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## **POLICY AND RESOURCES COMMITTEE**

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Thursday 30 September 2010 at 6.30 pm  
Council Chamber, Ryedale House, Malton

### **Agenda**

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**1 Emergency Evacuation Procedure**

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

**2 Apologies for absence**

**3 Minutes of the Meeting Held on 24 June 2010** (Pages 1 - 10)

**4 Urgent Business**

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

**5 Declarations of Interest**

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

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

**6 Minutes of a Meeting of the Resources Working Party held on 14 September 2010** (Pages 11 - 14)

**7 Minutes of a Meeting of the Senior Management Contracts Working Party held on 14 September 2010** (Pages 15 - 16)

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

8 **Auditors Report to Members on the 2010 Audit (Deloittes) - to follow**

9 **Annual Report**

It is recommended that Members receive the annual report and note the achievements against the priorities of the Council Plan for 2009/10.

10 **The Implications of the Revocation of the Regional Spatial Strategy**  
(Pages 17 - 26)

11 **Treasury Management Monitoring Report** (Pages 27 - 30)

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

12 **Budget Strategy 2011/2012** (Pages 31 - 38)

13 **Charging for Street Naming and Numbering** (Pages 39 - 44)

14 **A64 Brambling Fields Junction Improvement** (Pages 45 - 52)

15 **Special Expenses** (Pages 53 - 56)

16 **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 June 2010

### **Present**

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Councillors Acomb, Bailey, Mrs Burr MBE, Mrs Hodgson, Keal, Knaggs, Wainwright (Chairman) and Woodward

Substitutes: Councillor Mrs L Cowling and Councillor E Hope

By Invitation of the Chairman:

Overview & Scrutiny Committee Observers: Councillors Clark, Mrs de Wend Fenton and Mrs Shields

### **In Attendance**

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Nicki Lishman, Jill Baldwin, Simon Copley, Paul Cresswell and Janet Waggott

### **Minutes**

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#### **1 Apologies for absence**

Apologies for absence were received from Councillors Legard and Arnold.

#### **2 Minutes of the Meeting Held on 1 April 2010**

##### **Resolved**

The minutes of a meeting of the Policy and Resources Committee held on 1 April 2010 be approved and signed by the Chairman as a correct record.

#### **3 Urgent Business**

The Chairman reported that there were no items of urgent business to be considered at the meeting.

#### **4 Declarations of Interest**

Councillor Mrs Burr declared a personal interest in Item 13 Wentworth Street Car Park, Malton as the owner of property in Malton and Item 15 Pickering Flood Storage Proposals as the owner of property in Pickering that had been flooded in the past.

Councillor Mrs Cowling declared a personal interest Item 15 Pickering Flood Storage Proposals as the owner of property in Pickering that had been flooded in the past.

Councillor Knaggs declared a personal interest in Item 13 Wentworth Street Car Park and Item 15 Pickering Flood Storage Proposals as he had discussions with people and organisations regarding these matters.

5 **Minutes of a Meeting of the Resources Working Party held on 8 June 2010**

**Resolved**

That the minutes of the Resources Working Party held on 8 June 2010 be approved and signed by the Chairman as a correct record.

6 **Appointment of Working Parties/Sub-Committee**

**Resolved**

a) **Senior Management Contracts Working Party**

Chairman of the Council, Group Leaders, Committee Chairmen and the Staff Champion.

b) **Resources Working Party**

It was agreed that Councillor Legard was to stand down from the Resources Working Party and be replaced with Councillor Hope.

Members also agreed that any Councillor unable to attend a meeting of the working party may be replaced with a substitute from the same political party and any such substitutions be notified the day before the date of the meeting.

After consultation with the Council Solicitor regarding the political balance of the Working Party, it was agreed that Councillor Woodward be appointed to the Resources Working Party.

3 Conservative members, Councillors Mrs Cowling, Knaggs and Hope

2 Liberal Democrat Members, Councillors H Keal and Mrs Hodgson

1 Independent Member – Councillor Wainwright.

1 Liberal member – Councillor Woodward

c) **Constitution Review Working Party**

Group leaders and the Chairman of the Council.

d) **Sub-Committee – Appeals Panel**

Chairman of Policy and Resources, Staff Champion and Vice Chairman of Policy and Resources.

In the absence of any of these Members, the panel to consist of 3 Members to be appointed by the Chief Executive in Consultation with the Chairman of Policy and Resources, or in the Chairman's absence, the Vice Chairman, from the current membership of the Policy and Resources Committee (including any substitute members). The Panel to meet as and when required. Such a panel to consist of one Member of the Conservative Group, one Member of the Liberal Democrat Group and one Member of the Independent Group.

## 7 **Annual Statement of Accounts and Annual Governance Statement (to follow)**

The Corporate Director (Section 151) submitted a report which provided Members with a summary of the Council's Accounts for the year 2009/10 as required under the Accounts and Audit Regulations 2003 together with the Annual Governance Statement as approved by the Overview and Scrutiny Committee.

Details of the Overview and Revenue Accounts showed the Council's Income and Expenditure Account showed the net cost of services to be £8.949m. less than the original budget of £9.478m. Details of the expenditure and income for each service were included in the report.

The Council spent £1.589m on capital projects compared to an original estimate of £4.563m. The reduction was due primarily to delays with external projects that the Council are to grant fund.

The balance of individual reserves were included in the report. In the view of the Chief Finance Officer (Corporate Director (s151)), the Council's reserves were in a healthy position and were sufficient to cover emergencies and unforeseen liabilities.

The Annual Governance Statement and an action plan to improve certain aspects during 2010/11 were included in the report.

The Statement of Accounts and the Annual Governance Statement had been reviewed by the Council's Overview and Scrutiny Committee on 21 June 2010.

### **Resolved**

Members agreed that;

- i. The Statement of Accounts for 2009/10 be approved
- ii. The Annual Governance Statement as reviewed by the Overview and Scrutiny Committee be agreed; and
- iii. The levels of reserves be noted

## 8 **Draft Oswaldkirk Conservation Area Assessment and Management Plan Supplementary Planning Document**

The Head of Planning submitted a report (previously circulated) in connection with the Draft Oswaldkirk Conservation Area Assessment and Management Plan, a copy of which was appended to the report, to approve for formal consultation.

Any comments received were to be reported back to a future meeting of this Committee, when appropriate amendments would be made and the appraisal recommended for adoption as a Supplementary Planning Document (SPD).

The draft SPD was intended to provide detailed background information about the existing character of the Oswaldkirk Conservation Area and to advise on new development, management and enhancement proposals.

The draft appraisal amplified the policies and statements contained within PPS 5 – Planning for the Historic Environment. The production of this appraisal emphasised the importance placed upon retaining the historic built environment in Ryedale and on enhancing our villages with good quality new design, as prioritised in the Ryedale Community Plan ('Landscape and Environment' Theme).

### **Resolved**

That the Draft Oswaldkirk Conservation Area Assessment and Management Plan be approved for consultation.

## 9 **ICT Printer Rationalisation**

The Head of Transformation submitted a report, the purpose of which was to seek Members approval to procure a managed network printer service for Ryedale District Council. This had been approved by the Council's ICT Programme Board, however the total contract value of the solution approved by the ICT Programme Board is beyond the level of officer delegation.

### **Resolved**

- i. A 5 year managed print service with Alto Digital, costing £23,263 a year, total contract value of £116,316 was agreed.
- ii. The contract to be called-off the national Buying Solutions framework contract for multifunction printing, subject to approval by the Councils Section 151 Officer and Solicitor as per the Council's Standing Orders was agreed.
- iii. That this project will produce cashable savings £22,467 per year, £112,332 over the 5 years of the contract was noted.

## 10 **ICT Programme Approvals**

The Corporate Director (Section 151) submitted a report (previously circulated) to seek Members' approval of the recommendations of the ICT Programme Board for projects outside the scheme of officer delegation.

The Council's ICT Programme Board reviewed the Council's ICT applications in the light of the ICT Strategy drawn up by a Socitm consultant in September 2008 and developed an ICT Programme Plan.

The Council agreed a provisional expenditure in the capital programme 2009/2012 to upgrade key infrastructure and systems to provide longer-term efficiency savings.

The ICT Programme Plan has been further developed into a workstream schedule, drawing upon Council priorities and from this a number of projects requiring approval by Members, being of a value greater than delegated limits, are presented for Member approval.

Approval was requested for the procurement of the following systems;

- Cash Receipting and E-payment
- Financial Management System Replacement

The report included a Risk Matrix which concluded that failure to implement the upgrades would leave the Council at risk of financial loss and unable to ensure the efficient delivery of services.

### **Resolved**

- i. That the report be received
- ii. The procurement of a Cash Receipting and E-payment system and a Financial Management System Replacement be approved.

## **11 Exempt Information**

### **Resolved**

That the press and public be excluded from the meeting during consideration of the following items:

Annex B of item13 (Wentworth Street Car Park, Malton) as provided by paragraph 3 of Schedule 12A of Section 100A of the Local Government Act 1972.

16 (Vivis Lane Realignment – Position Statement) as provided by paragraphs 2 & 3 of Schedule 12A of Section 100A of the Local Government Act 1972.

17 (Application for Hardship Relief) as provided by paragraph 3 of Schedule 12A of Section 100A of the Local Government Act 1972.

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

## 12 **Wentworth Street Car Park, Malton**

The Head of Economy and Housing presented a report (previously circulated) to advise Members of the outcomes of market testing into the prospective sale for redevelopment of Wentworth Street Car Park, Malton and to approve the disposal of the land through the tendering process as detailed in the report.

A market testing exercise was approved by Council on 9 July 2009 and showed that there was healthy market interest in purchase of the Wentworth Street Car Park and adjoining District Council-owned land for redevelopment, in tandem with provision of a sizable car park to serve both the development and the wider town centre.

The sale would lead to a significant capital receipt. This could be used by this Authority to fund capital projects, including regeneration and community projects in Malton and Norton and across Ryedale. This approach was consistent with the efficient use of Council assets and was in line with asset management good practise.

The expressions of interest received suggested that the site could accommodate forms of development that would strengthen Malton's role as the rural capital of Ryedale, however these and other planning issues would be assessed through an entirely separate planning analysis of any application submitted for this site.

Members discussed the report in detail and raised a number of issues, including the potential for redevelopment that included free parking or low rate parking for users of other facilities in the town centre, in addition to users of facilities on the site. Members were of the view that the assessment of bids should include a review of the proposed provision of all forms of parking, including that available for visitors and traders of the Livestock and Saturday Markets.

