES NOT YET RECEIVED**

Development	Ward	Town/ Village	Public Open Space					Other	Total
			Affordable Housing	Improvement / Maintenance	Sports & Leisure Facilities	Highways	Education		
			£	£	£	£	£	£	
Land At East End Ampleforth	Ampleforth	Ampleforth	20,000.00	-	17,675.00	-	-	-	37,675.00
Land At Low Farm, Main Street, Barton-Le-Street, Malton	Hovingham	Barton-Le-Street	32,266.00	-	-	-	-	-	32,266.00
Land At Claxton Grange, Claxton, York	Ryedale South West	Claxton	-	28,500.00	-	-	-	-	28,500.00
Land At Manor Farm, Main Street, Foxholes, Driffield	Wolds	Foxholes	-	19,500.00	-	-	-	-	19,500.00
Land At New Road Kirkbymoorside	Kirkbymoorside	Kirkbymoorside	8,000.00	-	-	-	-	-	8,000.00
Land To The North Of Wainds Field, Kirkbymoorside	Kirkbymoorside	Kirkbymoorside	-	19,200.00	-	-	-	-	19,200.00
Land At Westfields, Kirkbymoorside	Kirkbymoorside	Kirkbymoorside	-	-	-	40,000.00	-	-	40,000.00
Land At Langton, Malton	Derwent	Langton	180,000.00	-	-	-	-	-	180,000.00
Land Between Back Lane & Main Street, Leavening, Malton	Derwent	Leavening	-	30,000.00	-	-	-	-	30,000.00
Land To West Of York Road Industrial Estate, York Road, Malton	Malton	Malton	-	-	-	353,548.00	-	-	353,548.00
Land To The South East Of Old Malton Road, Malton	Malton	Malton	-	-	-	7,500.00	-	-	7,500.00
Land To The North Of Broughton Road, Malton	Malton	Malton	-	-	71,022.00	152,280.00	121,041.00	-	344,343.00
Land Off Outgang Lane, Broughton Road, Malton	Malton	Malton	-	-	146,252.00	232,500.00	227,733.00	-	606,485.00
Land and Buildings On The East Side Of High Street, Slingsby	Malton	Malton	32,000.00	65,685.00	-	-	-	-	97,685.00
Malton Cluster	Malton	Malton	-	-	203,170.00	612,928.00	-	1,019,825.00	1,835,923.00
Westfield Way, Norton	Norton (East & West)	Norton	-	-	-	92,460.00	-	-	92,460.00
Land Off Heron Way, Norton	Norton (East & West)	Norton	-	5,750.00	-	-	-	-	5,750.00
Land At 25-27 Commercial Street, Norton, Malton	Norton (East & West)	Norton	110,000.00	79,500.00	-	-	84,975.00	-	274,475.00
Diamond Farm, Low Street, Nunnington, York	Sinnington	Nunnington	-	14,500.00	-	-	-	-	14,500.00
Land At Eastgate, Pickering	Pickering (East & West)	Pickering	-	9,800.00	-	-	-	-	9,800.00
Land To The South Of 69 Westgate, Pickering	Pickering (East & West)	Pickering	-	11,250.00	-	-	-	-	11,250.00
Land At Low Moorgate, Rillington	Rillington	Rillington	27,500.00	23,270.00	-	-	-	-	50,770.00
Land At 56 Low Moorgate, Rillington	Rillington	Rillington	39,182.00	-	-	-	-	-	39,182.00
Land At Manor Farm, Main Street, Scagglethorpe, Malton	Derwent	Scagglethorpe	-	21,250.00	-	-	-	-	21,250.00
Land At Rectory Farm, Scrayingham, York	Derwent	Scrayingham	165,000.00	-	-	-	-	-	165,000.00
Land At Manor Farm, Sherburn, Malton	Sherburn	Sherburn	-	-	-	-	139,369.25	20,000.00	159,369.25
Land & Buildings On The East Side Of High Street, Slingsby	Hovingham	Slingsby	-	45,324.00	-	-	-	-	45,324.00
Land To Rear Of Rarey Farm, Main Road, Weaverthorpe, Malton	Wolds	Weaverthorpe	52,000.00	16,074.00	-	-	-	-	68,074.00
Land To The South Of Sycamore Farm, Main Street, West Lutton	Wolds	West Lutton	-	9,500.00	-	-	-	-	9,500.00
Building At Mount Farm, Main Street, Westow, Malton	Derwent	Westow	31,560.00	-	-	-	-	-	31,560.00
<b>TOTAL</b>			<b>697,508.00</b>	<b>399,103.00</b>	<b>438,119.00</b>	<b>1,491,216.00</b>	<b>573,118.25</b>	<b>1,039,825.00</b>	<b>4,638,889.25</b>

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RYEDALE  
DISTRICT  
COUNCIL



Ryedale District Council

Community Infrastructure Levy  
Charging Schedule

Approved for use 14 January 2016

Date of commencement 1 March 2016

## **The Charging Authority**

This Community Infrastructure Levy (CIL) Charging Schedule has been approved for use by Ryedale District Full Council on the 14 January 2016, the date of commencement when CIL is 1 March 2016. The Council is both a Charging Authority and a Collecting Authority.