It was moved by Councillor Wainwright and seconded by Councillor Knaggs that the recommendations detailed in the report now submitted be approved for approval.

An amendment, moved by Councillor Knaggs and seconded by Councillor Mrs Cowling to delete the word car in paragraph 9.19 was, upon being put to the vote, carried.

It was moved by Councillor Knaggs and seconded by Councillor Mrs Cowling to amend the recommendation 2.1 (i) (c) that



“with the following amendment in paragraph 9.19 under “Criteria” bullet point two, delete the word car and add after the word parking “and on the objectives of the emerging LDF.”

Section 9.19 Bullet point two will now read;

“Development proposals: what is the nature of the proposal and how likely is it to get planning permission? This will also involve a consideration of the effect of the bidder’s scheme on the provision of public parking and on the objectives of the emerging LDF.”

Upon being put to the vote the amendment was carried.

The substantive motion, as now agreed, was upon being put to the vote, carried.

### **Resolved**

That Council is recommended to approve:

- i. An invitation to a restricted list of the 7 parties who had expressed an interest in the purchase and development of Wentworth Street Car Park and adjoining land to submit informal tenders for a purchase of Wentworth Street Car Park and adjoining land (as shown at Annex C) on the following basis:
  - a) a 250 year leasehold interest will be offered;
  - b) the timetable detailed in the report will be adopted for the process;
  - c) the overarching criteria against which the tenders will be judged will be as detailed in the report;
  - d) the Head of Economy and Housing be given delegated authority to draw up the detailed Invitation to Tender document based on the terms outlined in the report.
- ii. submission of a further report to a Special meeting of Council, following receipt and appraisal of the tenders by an officer panel, recommending a preferred tender and seeking final authority to proceed to sale.

**NB** In accordance with the Members Code of Conduct Councillor Andrews and Knaggs declared personal interests in the above item as they partake in discussions with the business community, Councillor Mrs Burr declared a personal interest in the item as the owner of property in Malton.

## **13 Changes to the Constitution - Contract Procedure Rules**

The Corporate Director (Section 151) presented a report (previously circulated) of revised Contract Procedure Rules as considered by the Constitution Review Working Party.

It is a requirement on the Authority that the Council's constitution is kept up to date. In addition national and local changes to contracting practices necessitate changes to the Council's current rules. Each Authority has their own rules, with no national or sub group of Authority standard set in existence. It should however be noted that most are similar in content.

Included in the report were the Revised Contract Procedure Rules together with the financial limits as part of the financial Procedure Rules as approved by the Constitution Review Working Party.

The revised rules included a significant simplification to the financial limits in operation at the Authority. Once approved revised officer guidance and training for relevant officers would be undertaken.

### **Resolved**

That Council be recommended to approve the revised Contract Procedure Rules and financial limits which form part of the Financial Regulations.

#### **14 Pickering Flood Storage Proposals (to follow)**

The Corporate Director (Section 151) presented a report to consider proposals from the Environment Agency (EA) for a capital scheme to reduce the incidence and impact of flooding in Pickering.

The new proposals for Pickering involved a Bunded storage option. This involved the creation of strategically placed bunds which created upstream water storage, which was then released at a controlled rate through an appropriately sized culvert. During low level flood events, the water would then be stored upstream of Pickering and depending on the size of the bunds and culvert may prevent flooding to certain properties.

The proposals were the result of an initial suggestion by the Ryedale Flood Research Group, which includes representatives from Oxford University, Durham University, the University of East Anglia and members of the public from Pickering.

This proposal was further advanced by the EA and detailed modelling of potential sites. The first part of the work was to establish the volume of water which needed to be stored. Following the 'near miss' in December 2009 the 'safe flow' has been established as 12 m<sup>3</sup>/s, this is the flow that can pass through Pickering without causing flooding to property. Above this level flooding starts. Prior to this event it was thought that the 'safe flow' was 21 m<sup>3</sup>/s.

As part of this development, detailed discussions had taken place with the North Yorkshire Moors Railway (NYMR) as the river runs close to the railway in many areas, and any proposals for water storage considered any impact on the railway and its foundations.

Following consideration of the options available, 2 bunds with a cross bund was considered the most effective and cost efficient option, at £250,000 less than options offering similar levels of protection.

Culvert Flow	12 m <sup>3</sup> /s	15 m <sup>3</sup> /s
Volume of Water Stored	85,000 m <sup>3</sup>	85,000 m <sup>3</sup>
Flow in Pickering m <sup>3</sup> /s	16 down to 12	20 down to 15
Level of Protection against	1 in 15 year event	1 in 25 year event

The project did not qualify for significant funding through the EA Grant In Aid process. The EA has a maximum contribution of £150,000 available to put towards the scheme. It will be delivered by them through their in house workforce and any responsibility for overspend in the works would rest with the EA. Subject to confirmation of funding it was possible that the bunds could be built in Autumn 2010. The EA confirmed that they would take on the maintenance for the bunds, including responsibilities under the Reservoirs Act. Aesthetically the bunds would be less than 2 metres in height, of clay core and grassed. When not flooded, the land would be usable as farmland.

Undertaking either of the options does not preclude further improvement works being undertaken in the future should funding become available.

### **Resolved**

That Council be recommended to approve:

- i. Support for Pickering flood storage proposals for two bunds and a cross bund incorporating a 15 m<sup>3</sup>/s culvert in the Pickering Beck catchment area; and
- ii. A maximum contribution of £800,00 to be included in the Council's Capital programme for 2010/2011.

**NB** In accordance with the Members Code of Conduct Councillor Mrs Burr and Mrs Cowling declared personal interests in the above item as owners of property in Pickering, Councillor Keal declared a personal interest in the item as a Member of the Pickering Flood Defence Group and Councillor Knaggs declared a personal interest in the item as he has held discussions with people and organisations regarding the subject.

## **15 Vivis Lane Realignment - Position Statement**

The Head of Economy and Housing presented a report (previously circulated) to update members on the proposed Vivis Lane junction realignment scheme at Pickering.

The report followed the successful appeal by Lidl against the refusal of planning consent for a supermarket on the former coal yard adjacent to Vivis Lane and a subsequent request from the Resources Working Party for an outline of current intelligence relating to the proposed junction realignment.

**Resolved**

That the report and the current position within the capital scheme be noted.

16 **Application for Hardship Relief (to follow)**

Members considered a report which considered an application for non-domestic rates hardship relief.

**Resolved**

That no non-domestic rates hardship relief for 2010/2011 be awarded to the application detailed in the report.

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

The Corporate Director (Section 151) reminded Members that the Government had announced that funding for free swimming for the over 60's was to end on 31 July 2010.

The Council had resolved to fund this programme for the years 2009/10 and 2010/11.

In the circumstances, a report considering the provision of free swimming for the over 60's was to be brought to Full Council on 29 July 2010.

The meeting closed at 9.10 p.m.

## Resources Working Party

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Held at Members' Lounge, Ryedale House, Malton  
on Tuesday 14 September 2010

### Present

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Councillors Wainwright (Chairman), Clark (as substitute for Woodward), Mrs Cowling, Mrs Hodgson, Keal, and Knaggs

### In Attendance

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Simon Copley, Paul Cresswell, Julian Rudd and Janet Waggott

### Minutes

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10      **Apologies for absence**

No apologies for absence were received.

11      **Minutes of the Meeting held on 8 June 2010**

The minutes of the last meeting of the Resources Working Party held on 8 June 2010 were presented.

**Resolved**

That the minutes of the meeting of the Resources Working Party held on 8 June 2010 be approved and signed by the Chairman as a correct record.

12      **Urgent Business**

There was one item which the Chairman considered 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:

- An exempt report advising Members of the opportunity to repurchase some property.

13      **Declarations of Interest**

No interests were declared.

14      **Budget Strategy**

Members received a report which formed the basis of preparation and planning for the 2011/2012 Council budget.

In relation to the revenue effects of the capital programme, Members noted that North Yorkshire County Council would be giving formal consideration to the Vivis Lane junction realignment scheme on 27 September and requested that the Forward Planning Team clarify the impact that the postponement or cancellation of this project might have on nearby development schemes.

Some Members expressed a preference for proposals being brought forward for a 0% increase in Council Tax, with an option for 2.5%, whilst others agreed with the recommendation as drafted in the report. It was noted that this could be considered further at Policy & Resources Committee.

It was requested that a list of the fees and charges be attached as an annex prior to the report being considered at Council.

### **Resolved**

That the report be accepted and the following recommendations go forward to the Policy & Resources Committee:

That Council be recommended to approve the following parameters for the preparation of the 2011/2012 budget:

- (i) Proposals be brought forward for a 2.5% increase in Council tax;
- (ii) Increases in fees and charges to be 3.5% - 4.5% on a cost centre heading basis excluding VAT and only those charges officers recommend above or below this figure to be considered by the relevant policy committee; and
- (iii) Efficiencies to be maximised and identified together with any potential cuts required to services once the draft grant settlement is announced in November/December. These proposals will be considered by the Resources Working Party.

## **15 Special Expenses**

Members received a report which considered the charging of Special Expenses to the Parishes formally part of Pickering Rural District Council.

The Corporate Director (s151) was asked to report back to Members on the procedure for allocation of additional street lights and also on whether parishes could opt into the Special Expenses.

### **Resolved**

That Council be recommended to approve the removal of Parishes from the Special Expenses where no street lighting provision presently exists from the 1 April 2011.

16 **EMIS**

Members received a report from the Executive Management Information System (EMIS).

The Corporate Director (s151) reported that income from the disposal of trade waste would be £30k down at the end of the year and that this would get progressively worse over subsequent years. It was proposed to sell off the trade waste service and obtain a capital receipt, with the four employees being redeployed at the depot. Craven and possibly Scarborough District Councils were interested in pursuing this as a joint venture. Some Members questioned whether this proposal was the best option in terms of protecting the environment and further details were requested in subsequent reports on this issue as to why the income level was getting progressively worse.

**Resolved**

That the report from the Executive Management Information System (EMIS) be noted.

17 **Capital Programme Progress Report**

Members received a report on progress with the capital programme.

In relation to the A64 Brambling Fields Junction Upgrade, approval was sought for an increased contribution of £420k per authority. Members suggested that a business plan was required for this scheme, setting out the maximum contribution the authority would make, the amount of developer contributions needed to recover this and the timescale in which this recovery could be achieved.

Members also suggested that a list of speculative schemes be appended to the capital programme to pick up those projects which might be facing difficulties now that Yorkshire Forward funding was no longer available.

**Resolved**

- (i) That the Capital Programme Progress Report be noted;
- (ii) That the Policy & Resources Committee be requested to approve an increased contribution of £420k per authority to the A64 Brambling Fields Junction Upgrade and consider the production of a business plan for this scheme.

18 **Capital Programme Financial Schedule**

Members received the capital programme financial schedule.

**Resolved**

That the capital programme financial schedule be noted.

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

**Exempt Information**

**Resolved**

That the press and public be excluded from the meeting during consideration of the item of urgent business as provided by paragraph 3 of Schedule 12A of Section 100A of the Local Government Act 1972.

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

Members received a report (tabled at the meeting) which advised them of the opportunity to repurchase some property.

**Resolved**

That action should be taken to repurchase the property as set out in the report.

The meeting closed at 4.55pm.



## Senior Management Contracts Working Party

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Held at Members' Lounge, Ryedale House, Malton  
on Tuesday 14 September 2010

### Present

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Councillors Wainwright (Chairman), Mrs Arnold, Clark, Cottam, Mrs Cowling,  
Hemesley OBE and Knaggs

### In Attendance

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Simon Copley and Janet Waggott

### Minutes

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#### 1 Apologies for Absence

Apologies for absence were received from Councillors Mrs Burr, Mrs Shields  
and Mrs Wilford.

#### 2 Exempt Information

##### Resolved

That the press and public be excluded from the meeting during  
consideration of the following item:

6 (Corporate Management Team – Future Arrangements) (minute 6  
refers) as provided by paragraphs 1, 2, 3 and 4 of Schedule 12A of  
Section 100A of the Local Government Act 1972.

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

#### 3 Minutes of the Meeting held on 5 December 2007 and the Reconvened Meeting held on 6 December 2007

The minutes of the meeting of the Senior Management Contracts Working  
Party held on 5 December 2007 and the Reconvened Meeting held on 6  
December 2007 were presented.

##### Resolved

- (i) The minutes of the meeting of the Senior Management Contracts  
Working Party held on 5 December 2007 and the Reconvened  
Meeting held on 6 December 2007 be approved and signed by  
the Chairman as a correct record;

- (ii) That it be agreed as normal practice that where there are long gaps (ie: more than 6 months) between meetings of the Working Party, the minutes just go to Policy & Resources Committee and Council and do not need to be an item on the next Working Party agenda.

#### 4 **Urgent Business**

There were no items which the Chairman considered should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.

#### 5 **Declarations of Interest**

No interests were declared.

#### 6 **Corporate Management Team - Future Arrangements**

Members received a report which asked them to determine an application for voluntary redundancy from a Chief Officer of the Council.

##### **Resolved**

That Policy & Resources Committee be recommended:

- (i) that the voluntary redundancy request from postholder CMT160 be approved;
- (ii) that delegated authority be given to the Chief Executive to terminate the employment of postholder CMT160 on the grounds of redundancy in the terms set out in the Council's Redundancy and Redeployment Policy;
- (iii) to approve deletion of post CMT160 from the establishment at a date to be agreed in consultation with the officer, the Chief Executive and the Chairman of Policy and Resources Committee.

The meeting closed at 5.30pm.



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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES</b>
<b>DATE:</b>	<b>30 SEPTEMBER 2010</b>
<b>REPORT OF THE:</b>	<b>HEAD OF PLANNING GARY HOUSDEN</b>
<b>TITLE OF REPORT:</b>	<b>THE IMPLICATIONS OF THE REVOCATION OF THE REGIONAL SPATIAL STRATEGY</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To outline the implications of the revocation of the Yorkshire and Humber Plan, the Regional Spatial Strategy (RSS) and to consider a motion moved at Council on the 28 July 2010 which has been referred to this Committee. It is important to note that this report has been prepared to consider the practical implications of the revocation of the Yorkshire and Humber Plan. It is not the intention of the report to consider or make decisions on wider matters of policy which will be considered as the Core Strategy progresses through the statutory process.

### **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that:
- (i) Members note the implications of the revocation of the RSS as they are known and interpreted by officers at this stage.
  - (ii) Members do not agree to the use of an interim policy in the determination of planning applications and in advance of the adoption of the Core Strategy.
  - (iii) Members agree to use the former RSS housing provision rates as a basis for managing housing supply in the decision making process prior to the adoption of the Core Strategy

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The former Regional Spatial Strategy, the Yorkshire and Humber Plan formed part of the Development Plan covering Ryedale and it is important that members are aware of the implications of the revocation of the document for the Local Development Framework and the Development Management process, as they are currently known.

- 3.2 It is important that matters of policy are agreed by this Council in the appropriate way. The plan making process is the transparent and accountable way in which local authorities are able to introduce planning policies.

#### **4.0 SIGNIFICANT RISKS**

- 4.1 Following the revocation of the RSS, the main risk is considered to relate to the timely production of the document as the implications of the revocation are considered and debated by the full range of interested parties and as further, relevant policy changes are announced by Government.
- 4.2 The introduction and use of policy that has not been established in the appropriate way would place the authority at risk in an appeal situation and it is considered that the Authority would be considered to have acted unreasonably and this would represent a serious risk of costs to be awarded against the Authority.

### **REPORT**

#### **5.0 BACKGROUND AND INTRODUCTION**

- 5.1 On the 6 July 2010, the Secretary of State for Communities and Local Government announced the revocation of Regional Spatial Strategies with immediate effect. An advice note which was produced by the Government as part of the announcement was circulated to Members at the meeting of Council on the 2 August. It is understood that no further information or clarification has been issued by the Government to date although a Communities and Local Government Select Committee Inquiry into the move was announced at the end of July. It is anticipated that this will be held in the Autumn. The Secretary of State's decision is also the subject of three legal challenges by house builders. The date of the hearing at the High Court has been set for the 22 October 2010. It should be noted that whilst Regional Spatial Strategies are revoked, it will be the Decentralisation and Localism Bill announced in the 2010 that will formally abolish the plans once it is enacted.
- 5.2 At the meeting of Council on the 28 July, a motion was moved by Councillor Woodward and seconded by Councillor Clark as a response to the revocation of the Regional Spatial Strategy and the renewable energy policy that was embedded within it. The motion stated that:
- "This Council had a proposed Renewable Energy policy in its previous LDF submission.*
- All domestic developments and large commercial developments were to have a minimum of 10% renewable energy.*
- The RSS policy until recently was similar.*
- So as to provide continuity, this Council resolves that: 'All domestic developments and commercial developments of greater than 1,000 sq feet will provide 10% on site Renewable Energy.'"*
- 5.3 The Chairman announced that the motion would be referred to a meeting of this Committee, as under Council Procedure Rule 11.4, the motion fell within the purview of the Policy and Resources Committee.

## **6.0 POLICY CONTEXT**

- 6.1 Following the revocation of the Regional Spatial Strategy and prior to the adoption of new Local Development Framework documents, the Development Plan for Ryedale consists of saved policies of the Ryedale Local Plan. National Planning Policy Statements remain in force, although they are under review and will be replaced by a National Planning Framework. The timing of this is to be confirmed by Government.
- 6.2 Under current legislation, planning applications must be determined in accordance with the Development Plan unless material considerations indicate otherwise. Material considerations are, essentially, any consideration which relates to the development and use of land. National Planning Policy Statements are considered to be material considerations. In the absence of an up to date Development Plan and following the revocation of the Regional Spatial Strategy, the suite of national policy statements will have significant weight in the LDF and planning application decision making processes. Emerging national and local policy can be considered material considerations. In the case of the latter, the weight that can be applied to, for example, an emerging LDF policy will be a function of the stage in the plan process coupled with the level and nature of representations that have been made on the particular issue or policy.
- 6.3 It is also important to note that the current planning system is a plan led system and that the introduction of local planning policy and importantly, the ability to defend this on appeal must be through the plan making process.
- 6.4 Formal transitional arrangements are not in place following the revocation of the RSS. The advice note circulated to all Chief Planning Officers forms the basis of the current position.

## **7.0 CONSULTATION**

- 7.1 The decision to revoke the RSS has been made by Central Government. It is not for Local Authorities to consult on the issue.

## **8.0 REPORT DETAILS**

- 8.1 Following the revocation of the Yorkshire and Humber Plan, the strategic policies embedded within it essentially no longer exist. Members are aware that the policy framework of the former RSS included the core approach, sub- area policies and topic specific policies which covered key policy targets including housing numbers, affordable housing targets and renewable energy targets. Whilst the entire RSS was of particular relevance to the LDF process on the basis that the latter had to be in general conformity with the Regional Strategy, policies within the document were also used in the determination of planning applications. Target based policies were of particular relevance, mainly due to the fact that they represented the most up to date element of the Development Plan for most authorities.

### **Implications for the Local Development Framework**

- 8.2 The revocation of the RSS places greater emphasis upon the compilation of the local policy framework. Whilst the details of the Governments localism agenda will emerge over time, it has made it clear that Local Planning Authorities should continue to develop Local Development Framework Core Strategies and other Development Plan Documents which reflect local aspirations and decisions on key issues such as

climate change, housing and economic development.