## **Statutory Compliance**

The Draft Charging Schedule was approved for publication at the 18 December meeting of Full Council. It is published in accordance with Part 11 of the Planning Act 2008 (as amended), and the Community Infrastructure Levy Regulations 2010 (as amended).

In setting its CIL rates in accordance with Regulation 14(1) of the Community Infrastructure Levy Regulations 2010, Ryedale District Council has aimed to strike what is believed by the council to be an appropriate balance between:

- The desirability of funding from CIL (in whole or part) the estimated total cost of infrastructure required to support the development of the District, taking into account other actual and expected sources of funding; and
- The potential effect (taken as a whole) of the imposition of CIL on the economic viability of development across the District.

## **Justifying the Introduction of CIL**

At the time of publishing (March 2015), the Council has identified an infrastructure funding gap of **£63,870,000**.

As a part of the economic viability study that supports the charging schedule, a revenue projection has been produced to identify the potential revenue from the proposed CIL rates over the life of the development plan. This figure is estimated at £6,240,615, approximately £416,041 per annum.

## **Scope of CIL**

The following development types will be liable to CIL:

- Development comprising 100m<sup>2</sup> or more of new build floorspace;
- Development of less than 100m<sup>2</sup> of new build floorspace that results in the creation of one or more dwellings, but excluding self-build properties; and
- The conversion of a building that has not been in use for at least 6 continuous months during the last three years.

## **CIL Exemptions and Relief**

The CIL regulations provide for certain types of development to be exempt or eligible for relief from CIL, as set out below:

### **Development exempt from CIL**

- The conversion of any building previously used as a dwelling house to two or more dwellings
- Development of less than 100m<sup>2</sup> of new build floorspace, provided that it does not result in the creation of a new dwelling
- The conversion of a building in lawful use, or the creation of additional floor-space within the existing structure of a building in lawful use
- Development of buildings and structures into which people do not normally go (eg, pylons, wind turbines, electricity sub stations)

### **Development entitled to Mandatory Relief from CIL**

- Development by registered charities for the delivery of their charitable purposes, as set out in Regulation 43 of the Community Infrastructure Levy Regulations 2010
- Those parts of a development which are to be used as social housing, as set out in Regulation 49 of the Community Infrastructure Levy Regulations 2010

Where planning permission is granted for a new development that involves the extension or demolition of a building in lawful use, the level of CIL payable will be calculated based on the net additional floorspace. This means that the existing floorspace contained in the building to be extended or demolished will be deducted from the total floorspace of the new development, when calculating the CIL liability.

The definition of lawful use is contained in Regulation 6 (11(ii)) of the Community Infrastructure Levy Regulations 2010 (as amended), which states the following:

*“contains a part that has been in lawful use for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development”*