- 8.3 The broad policy approach of the emerging Ryedale Plan has been developed with considerable on-going public consultation and involvement over a series of years and key policy choices have been informed by locally specific technical evidence. Key elements of the emerging Core Strategy including the spatial strategy and settlement hierarchy for example, whilst broadly consistent with the former core approach of the RSS were not imposed in detail by the document. It is considered that these choices remain a locally relevant interpretation of national planning policy, informed by local evidence. For these reasons and in this respect the revocation and subsequent abolition of the RSS should have relatively limited implications for the emerging Core Strategy.
- 8.4 It is considered that in terms of the Plan making process, the most significant implications of the revocation of the RSS relate to the policy targets that fell within the remit or role of the RSS to establish. For District Authorities, these specifically included targets relating to the delivery of new homes and renewable energy. The RSS also included specific detail in relation to minerals extraction and waste management that is of particular relevance to the unitary authorities, National Parks and North Yorkshire County Council.
- 8.5 The Government has made it clear that it is now for local authorities to establish the level of local housing provision for their area and has suggested that authorities may decide to retain the 'existing' RSS targets or to review these targets. In any event, it has made it clear that authorities will need to evidence housing targets and that the data and research held by the Regional Leaders Board/ Regional Assembly is to be made available to local authorities.
- 8.6 At a meeting of extraordinary Council held on the 2 August 2010 to consider a consultation draft of the Core Strategy, officers advised that within the context of available evidence in terms of housing need and demand, infrastructure requirements and the need to ensure a deliverable and sustainable strategy that there is merit in retaining the RSS figures. This would also enable continued progress with the Core Strategy.
- 8.7 Officers will prepare a detailed report that gathers the range of existing evidence relating to future housing numbers.
- 8.8 The other key area where the RSS established policy targets for local authorities was in relation to Renewable Energy. The RSS set indicative targets for grid connected renewable energy for Ryedale of 10 MW to 2010 and 19 MW by 2021. This target was the lowest in the region, due in part to the environmental designations that exist across the District. The draft Core Strategy includes references to these targets, however, it is not explicitly clear as to whether a quantitative target for large scale grid connected schemes will need to be incorporated into the future local policy framework.
- 8.9 Under the existing Planning Policy Statement on Planning and Climate Change and a draft Planning Policy Statement – Planning for a low carbon future, references to specific targets for large scale electricity generation are made with reference this being a role of the RSS. In the absence of this, the generic thrust of both of these documents is that local authorities should compile a policy framework that looks to facilitate and not restrict renewable energy production. Clearly, this is an area where the Council will need to take further advice before it finalises the draft Core Strategy.

It is anticipated that representatives of the industry will comment on the draft Core Strategy and this will help to inform the final version of the document and the extent to which it is appropriate to include a quantitative target for large scale generation schemes.

- 8.10 Members are aware that the RSS also required that as an interim measure, in advance of local authorities establishing their own targets that *“new developments of more than 10 dwellings or 1000 m2 of non-residential floor space should secure at least 10% of their energy from decentralised and renewable or low carbon sources, unless, having regard to the type of development involved and its design, this is not feasible or viable”*.
- 8.11 Prior to the revocation of the RSS, it was agreed that this Council would not set a District-Wide on site/ decentralised renewable energy or low carbon target but to use the RSS policy as the interim policy that it was intended to be whilst establishing site specific targets as part of the Sites Document. This is consistent with draft Planning Policy Statement Planning for a Low Carbon Future in a Changing Climate.
- 8.12 As a response to the revocation of the RSS, the Draft Core Strategy included a target for carbon emission reduction through the use of on-site/ decentralised renewable or low carbon sources. This reflects the requirement that was previously incorporated in the previous Core Strategy and is designed to act as an interim policy position between the adoption of the Core Strategy and the adoption of the Sites Document.
- 8.13 The RSS also embodied the Regional Transport Strategy which formed a basis for the distribution of regional transport funding. Ryedale is not an area that featured highly within the Regional Transport Strategy and the emerging Core Strategy is not based around the delivery of major projects of regional significance and dependant on regional transport funding. The Local Transport Plan produced by North Yorkshire County Council will remain an important influence on this Council’s Local Development Framework.

**Implications for the Planning Application Process and the Motion to Council on the 28 July 2010.**

- 8.14 In common with many Authorities, this Council used RSS policies to support the refusal or granting of planning permission. Those policies that updated older saved local plan policies such as affordable housing targets or which reflected priority issues such as climate change were of use to the development management process although the extent to which they were fully used was largely a reflection of the economic downturn and the tailing off of applications which would have triggered the use of these policies.
- 8.15 Given that the RSS affordable housing target/policy no longer exists this Council will need to rely on the saved affordable housing policy to inform the decision making process until the emerging Core Strategy policy has advance through the process. Given that the latter is likely to be the subject of objection and scrutiny at the examination, it is unlikely that the emerging policy would have significant weight in the decision making process in advance of its adoption.
- 8.16 It is understood that the intention behind Councillor Woodward’s motion to Council on the 28 July is to provide continuity and fill the void left by the revocation of the RSS with regards to renewable energy. Although the precise wording of the motion differs from both the former RSS policy and the earlier version of the Core Strategy, it is considered that it is the principle of using or introducing a policy that has not followed

the plan/policy making process that is problematic. The Council would be introducing policy outside of the correct procedures and this would place the authority in a difficult position in an appeal situation. Members are advised that if passed, the motion could not be considered lawful policy for the purposes of making planning decisions.

- 8.17 Officers are very aware of the importance that members across the Council attach to the issue of climate change. Clearly in the negotiation of major development proposals which may come forward in advance of the new Plan, officers will encourage developers to include on-site/ decentralised technologies as part of their schemes. However given the current position, the Council is limited in the extent to which it can insist that this provision is made in the absence of a development plan policy.
- 8.18 One key area of uncertainty for the decision making process is in relation to the consideration of proposals for new housing development. This Authority has experienced a recent increase in the applications for major housing development. Clearly these sites have been submitted in advance of the Sites Document and the Council has a duty to determine the applications.
- 8.19 One of the key ways in which Councils could manage such a situation is in relation to the retention of a five year supply of housing land. Members are aware that under national policy (Planning Policy Statement 3) Local Planning Authorities are required to demonstrate / maintain a five year deliverable supply of land for housing. Where this is not the case, they are requested to “consider favourably planning applications for housing...” This is consistent with a key objective of national policy to maintain a flexible and responsive supply of housing land. Against this context, the five year supply calculation provides authorities with an important way in which to manage proposals running in advance of the development plan.
- 8.20 The coalition Government has reaffirmed the need for Authorities to have a five year supply of housing land. The issue at this point in time however is that the 5 year supply calculation is a function of annual housing targets which, for most authorities no longer have a basis as statutory policy. The potential dilemma that this creates is the subject of much debate amongst the planning and legal professions at the current time. However, the delivery of a flexible and responsive supply of land for housing is a key objective of national planning policy and it is considered that this principle will, at this time of uncertainty, have significant weight as a material consideration. Given that the Council will always need to provide a level of housing each year a pragmatic response in the current uncertainty would be to use the RSS rates as a basis for calculating the five year supply and for managing and determining applications that are received in advance of the Core Strategy and Sites Documents being adopted. However, it should be noted that this position may also be challenged by house builders arguing that the five year supply has no basis in an adopted policy target and that the authority should be providing higher rates of housing per annum.
- 8.21 Officers will update Members on this issue if further clarification is received from central government or in the light of emerging practice or legal commentary.

## **9.0 IMPLICATIONS**

- 9.1 The following implications have been identified:
- a) Financial  
No Direct Implications other than those referred to within the report.



- b) Legal  
The legal implications of the revocation of the RSS are the subject of this report.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
No Direct Implications

## **10.0 NEXT STEPS**

- 10.1 The current situation – the revocation of a statutory plan without formal transitional arrangements is unprecedented. This report aims to outline the implications as they are currently known and interpreted by officers at this stage. This is a period of uncertainty and the Council may need to seek legal advice to support the planning application decision making process in the short – medium term.

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### **Background Papers:**

Council Agenda 28<sup>th</sup> July 2010

Chief Planning Officer Letter: Revocation of Regional Spatial Strategies. 6<sup>th</sup> July 2010

**Background Papers are available for inspection at:**

Ryedale House

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<b>Revocation of the RSS- RISK MATRIX – ANNEX A</b>						
<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>
Introduction and use of 'interim' policies in advance of the adoption of the Core Strategy	The Authority is likely to be considered to having acted unreasonably in an appeal situation and that this would present a serious risk of costs being awarded against the Authority.	<b>See below (score before mitigation) 4/5</b>	<b>See below (score before mitigation) D</b>	If implemented the risk associated with the action cannot be mitigated against.	<b>See below (score after mitigation)</b>	<b>See below (score after mitigation)</b>
Further changes to Planning policy and the Planning System	Potential further delays to the LDF	<b>4</b>	<b>D</b>	Amend / update textual and factual references in the Core Strategy and ensure the revised version reads as a 'stand' alone, local policy document without references to the RSS and limited references to national policies	<b>3</b>	<b>C</b>

<b>Score</b>	<b>Likelihood</b>	<b>Score</b>	<b>Impact</b>
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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<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>30 SEPTEMBER 2010</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>TREASURY MANAGEMENT MONITORING REPORT</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 To report on treasury management activities for 2010/11 and to update Members on current investments in accordance with the CIPFA Code of Practice on Treasury Management (the Code).

### **2.0 RECOMMENDATIONS**

2.1 It is recommended that:

- (i) Members receive this report; and
- (ii) The current investments and performance in 2010/2011 be noted.

### **3.0 REASON FOR RECOMMENDATIONS**

3.1 The Council has adopted the Code. A provision of the Code is that regular reports must be made to the Council relating to treasury management activities.

### **4.0 SIGNIFICANT RISKS**

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

## **REPORT**

### **5.0 BACKGROUND AND INTRODUCTION**

5.1 As outlined in paragraph 3.1 the CIPFA Code stated that Members would receive

reports on its Treasury Management policies, practices, and activities at regular intervals including an annual strategy, a mid-year review of the strategy and performance, an annual outturn report and monitoring reports.

## 6.0 POLICY CONTEXT

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

## 7.0 CONSULTATION

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

## 8.0 REPORT DETAILS

8.1 The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short-term and only invest with highly credit rated financial institutions.

8.2 The following table shows the relative performance of the external and internally managed funds with the 7-day benchmark for the period ended 31 August 2010:

	Average Investment (£)	Gross Rate of Return	Net Rate of Return	Benchmark Return
<b>Internally Managed:</b>				
Temporary Investments	1,340,890	0.60%	n/a	n/a
Fixed Term Deposits	1,250,000	1.09%	n/a	n/a
<b>Externally Managed</b>	1,250,000	1.12%	1.06%	0.43%

8.3 As illustrated above the authority has to date outperformed the benchmark. The Council's budgeted investment return for 2010/11 is £230k. The interest received from investments and loans for the five-month period to 31 August 2010 total £56k, which is significantly below the profiled budget.

8.4 The forecast at the time of the preparation of the Council's budget was for interest rates to start to increase in the second quarter of 2010/11. Sector's latest economic forecast predicts that the first Bank Rate increase will be in the second quarter of 2011/12 to 0.75%, with continuing increases to eventually reach 3.25% in the first quarter of 2013/14.

8.5 As at 31 August 2010 managed investments totalled £13,220,000 which were lent out as follows:

	<b>Internally Managed (£)</b>	<b>Externally Managed (£)</b>
Temporary Investments	3,220,000	0
Fixed Term Deposits:		
Repayable within 1 month	0	0
Repayable 1 month to 3 months	1,000,000	1,500,000
Repayable 3 months to 6 months	2,500,000	3,500,000
Repayable 6 months to 12 months	1,500,000	0
Repayable 12 months to 24 months	0	0
<b>Total</b>	<b>8,220,000</b>	<b>5,000,000</b>

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

<b>Type of Institution</b>	<b>Internally Managed (£)</b>	<b>Externally Managed (£)</b>
UK Clearing Banks	7,220,000	1,000,000
Foreign Banks	1,000,000	2,500,000
Building Societies	0	1,500,000
<b>Total</b>	<b>8,220,000</b>	<b>5,000,000</b>

8.7 Listed below are the current investments with foreign banks:

<b>Foreign Bank</b>	<b>Investment (£)</b>	<b>Latest Credit Rating Position</b>
DBS Bank Ltd	2,000,000	Credit rating of up to 12 months
CIC Group	1,500,000	Credit rating of up to 6 months

8.8 This Council uses the creditworthiness service provided by Sector Treasury Services as specified in the Council's Investment Strategy approved by Full Council 22 February 2010. The service uses a sophisticated modelling approach with credit ratings from all three agencies – Fitch, Moodys and Standard & Poors, forming the core element. The modelling approach combines credit ratings, credit watches, credit outlooks and credit default swap spreads in a weighted scoring system, which indicates the relative creditworthiness of counterparties. All the above borrowers met the required credit rating at the time of investment and continue to do so.

8.9 Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the period 1 April 2010 to 31 August 2010.

## **9.0 IMPLICATIONS**

9.1 The following implications have been identified:

a) Financial

The results of the investment strategy affect the funding of the Capital Programme.

- b) Legal  
There are no legal implications regarding this report.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
None to report.

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**Background Papers:**  
None.

**Background Papers are available for inspection at:**  
None.





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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>30 SEPTEMBER 2010</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>BUDGET STRATEGY 2011/2012</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report forms the basis of preparation and planning for the 2011/2012 Council budget.

### **2.0 RECOMMENDATIONS**

- 2.1 That Council is recommended to approve the following parameters for the preparation of the 2011/2012 budget:
- (i) Proposals be brought forward for a 2.5% increase in Council tax;
  - (ii) Increases in fees and charges to be 3.5% - 4.5% on a cost centre heading basis excluding VAT and only those charges officers recommend above or below this figure to be considered by the relevant policy committee; and
  - (iii) Efficiencies to be maximised and identified together with any potential cuts required to services once the draft grant settlement is announced in November/December. These proposals will be considered by the Resources Working Party.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The proposals will ensure the Council sets a balanced budget for the forthcoming year with minimal impact on Council services.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The significant risk is that efficiencies cannot meet the shortfall and cuts to front line services will be required. This is mitigated through a whole Council approach to savings identification and investment proposals leading to savings through the

investment in IT, service reviews and Root and Branch Revenue budget review.

- 4.2 The other identified significant risk is that the Government does not include baseline ongoing funding for any Council Tax freeze incentive. These proposals once known will be reported to members.

## **REPORT**

### **5.0 BACKGROUND AND INTRODUCTION**

- 5.1 The annual budget setting process for the Council will necessitate the identification of savings to deliver a balanced budget. The Medium Term Financial Plan (MTFP) as approved by members with the Council's Financial Strategy in February 2010 set out the projected financial position. At that time the Council set a 0% increase in its part of the Council Tax bill for 2010/2011.
- 5.2 Within that projection was the need to identify approximately £1m efficiency and other savings. This position was based on the following assumptions:
- Government grants to decrease by 10% in 2011/2012
  - Additional cost pressures from borrowing to finance the capital programme, the transfer of concessionary fares responsibility and the pension fund triennial revaluation
  - A Council Tax increase of 2.5%
  - Pay Inflation of 1%
  - Price inflation of 3%

### **6.0 POLICY CONTEXT**

- 6.1 The budget strategy is a key process affecting all service delivery and linking to the Council Plan and all of the strategic plans as well as providing the means for attaining the Council's objectives and priorities.

### **7.0 CONSULTATION**

- 7.1 Public consultation on the 2011/2012 budget has started through the residents' panel, and on line through a procured software tool. Further public consultation will be considered as further details on the formula grant settlement are announced.

### **8.0 REPORT DETAILS**

- 8.1 There are a number of key influences on the finances of the Council for 2011/2012 which then impact on the budgetary position. These include:
- Government grant
  - Concessionary Fares Transfer
  - Council Tax increases
  - Pension Fund Revaluation
  - Income
  - Issues arising from the current year
  - Pay and price inflation
  - Revenue effects of the Capital Programme

#### **Government Grant**

- 8.2 Members will be aware of the state of the public finances nationally. The government

departmental expenditure limits will be announced on the 20 October. This sets out the budget allocations for the various government Departments for the forthcoming years. The allocation of these budgets derives the Council's grant to Local Authorities. This is done through a complicated system of formulas, weightings with floors and ceilings to grant gains or losses also applied. The Council currently receives £4.52m in formula grant support.

- 8.3 Traditionally Authorities have received three year settlements in line with the comprehensive Spending Reviews to allow forward budget planning. CSR12 (the comprehensive spending review for the years 2011/12 to 2013/2014 did not take place in the usual time frame and was delayed by the previous government. The new coalition government has undertaken this review in a much shortened timescale in 2012. Announcements from Government Ministers indicated that a two year settlement would be provided covering 2011/2012 and 2012/2013. There is also a further planned review of the Local Government finance system over the next two years.
- 8.4 The government Departments have been asked to prepare budgets based on a real terms cut in funding of 25% over the next four years. They have also been requested to model savings of up to 40%. The Health and Foreign Aid budgets have been protected in real terms against cuts and savings in Education and Defence were stated to be lower than other services. With the District Councils not providing any protected services, it is expected that the cuts to funding will be significantly above the 25% average.
- 8.5 The draft grant settlement announcement is expected in late November/early December 2010.

#### **Concessionary Fares Transfer**

- 8.6 Responsibility for the administration in two tier areas passes from District Councils to County Councils with effect from the 1 April 2011. Negotiations have been ongoing with the County Council to ensure a smooth transition with minimal impact to the pass holders. It is likely that RDC will continue to issue passes on behalf of the County Council for a period of time, probably a year, for which a contribution to administration costs will be received.
- 8.7 The transfer of the grant associated with the service is a more complex affair and dealt with through the formula grant system. A series of formula and assumptions are made on previous allocations in grant which, prior to 2006, were not separately identified in the grant settlement. The Council currently receives funding through the formula grant plus a special grant
- 8.8 The Department for Communities and Local Government (DCLG), who set the basis and system for grant distribution, have released a 414 page consultation document which includes, amongst other things, 4 alternatives for removing funding from Districts and then a further 6 options for redistribution for each of these four options.
- 8.9 The four block model used to calculate formula grant is very complex. CIPFA have analysed in detail the proposals and include the following comments in their analysis

'the four-block model is not designed to show changes in individual aspects of the system in this way and Ministers will simply set the overall assumed councils taxes near the end of the process on whatever basis they choose. The

exemplifications are therefore a poor indicator of what will actually happen in the settlement.’

- 8.10 The exemplifications on paper are not good for District Councils. The main problem in arguing the case is that nobody knows how much funding was implicitly in the formula before the extra funding in 2006, so nobody can say whether the options for removing the funding now are too severe. All of the exemplifications are further complicated by the ‘floors and ceilings’ which are applied to grant changes.
- 8.11 Even with the exemplifications above it is not guaranteed that the DCLG will choose any of the options or the quantum used in the exemplifications is correct, as this will be established in the spending review. A response to the consultation will be made.
- 8.12 Clearly the final decision on which formula to use has the potential to significantly adversely affect the Council’s position in balancing the 2011/2012 budget.

#### **Council Tax Increases**

- 8.11 The Council’s MTFP is predicated on a 2.5% increase in Council Tax for 2011/2012. The 2010/2011 charge was £176.72 per band D property. This rise would therefore equate to £4.42 per year (8.5p per week). Members should note that the full Band D charge is £1,500.85 taking into the account the charges from the County Council, Fire and Police services. RDC therefore makes up less than 12% of the final bill. A 1% increase in the Council’s charge raises approximately £38k.
- 8.12 The Coalition Government have stated their intention to freeze Council Tax for 2011/2012. Details of this proposal are not yet finalised and it is unclear whether one off or ongoing funding would be provided and to what level to enable Authorities to freeze Council Tax.

#### **Pension Fund Revaluation**

- 8.13 2010/2011 sees the triennial revaluation of the North Yorkshire Pension Fund. It is expected that without changes to the scheme employer contributions will need to increase in light of reduced investment returns and increased longevity etc.
- 8.14 Full details of the Actuarial outcomes will be presented to officers in November with details of the expected increase in employer contribution rates.
- 8.15 Lord Hutton is chairing a Commission to review the 16 different public sector pension schemes. An interim report is expected in two months and a final report seven months later. This could include significant changes to the scheme benefits and funding which could reduce the Council’s contribution rate. Clearly any such changes would not be in place for 2011/2012 and therefore within the MTFs estimated increasing costs of £50k in 2011/2012 are included.

#### **Income**

- 8.16 It is important that the Policy and Resources Committee recommend to Council an outline target for increases in income. Clearly where officers believe that increases in line with the strategy will be counterproductive to overall income, or where there is potential scope for increasing above the target these would be considered by the relevant policy committee. The recommended target increase is 3.5–4.5% on a cost centre heading basis excluding VAT. Current inflation rates range from 3-5% depending on the index chosen.

### **Current Year issues**

- 8.17 Detailed monitoring of in year spend and income is undertaken and reported to the Resources Working Party and this Committee. The significant financial pressure on the Council in 2010/2011 relates to the Trade Waste service. Income in the current year is down and predictions are that this will continue to fall in future years with little scope to reduce costs and improve profitability. A report on the options for future service delivery was presented to the Commissioning Board on the 23 September 2010 recommending sale of the service. Subject to approval of the recommendations, this will be considered by Full Council. There will be a significant revenue shortfall whichever option is chosen, that is outsourcing the service or continuing to directly provide it.

### **Pay and Price inflation**

- 8.18 The 2010/2011 budget included provision for a 1% pay rise. No increase has been offered by the employers' side and it is likely that a saving of approximately £70k can be taken towards the 2011/2012 budget if no pay rise is made.
- 8.19 The 2011/2012 MTFP included a 1% provision for the pay award. Whilst the government have announced a pay freeze, except those on less than £21k receiving a flat £250 increase. The application of this announcement has not yet been confirmed through the existing pay bargaining system. Should this be implemented it is likely that a further £35k saving can be taken against the projected shortfall in 2011/2012.