## CIL Rates

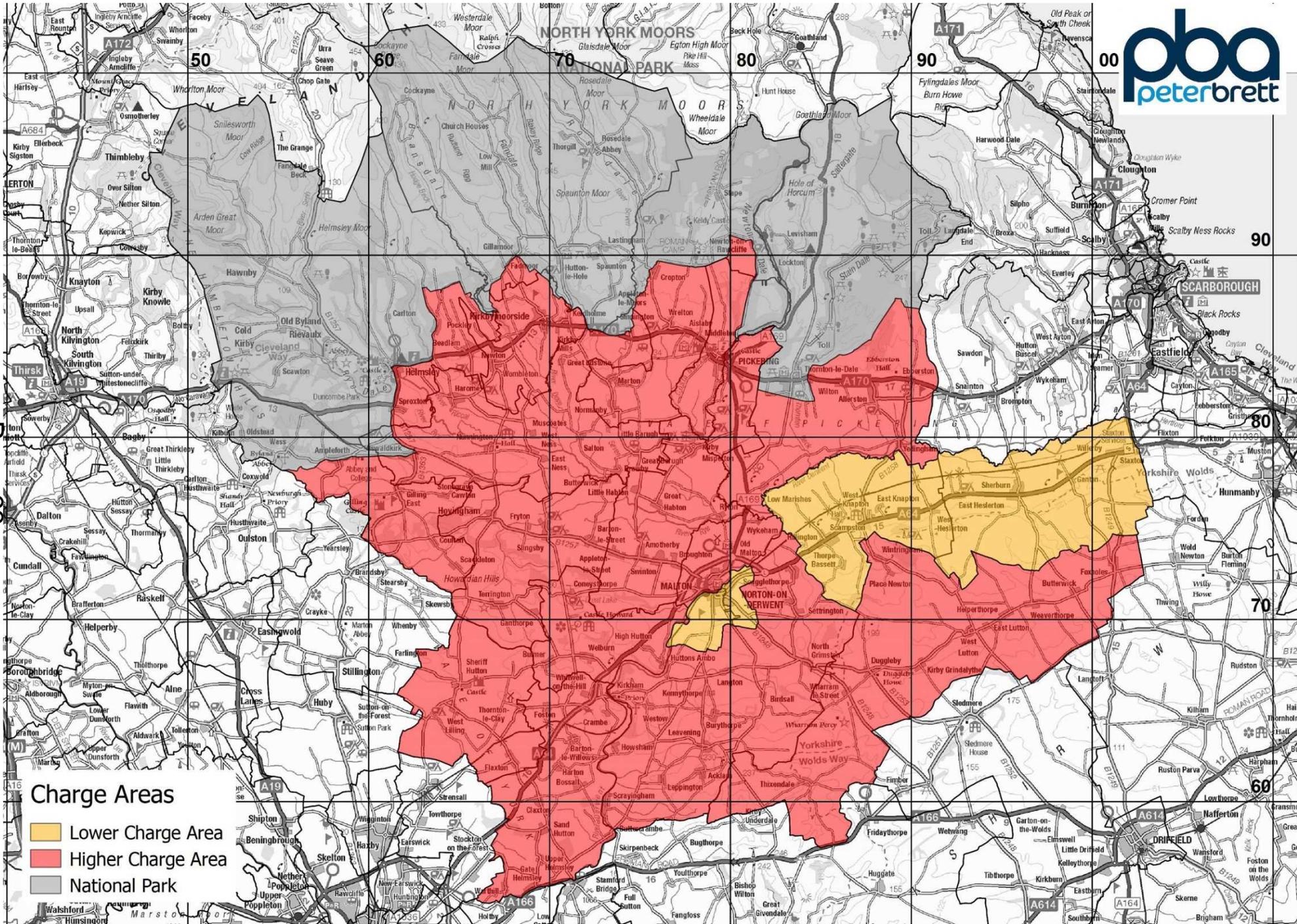
The Revised Draft Charging Schedule Report, undertaken by Peter Brett Associates (formerly Roger Tym and Partners), informs and provides the viability evidence for the CIL rates proposed by Ryedale District Council. The proposed charging schedule is as follows:

Use	CIL Charge per sq. m
<p><b>Private market houses (excl. apartments)</b></p> <p>Low value areas</p> <p>All other areas</p>	<p>£45</p> <p>£85</p>
<p><b>Supermarkets</b></p>	<p>£120</p>
<p><b>Retail Warehouse</b></p>	<p>£60</p>
<p><b>Public/Institutional facilities as follows: education, health, community and emergency services</b></p>	<p>£0</p>
<p><b>All other chargeable development (incl. apartments)</b></p>	<p>£0</p>

The definitions of the Supermarkets and Retail Warehouse are as follows:

- Supermarkets – Supermarkets are large convenience-led stores where the majority of custom is from people doing their main weekly food shop. As such, they provide a very wide range of convenience goods, often along with some element of comparison goods. In addition to this, the key characteristics of the way a supermarket is used include:
  - The area used for the sale of goods will generally be above 500 sq. m.
  - The majority of customers will use a trolley to gather a large number of products;
  - The majority of customers will access the store by car, using the large adjacent car parks provided; and
  - Servicing is undertaken via a dedicated service area, rather than from the street.
- Retail Warehouses – Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.

The charge zone areas are shown on map shown overleaf.



- Charge Areas**
- Lower Charge Area
  - Higher Charge Area
  - National Park

## **Supporting Information and Evidence Base**

The documents listed below support this CIL Charging Schedule. All documents are available on the Council's website, or can be viewed at the following locations:

- Ryedale Local Plan Strategy (adopted September 2013)
- Ryedale Infrastructure Delivery Plan (January 2012)
- Ryedale Community Infrastructure Levy Revised Draft Charging Schedule Report (February 2015)
- Current Regulation 123 List