### **8.20 Revenue effects of the Capital Programme**

- 8.21 The MTFP incorporate predictions around revenue impact of Capital Decisions. £50k Revenue support for the dual use agreement at the Malton School Sports Centre is provided for. Council decided that the costs of the Brambling fields Junction upgrade and Vivis Lane realignment, in total £2.45m, are to be financed by external borrowing. The repayment of debt and interest carries an annual revenue cost of £163k, which is also built into the MTFP. In the event that either or both schemes do not progress a saving against projections would be made.

### **Progress to Date**

- 8.22 Clearly with the scale of savings likely to be required to balance the budget in 2011/2012 early progress had to be made. The Council typically finds efficiencies and savings of between £300k - £400k in balancing the budget. Therefore the potential £1m saving represents a significant challenge.
- 8.23 A series of ongoing staff briefings have taken place together with a member briefing in October 2009 to set the scene. The key issue for delivering such savings is to minimise/avoid cuts to services, thereby delivering efficiency savings; that is at least the same standard of service at a lower cost.
- 8.24 In order to facilitate such savings the Council asked for expressions of interest in voluntary redundancy in line with its Redundancy Policy. A number of applications were received and each of these evaluated in terms of the impact on the service and cost. Where proposals were received that delivered savings in staff costs could be achieved through reorganisation, service redesign and investment in IT which would not impact on service levels and deliver a financial saving in the 2011/2012 base budget these were taken forward. The costs of redundancy and any associated pension costs were met in part from an existing budgetary provision. In total 18

people will leave the Council in 2010/2011 delivering approximately £400k of savings in the 2011/2012 base budget. These will be efficiencies as service levels will not be affected.

- 8.25 There are a series of ongoing service reviews across all Council services, front and back office. It is expected that savings can be achieved through this process. Some other savings such as printing within the Authority have also been considered by this Committee.
- 8.26 In addition to the above a detailed Root and Branch Review of the Revenue budget has taken place, led by the Directors. This has involved 'line by line' analysis of spend with Heads of Service and Service Unit Managers. This will produce further savings. Some Revenue contingency funding will be created, to enable service budgets which deal with irregular payment to be financed, and the revenue budget reduction can then be taken in full. If these savings are taken, it is increasingly likely that the £100,000 general reserves presently used to support the budget will increasingly be needed.
- 8.27 Taking into account all of the above there still be further savings required to balance the budget should the Council need to reduce its base budget by the predicted £1m. Work is ongoing with reviews and consideration of potential saving from IT capital investment. The need to make service cuts cannot be ruled out at this stage, key to the requirement to make cuts will be the Grant settlement announcement in November/December, when the Council's financial position for 2011/2012 will be clearer.
- 8.28 Only unavoidable growth can be accommodated at this time. Within the MTFP £100,000 is included for growth items. Further details on any unavoidable growth will be presented to the Resources working Party.

## 9.0 IMPLICATIONS

- 9.1 The following implications have been identified:
- a) Financial  
The financial impacts are detailed within the report.
  - b) Legal  
There are no new legal issues around the budget strategy.
  - c) Other  
All savings proposals will be evaluated to identify direct other implications where possible.

## 10.0 NEXT STEPS

- 10.1 The following timetable sets out the timetable for the budget process:

Officers prepare proposal for discussion at Resources Working Party	23 November 2009 11 January 2009
Member briefing on budget	19 January 2010
Policy and Resources Committee consider 2010/2011 Budget	3 February 2010
Full Council formally set budget	21 February 2010

**Paul Cresswell  
Corporate Director (s151)**

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**Background Papers:**

None.

**Background Papers are available for inspection at:**

N/A.

## RISK MATRIX

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Efficiency savings unable to meet the shortfall therefore cuts required.	Cuts to front line services, reputational damage to Council, possible poor external inspection.	<b>4</b>	<b>D</b>	Co-ordinated approach to savings identification, looking at budget as a whole. IT investment to change working patterns and make efficiencies. Ongoing service reviews and Root and Branch review of revenue budgets.	<b>2</b>	<b>B</b>
Council Tax freeze not financed by ongoing revenue support	Such a situation would simply defer a financial pressure on the Council to a 2012/2013	<b>4</b>	<b>D</b>	Council continues to lobby for ongoing revenue support through Society of District Council Treasurers.	<b>3</b>	<b>C</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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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>30 SEPTEMBER 2010</b>
<b>REPORT OF THE:</b>	<b>HEAD OF PLANNING GARY HOUSDEN</b>
<b>TITLE OF REPORT:</b>	<b>CHARGING FOR STREET NAMING AND NUMBERING</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report proposes that the Council charges for the street naming and numbering service with effect from 1 January 2011 and sets fees and charges for the remainder of this financial year and 2011/2012.

### **2.0 RECOMMENDATION**

- 2.1 That Council is recommended to approve the fees and charges as set out in attached sheet, Annex A for the period 1 January 2011 to 31 March 2012.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 Officers have reviewed potential areas for further income generation to assist in the preparation of the Council's budget. Other authorities already charge for this service and those districts within North Yorkshire not presently charging are planning to do so for 2011/2012.

### **4.0 SIGNIFICANT RISKS**

- 4.1 There are no significant risks in considering this report.

## **REPORT**

### **5.0 BACKGROUND AND INTRODUCTION**

- 5.1 The Council currently provides the service for street naming of new properties and developments plus re-naming of a property without charge.

- 5.2 Hambleton District Council charged for this service in 2009/2010. Officers, in planning for the 2011/2012 budget, have considered areas for additional income.

Charging for Street Naming and numbering service has been highlighted as a potential area.

## **6.0 POLICY CONTEXT**

6.1 Council policy is that this service is not charged for at present, the proposals are therefore a change to existing policy.

## **7.0 CONSULTATION**

7.1 Consultation with the other North Yorkshire districts has taken place in considering the fee levels for 2011/2012.

## **8.0 REPORT DETAILS**

8.1 Street Naming and Numbering is a statutory duty delivered through the Development Management Unit at the Council. To date, the service has been provided free of charge by the Council.

8.2 The charges for numbering and provision of road names (for larger developments) would be met by the relevant developer. In the scale of development such charges are an incidental cost which it is envisaged will not impact on developments being brought forward.

8.3 The charging for re-naming of existing properties will be primarily to individual property owners. It is a voluntary decision of the owners to request a property name change. Individual property owners in many cases presently are surprised when a charge for the re-naming is not made.

8.4 Annex A to this report sets out the proposed charges for the period 1 January 2011 to 31 March 2012. The setting of charges would then be considered in future years as part of the budget strategy process. The proposed charges are based on the Hambleton District Council charge for 2010/2011 with some indexation. Discussions have taken place with all North Yorkshire Districts with a view to standardising the charges across the County at the levels proposed in Annex A. Officer agreement in principle has been given to this concept, however the charges will be set individually by the relevant Authorities members taking into account their own budget requirements.

8.5 Based on the charges in Annex A the full year financial benefit to the Authority is estimated between £20k - £30k. There will clearly be some additional benefit in the current financial year. The final income budget for 2011/2012 financial year will be set as part of the 2011/2012 budget preparations. There are no material additional costs from charging for this service.

## **9.0 IMPLICATIONS**

9.1 The following implications have been identified:

a) Financial

The proposals will provide unbudgeted income in 2010/2011 and assist in setting the 2011/2012 budget.

b) Legal

There are no legal implications regarding this report.

c) Other

There are no other implications from the proposals within this report.

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**Background Papers:**

None.

**Background Papers are available for inspection at:**

None.

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## Policy & Resources Committee 30<sup>th</sup> September 2010

### Street Naming and Numbering Charges

Large development which include a new road name

Will be for ten properties £180.00

Additional Property £30.00

Small development new property name £70.00

Re-naming of a property £30.00

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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>30 SEPTEMBER 2010</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ECONOMY AND HOUSING JULIAN RUDD CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>A64 BRAMBLING FIELDS JUNCTION UPGRADE</b>
<b>WARDS AFFECTED:</b>	<b>MALTON AND NORTON AND ADJACENT WARDS</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To update Members on the project to upgrade the A64 Brambling Fields Junction and to seek additional funding to cover an anticipated increase in scheme costs as a result of required design changes.

### **2.0 RECOMMENDATIONS**

- 2.1 That Council is recommended to:

- (i) include in the Council's capital programme an increase of £420K in this Council's agreed contribution to the Brambling Fields junction upgrade to give a maximum Ryedale District Council contribution of £2.37m - subject to the agreed contribution from NYCC to be financed either:
  - a. from the Borrowing approval for the Vivis Lane junction scheme in the event that the County Council withdraw their support on the 28 September; or
  - b. from the Council's unallocated capital resources.
- (ii) endorse the seeking of appropriate developer contributions towards the entire Ryedale District Council costs and appropriate North Yorkshire County Council costs incurred through the Brambling Fields scheme. However, the situation will be reviewed once the specified level of developer contributions (as detailed within this report) has being received towards the local authority contributions; and
- (iii) consider a further report regarding the conclusions of the detailed design stage, including the public consultation, before proceeding to formal legal agreement to implement upgrading of the A64 Brambling Fields junction.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 Following this Council's commitment in September 2009 to jointly fund (with North Yorkshire County Council) the A64 Brambling Fields Junction upgrade there has been a detailed design process taking place. This has required changes to the original scheme design in order to achieve the necessary level of safety. This process of scheme refinement is consistent with the planned approach that was outlined to this Committee on 30 July 2010. The financial impact of these design changes together with ecological mitigation costs is a projected increase of £840K in scheme costs. These costs must be borne by the two local authorities if the project is to proceed. However, it is anticipated that these additional costs can be recouped over a period of years through the collection of developer contributions.
- 3.2 The strong justification for undertaking this junction upgrade, in terms of removing through traffic (including heavy commercial vehicles) from the historic town centre of Malton and its Air Quality Management Area to improve environmental and air quality and to reduce congestion, remains as previously outlined to Members. The infrastructure improvement will also provide road capacity for new development within the towns that will help meet local housing and economic needs in line with the emerging Ryedale Local Development Framework.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The final cost of the scheme has not been finalised nor has the risk sharing for potential overspends. It is important that the Council minimises its exposure to unbudgeted costs. Further investigations and option appraisals will be undertaken on this basis and updated information supplied to members when the detailed design exercise is completed. At that stage a further report will set out anticipated costs, risks and the process for sharing risk with North Yorkshire County Council. Only at that stage will the Council take a final decision to jointly proceed with North Yorkshire County Council to construct the junction upgrade via a S278 legal agreement with the Highways Agency. However the S278 agreement will require the two local authorities to commit to meeting total scheme costs. For this reason the current detailed design process includes several value engineering stages and other measures to minimise and to accurately estimate the costs in advance of signing the legal agreement.
- 4.2 There is the risk that the borrowing is not affordable and that cuts to services will be required in order to meet the borrowing costs. This is mitigated through the Council's efficiency plans and existing financial management controls.
- 4.3 Given the reduction in available funding that is being experienced at North Yorkshire County Council for this type of project (see section 8) there is a significant risk to this project if this Council were to decide not to share the additional costs with NYCC or to otherwise reduce/cap its commitment to the project.

### **5.0 BACKGROUND AND INTRODUCTION**

- 5.1 The absence of an opportunity for eastbound traffic to leave the A64 at the Brambling Fields junction (north east of Norton) has long been seen as a major contributing factor to traffic congestion and associated problems in the centre of Malton and Norton, in particular at the Butcher Corner junction. The current design of the A64 Brambling Fields junction does not allow traffic from the York direction to



leave the A64 to gain access to Norton or to the B1248 to East Yorkshire and routes running south from Norton. Consequently this traffic cannot currently use the A64 to by-pass the centre of Malton and Norton via the Brambling Fields junction and Scarborough Road on the eastern side of Norton. The provision of a new 'off-slip' from the A64 at the Brambling Fields junction, in conjunction with complimentary traffic management measures in Malton town centre, would allow and encourage through traffic to use the by-pass route, including a significant amount of heavy goods vehicles. The traffic using Butcher Corner will then be mostly that with a town centre or local destination. This will help address air quality problems that have led to the declaration of an Air Quality Management Area around the Butcher Corner junction in Malton and will allow pedestrian facilities to be improved for shoppers and pedestrians to the benefit of the local economy. Furthermore these changes will provide some capacity in the local highway network for traffic generated by future development that is required to meet housing and economic needs. This means that developer contributions towards the cost of the junction upgrade can be appropriately sought from developers at Malton and Norton.

- 5.2 North Yorkshire County Council's Malton & Norton Transportation Strategy confirmed in 2004/5 that the upgrading of the Brambling Fields junction in combination with complimentary traffic management measures in the centre of the towns was the number one priority in addressing local transport problems. Consequently this Council funded a 2006 Report into the options for upgrading the junction. This work was then developed and refined into a Preliminary Design Report that was completed in mid-2009 on behalf of the Highways Agency, with the funding split between North Yorkshire and Ryedale Councils.
- 5.3 The Preliminary Design Report, which was reported to the 30 July 2009 meeting of this Committee, proposed a design of new eastbound slip off the A64 to a new t-junction with the existing road over the top of the A64 (which would become two-way), together with a new roundabout on the B1248 (Scarborough Road) on the Norton side of the bridge. In addition some work to realign the top of the eastbound on-slip was also required. To accompany this proposal, Jacobs, on behalf of North Yorkshire County Council, began preparation of traffic management measures within Malton and Norton that are an essential component of encouraging through traffic to use the A64 – Brambling Fields – Scarborough Rd route as opposed to passing through Butcher Corner.
- 5.4 The Preliminary Design Report indicated a maximum cost for the improvements to the Brambling Fields junction as designed, including contingencies, fees and other related sums. Negotiations with the Highways Agency resulted in a net figure of £4.8m to be met by Ryedale District Council and North Yorkshire County Council (NYCC) to achieve the junction upgrade as designed.
- 5.5 NYCC, which had earmarked £800K of Integrated Transport Capital Programme funding for the project, then received a share (totalling £18m) of the regional transport funding (known as the Regional Funding Allocation or RFA). The County allocated £2m of this to this project, giving an overall contribution of £2.8m (excluding the cost of the complimentary traffic management measures in Malton and Norton, which NYCC also resolved to fund through the uplift from the Regional Transport Fund).
- 5.6 Ryedale District Council on 3 September 2009 resolved (Minute 28) 'That the recommendations of the Policy & Resources Committee as submitted be approved and that the Council:

- (a) include in the Council's capital programme a scheme for the Brambling Fields junction upgrade with a maximum contribution of £1.95m - subject to the agreed contribution from NYCC - to support the implementation of the junction upgrade, with funding to be dispensed over the period 2009-12;
- (b) endorses the use of developer contribution agreed towards Brambling Fields to meet any shortfall in scheme costs, and thereafter that such contributions should be received by the District Council but be redistributed equally between NYCC and RDC to pay back their contributions, and that this situation be reviewed following the agreed level of developer contributions being received towards the joint local authority contribution; and
- (c) endorses the taking forward of the Preliminary Design Report to public consultation stage, alongside proposed traffic management measures, and subsequently consider responses and scheme amendments before proceeding to formal legal agreement."

5.7 It can be seen that an important element of the funding for the Brambling Fields project is that the District Council seeks to recoup, via appropriate developer contributions, all of its investment in the project and the element of the County Council's contribution that is to be taken from the RFA (£2m based on the figures above). The report considered by Council in September 2009 clarified that developer contributions received thereafter be shared 50-50 with the County Council and that progress be reviewed once each Authority had recouped £1m of its investment.

5.8 Council on 3 September 2009 also resolved that this Authority "includes in the Council's capital programme £500K as a maximum contribution towards the improvement of the A170/Vivis Lane junction at Pickering." However, following the granting of planning permission (at appeal) for a new supermarket on the adjacent former Coalyard site at Pickering the future of this project has become uncertain. On 28 September 2010 the County Council's Executive is considering its approach to the junction upgrade (with an officer recommendation to withdraw the scheme) and Members will be verbally updated at the 30 September P&R meeting. The Vivis Lane project is also in the Council's capital programme to be financed by borrowing. In the event that the County Council Executive approve the officer recommendation, the funding released could be used to finance the additional cost of the Brambling Fields scheme.

## **6.0 POLICY CONTEXT**

6.1 The project to upgrade the Brambling Fields junction will have a direct significant beneficial impact on at least three of the Council's five strategic aims. Removal of through traffic from the centre of Malton will help create a cleaner environment and support the making of more local journeys via sustainable means of transport. The project will create conditions for economic success and facilitate residential development at Malton and Norton that meets housing needs. Accompanying changes to the Butcher Corner junction, which has a poor accident record, will also increase safety for local communities. Furthermore, the project is an important element of the development strategy within the emerging Ryedale LDF in that it supports new development that is close to the best public transport facilities and highest level of jobs, shops and services within Ryedale.

## **7.0 CONSULTATION**

- 7.1 Consultation with the local public in 2004/5 (via NYCC's Malton and Norton Transportation Strategy) established an upgrade of the Brambling Fields junction to provide all movements as the most popular measure to improve the local transport network.
- 7.2 A consultation with local people, including a two-day exhibition, is to take place during October / November 2010 regarding the design of the proposed Brambling Fields junction upgrade and complimentary traffic management measures within Malton and Norton. The consultation will also seek views on the County Council's Service Centre transportation Strategy for Malton and Norton and surrounding area.

## **8.0 REPORT DETAILS**

### **Design and Cost Changes**

- 8.1 The design of the junction upgrade has continued to be refined through the current detailed design stage. This has included safety audits and other analysis of the proposals. These have led to a change in the design to incorporate a new roundabout (instead of a t-junction) where the new off-slip will meet the existing Scarborough Road that crosses over the A64. This measure improves safety however it does increase the amount of excavation and paving involved in the scheme. The safety audits have also led to inclusion of a costly lighting scheme. These changes, together with a small number of mitigation measures to address ecological issues, have increased the overall scheme costs by £840K and this must be shared between this Authority and North Yorkshire County Council if the project is to progress.
- 8.2 Your officers continue to work with the consultants involved to seek measures to minimise project costs and it is possible that additional cost-saving measures may be achieved.
- 8.3 NYCC has been informed that it will now receive £4.54m less of the RFA allocation than it was previously allocated (approximately a 25% reduction). The NYCC Executive will consider this issue on 28 September and funding reductions and withdrawals are recommended for several major projects around the County as a result of this. NYCC officers have recommended a £420K increase in funding for the Brambling Fields project despite major reductions elsewhere (although a £250K reduction is proposed to a separate £1m allocation previously made towards transport projects within Malton and Norton). The officer report specifically requests that Ryedale District Council be requested to similarly increase its contribution by £420K. In this funding climate the risk to funding for the Brambling Fields project is likely to be very high should this Authority reduce commitment to the scheme and it is very unlikely that alternative funding would become available for several years.

### **Developer Contributions and Recouping of Costs**

- 8.4 A consistent element of this project has been that the District Council's costs and the RFA element of the County Council's costs (currently £2m but expected to rise to £2.42m) should be recouped through developer contributions. This reflects that the project will release road capacity for new development within Malton and Norton. The County Council has stated its desire to re-use funding from the RFA, where possible, for other highway projects. As outlined above it was agreed in September 2009 that contributions would thereafter be split equally between the two Councils

and that the situation would be reviewed once each Authority has recouped £1m of its investment.

- 8.5 At this stage only £100K has been received through contributions. However development is underway on a further three schemes that mean a total of almost £500K is expected to have been received by the end of the current financial year (20010/2011).
- 8.6 In addition, other applications have been approved that if implemented would provide a further £150K. There are also current applications that are soon to be considered that would, if approved (as is expected to be the officer recommendation) and implemented, lead to a further £670K towards Brambling Fields.
- 8.7 The sum of the above potential contributions is around £1.3m. Whilst this is not yet certain (and it would be received over a period of years as the development's were built out) this and the proposed LDF approach for Malton and Norton suggest that it will possible to recoup £2m of Brambling Fields project costs within 5 to 7 years and the overall local authority investment within 15 to 18 years. The Council's share of the developer contributions is not yet shown in the Council's capital programme. The revision to the Capital Programme as part of the setting of the budget 2011/2012 will consider this issue.
- 8.8 In view of the above it is considered that the District Council should continue to share contributions received with NYCC and that this Council should seek to recoup all of its investment in the project together with that element of the NYCC contribution drawn from the RFA. Given the increased scheme costs it is recommended that the situation should be reviewed after £3m (as opposed to £2m) of local authority investment has been recouped.

## **9.0 IMPLICATIONS**

### **9.1 Financial**

Members should be aware that £100k has been spent by the Council as its share of its design costs of the scheme. This report seeks to increase the allocation for this project within the Council's capital programme from £1.95m to £2.37m. The 3 September 2009 meeting of Council, at which the £1.95m contribution was agreed, resolved that 'the revised capital programme and prudential indicators as submitted be approved with the requirement to borrow to finance the capital programme'. There are three options for the financing of the scheme:

- (i) Utilise existing uncommitted capital funds, which presently total approximately £1.7m;
- (ii) Utilise the existing borrowing provision allocated to the Vivis Land Junction alterations in the event that the County Council withdraw their support for the scheme; and
- (iii) Consider additional borrowing. The Council's current contribution towards this scheme (£1.95m) is financed through borrowing. Additional borrowing must take into account a number of issues as part of the Prudential Code, most importantly that of affordability. Given the predictions for Government Revenue Support Grant over the period of the next spending review, the Corporate Director (s151) does not consider that additional borrowing at this time is affordable.

### **9.2 Legal**

The formal legal commitment to this project will be made when Members take the

final decision (expected to be early in 2011) to enter into a S278 agreement in partnership with NYCC, with the Highways Agency to construct the junction upgrade.

- 9.3 The proposed scheme will improve safety within Malton and Norton for road users and pedestrians. The limited ecological impacts of the proposal will be fully mitigated as part of the scheme.

## **10.0 NEXT STEPS**

- 10.1 Provided that Ryedale District Council and North Yorkshire County Council agree to share the additional scheme costs that are outlined within this report, a public and stakeholder consultation and exhibition regarding the Brambling Fields Junction upgrade and complimentary traffic management measures in Malton and Norton town centres will take place in October / November 2010. This will also seek views on North Yorkshire County Council's Service Centre Transportation Strategy for Malton and Norton and their hinterland. Comments will then be reported back to both authorities, together with results of further detailed surveys and value engineering processes, and any refinements to scheme will be outlined, including updating of the detailed design and anticipated cost. This is expected to occur in December 2010 / January 2011 alongside submission of a planning application for the junction upgrade. The Councils would then need to resolve to enter into a legal agreement with the Highways Agency (under S278 of the Highways Act 1980), who would then procure and deliver the project (NB this is considered the most reliable and efficient method of delivery). The anticipated timetable is:
- If no Statutory Objections were received to draft Orders, a Contractor could be appointed in Summer 2010.
  - Site works could then begin in Autumn 2011.
  - If Statutory Objections were received to draft Orders, then a Public Inquiry would need to be held. This is likely to delay the start of works by approximately 12 months.
  - Construction is likely to take 4 to 6 months.

**Julian Rudd**  
**Head of Economy and Housing**

**Paul Cresswell**  
**Corporate Director (s151)**

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### **Background Papers:**

- 'Capital Programme Revision' report and minutes, 30 July 2009 P&R Committee 2009 and Full Council 3 September 2009

**Background Papers are available for inspection at:**  
<http://democracy.ryedale.gov.uk/uuCoverPage.aspx?bcr=1>

## BRAMBLING FIELDS JUNCTION UPGRADE - RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Cost of delivering scheme rises and RDC is exposed to unbudgeted expenses.	Impact on RDC budgets and services and other RDC projects	<b>4</b>	<b>D</b>	Further investigations and option appraisals will be undertaken to verify and minimise costs. Updated information will be supplied to members when the detailed design exercise is completed. A further report will then set out anticipated costs, risks and the process for sharing risk with North Yorkshire County Council. Only at that stage will the Council take a final decision to jointly proceed with North Yorkshire County Council to construct the junction upgrade via a S278 legal agreement with the Highways Agency	<b>2</b>	<b>B</b>
Borrowing is not affordable	Impacts on RDC services	<b>3</b>	<b>D</b>	Via the Council's efficiency plans and existing financial management controls.	<b>2</b>	<b>A</b>
RDC decides not to share the additional costs with NYCC or reduces commitment to the project.	Withdrawal or reduction of funding by NYCC and support from the Highways Agency. Loss of scheme, with major impacts on the Ryedale LDF and none of the scheme benefits.	<b>4</b>	<b>E</b>	Maintain strong commitment to project and sharing of reasonable costs	<b>2</b>	<b>A</b>



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES</b>
<b>DATE:</b>	<b>30 SEPTEMBER 2010</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>COUNCIL TAX – SPECIAL EXPENSES</b>
<b>WARDS AFFECTED:</b>	<b>CROPTON, THORNTON-LE-DALE, SINNINGTON, DALES, AMOTHERBY</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 This report considers the charging of Special Expenses to the Parishes formally part of Pickering Rural District Council.

### **2.0 RECOMMENDATION**

2.1 That Council is recommended to approve the removal of Parishes from the Special Expenses where no street lighting provision presently exists from the 1 April 2011.

### **3.0 REASON FOR RECOMMENDATION**

3.1 A review of Special Expenses has been undertaken in response to correspondence from the chairman of Hartoft Parish meeting.

### **4.0 SIGNIFICANT RISKS**

4.1 There are no significant risks to the Council the recommendations.

## **REPORT**

### **5.0 BACKGROUND AND INTRODUCTION**

5.1 The Council has charged special expenses as part of Council tax for selected Parishes since 1974 and the formation of Ryedale District Council. No review has been undertaken in that time. Recent correspondence from the chairman of Hartoft Parish Meeting has highlighted the need for a review.

## 6.0 POLICY CONTEXT

6.1 This report proposes a policy change on the charging of Special Expenses.

## 7.0 CONSULTATION

7.1 Consultation on this issue has not taken place.

## 8.0 REPORT DETAILS

8.1 The concept of “special expenses” dates back to the Local Government Act 1933. Further provision was made in the Local Government Act 1972. Section 147 of that Act deemed all expenses to be general unless the District Council by resolution declared any expenses to be special expenses chargeable on only part of their area. The current provisions are set out in Section 35 of the Local Government Finance Act 1992 which lists limited categories of expense which may be treated by a billing authority as “special expenses”.

8.2 In this context “Special Expenses” is expenditure incurred by a Council on providing a service within part of its area that is also performed by a Parish or Town Council. Special Expenses are then only chargeable to the Council's area that benefits from the function provided by the District Council. The calculation does not alter the total value of resources raised from Council Tax payers but rather enables the Council to charge households within the non-parished area more than those in the parished areas that receive some services from their local Parish Council rather than from the District Council.

8.3 Accordingly Special Expenses provide a mechanism for distinguishing the costs of a specific function, and levying that cost specifically on those Council tax payers who benefit from the function.

8.4 Special Expenses are levied by the District Council as follows in 2010-2011:

<b>Town/Parish</b>	<b>£</b>
Malton	7,180
Norton	16,840
Pickering Rural	27,960
<b>Total</b>	<b>51,980</b>

8.5 These expenses relate to the management of street lighting in the areas of the former Malton and Norton Urban District Councils and Pickering Rural District Council (PRDC). For information Ryedale District Council formerly undertook this role for former Pickering Urban District Council area, however they now undertake the function themselves, financed through their precept.

8.6 Street lighting is not the statutory responsibility of the District Council, it is not therefore a charge which should be included within the Council's annual budget where the cost would be met by all Ryedale Council Tax payers. The Council undertakes this role on behalf of the parishes which formed part of the former Councils. This avoids each of the parishes being formally constituted as a Parish Council and levying a precept to cover the costs on an individual basis and then managing their own maintenance and repair etc. Of course any Parish Council can elect to take on this role outside of the Council at any time.

8.7 Prior to 1974, when Ryedale District Council was created, PRDC would have



undertaken street lighting across its whole area and charge as part of their rate. On transfer to Ryedale District Council in 1974 the 'local services' provided and administered by the Parish, Urban and Rural Councils were absorbed into the new District Councils. However as street lighting was not a statutory responsibility of the newly formed Council a policy decision to deal with this through a special expense would have been taken. Special expenses are used in a number of Councils to cover such issues.

8.8 The following table sets out the situation in relation to the former PRDC Parishes:

Parish	Equivalent Band D properties	Special Levy Paid	No of Street Lights
Aislaby, Middleton and Wreton	313.45	3,137.63	8
Allerston and Wilton	197.87	1,980.67	22
Barughs Ambo	89.20	892.89	6
Cropton	114.17	1,142.84	13
Ebberston and Yedingham	253.94	2,541.94	30
Hartoft	31.27	313.01	0
Kirby Misperton	136.26	1,363.96	20
Levisham	50.24	502.90	8
Lockton	126.17	1,262.96	16
Marishes	56.46	565.16	0
Marton	98.81	989.09	22
Newton on Rawcliffe and Stape	125.63	1,257.56	14
Normanby	67.67	677.38	7
Rosedale East and West	173.63	1,738.04	11
Sinnington	146.11	1,462.56	29
Thornton le Dale	812.60	8,134.13	103
<b>Total</b>	<b>2,793.48</b>	<b>27,962.72</b>	<b>309</b>

8.9 As can be seen from the above table both Hartoft and Marishes parishes do not directly benefit from the provision of street lighting but are charged special expenses of £10.01 per band D property. There are currently no plans to introduce street lighting in either of these parishes.

8.10 As previously stated any Parish can elect to withdraw from special expenses and finance their own street lighting provision. Such action would require a formal decision of a constituted Parish Council which does not presently exist in all parishes.

8.11 In light of the findings above and the apparent inequality for both Hartoft and Marishes Parish residents a change to policy is proposed in that only the former parishes of PRDC in which street lights are presently provided should be charged special expenses.

8.12 The net result of this change would be the removal of the special expenses charge from the residents of Hartoft and Marishes parishes and a marginal increase in costs for residents of the remaining form PRDC parishes. This increase based on current costs would be approximately 32p per year per band D property.

8.13 It is proposed that this policy change is enacted for Council Tax bills for 2011/2012 onwards. Changing the policy before this date would require rebilling of all former PRDC residents, changes to direct debit payments, possible recovery action changes and explanation which would carry a significant administrative cost with the adjustments to bills being a few pence.

## **9.0 IMPLICATIONS**

9.1 The following implications have been identified:

- a) Financial  
There are no financial implications to the Authority from the recommendation in this report.
- b) Legal  
There are no significant legal implications arising from this report.
- c) Other  
There are no significant other implications arising out of this report.

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**Background Papers:**  
None.

**Background Papers are available for inspection at:**  
n/a.