



## **POLICY AND RESOURCES COMMITTEE**

Thursday 27 September 2012 at 6.30 pm

Council Chamber - Ryedale House, Malton, North Yorkshire YO17 7HH

### **Agenda**

**1 Emergency Evacuation Procedure**

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

**2 Apologies for absence**

**3 Minutes of the meeting held on the 21 June 2012**

(Pages 1 - 6)

**4 Minutes of the Resources Working Party held on the 4 September 2012** (Pages 7 - 8)

**5 Urgent Business**

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

**6 Declarations of Interest**

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

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

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

7 **Delivering the Council Plan** (Pages 9 - 18)

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

8 **Community Right to Challenge** (Pages 19 - 28)

9 **Future Arrangements for Payment of Bills issued by the Council** (Pages 29 - 38)

10 **Budget Strategy 2013/2014** (Pages 39 - 52)

11 **New Homes Bonus** (Pages 53 - 58)

12 **Maintenance of Closed Churchyards** (Pages 59 - 66)

13 **Applications for Hardship Relief from Non Domestic Rates** (Pages 67 - 70)

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

# Public Document Pack Agenda Item 3

## Policy and Resources Committee

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Held at Council Chamber - Ryedale House, Malton, North Yorkshire YO17 7HH  
on Thursday 21 June 2012

### Present

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Councillors Acomb (Chairman), Bailey, Ives, Knaggs, Mrs Knaggs, Legard (Vice-Chairman), Maud and Woodward

Substitutes: Councillors Mrs L Cowling and Mrs Shields

By Invitation of the Chairman:

Overview & Scrutiny Committee Observers:

Councillors Clark, Cussons, Raper and Wainwright

### In Attendance

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Paul Cresswell, Julian Rudd, Sue Shuttleworth and Anthony Winship

### Minutes

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#### 56 **Apologies for absence**

Apologies for absence were received from Councillors Mrs Burr and Mrs Goodrick

#### 57 **Minutes of the Meeting Held on 4 April 2012**

The minutes of a meeting of the Policy and Resources Committee held on 4 April 2012 were presented.

#### **Resolved**

That the minutes of a meeting of the Policy and Resources Committee held on 4 April 2012 be approved and signed by the Chairman as a correct record.

#### 58 **Minutes of the Meeting of the Resources Working Party held on 6 June 2012**

The minutes of a meeting of the Resources Working Party held on 6 June 2012 were presented.

#### **Resolved**

That the minutes of a meeting of the Resources Working Party held on 6 June 2012 be received.

59 **Urgent Business**

The Chairman reported that there were no items to be considered at the meeting as a matter of urgency by virtue of Section 100B(94)(b) of the Local Government Act 1972.

60 **Declarations of Interest**

Councillor Knaggs declared a personal but not prejudicial interest in Item 12 as he had been consulted by the Parish Council during the course of the review.

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

61 **Appointment of Working Parties**

Nominations were sought for the following Sub Committees/Working Parties:

- (a) Senior Management Contracts Working Party
- (b) Resources Working Party
- (c) Sub-Committee – Appeals Panel

**Resolved**

That the following Members be appointed to the following Working Parties/Sub-Committees for the municipal year 2012-13:

**Senior Management Contracts Working Party**

The Leader of the Council, Chairman of Policy and Resources Committee, Vice-Chairman of the Policy and Resources Committee, Chairman of Commissioning Board and the Staff Champion

**Resources Working Party**

Councillors Acomb, Mrs Cowling, Mrs Goodrick, Knaggs, Mrs Knaggs and Legard

**Sub-Committee – Appeals Panel**

Chairman of Policy and Resources Committee, Staff Champion and Vice-Chairman of Policy and Resources Committee

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 Committee 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 two members of the Conservative Group and one Member of another Group.

**62 Ryedale Economic Action Plan 2012-15 - Consultation Feedback and Adoption**

The Head of Economy and Housing submitted for information a report giving feedback on the results from the Ryedale Economic Action Plan consultation period (previously circulated) which had been considered at a meeting of the Commissioning Board held on 7 June 2012.

**Resolved**

That the report be noted

**63 Annual Report 2011/12 - Delivering the Council's Priorities**

The Head of Policy and Partnerships submitted a report (previously circulated) presenting the content of the Council's Annual Report of delivery against its priorities.

**Resolved**

That the report be received.

**64 Establishing the Community Investment Fund Working Party**

The Head of Policy and Performance submitted a report (previously circulated), the purpose of which was to establish the Community Investment Fund as a working party of the Policy and Resources Committee.

**Resolved**

That the report be received and that

- (i) The authority to make decisions on the allocation of grants be delegated to the Head of Economy and Infrastructure in consultation with the members of the Community Investment Fund Panel. In the absence of the Head of Economy and Infrastructure the delegation passes to the Chief Executive
- (ii) The terms of reference detailed in paragraph 6.1 of the report for the Community Investment Fund Panel be adopted
- (iii) The following Members be appointed to the Community Investment Fund Panel:

Councillors Acomb, Ives, Mrs Knaggs and Mrs Goodrick (Conservative Group)  
Councillor Ward (Liberal Group)

Councillor Maud (Independent Group)  
Councillor Mrs Burr (Lib/Dem Group)

Substitutes: Councillors Arnold and Knaggs (Conservative Group)  
Councillor Wainwright (Independent Group)  
Councillor Mrs Shields (Lib/Dem Group)  
Councillor Woodward (Liberal Group)

## **PART 'B' ITEMS – MATTERS REFERRED TO COUNCIL**

### **65 Statement on Local Procurement**

The Corporate Director (s151) submitted a report (previously circulated) proposing the adoption of a policy requiring officers to seek quotes from local suppliers in procurement processes where possible.

#### **Resolved**

That the report be received and that Council be recommended to approve the Statement of Local Procurement at Annex A to the report.

### **66 Community Governance Review - Foston and Thornton-le-Clay Parish Council**

The Council Solicitor and Monitoring Officer submitted a report (previously circulated), the purpose of which was to

- (a) Consider and respond to a Community Governance petition which has been submitted under the provisions of Section 80 of the Local Government and Public Involvement in Health Act 2007 (The 2007 Act) requesting the District Council to conduct a Community Governance Review to increase the size of the Parish Council from five to seven Councillors
- (b) Ryedale District Council has a duty under section 83 of the 2007 Act to respond to the petition using its peers to undertake a Community Governance Review under section 82 of the 2007 Act

#### **Resolved**

That Council be recommended to:

- (i) Note the receipt of the request and its validity
- (ii) Agree to undertake a Community Governance Review of the Parishes of Foston and Thornton-le-Clay
- (iii) Agree the Terms of Reference of the review as detailed in Annex C including the timetable and arrangements for public consultation

- (iv) Agree that the review will be carried out by the Council Solicitor and Monitoring Officer, in consultation with the Chairman of Policy and Resources Committee
- (v) Note that further reports will be brought to Council in order that decisions may be made in respect of draft proposals and final recommendations of the Review

**67 Localisation of Council Tax Support**

The Corporate Director (s151) submitted a report (previously circulated) in which members were informed of the proposals for the Localisation of Council Tax Support and which considered policy options for taking forward the upcoming legislative requirements. It proposed a policy direction for the Council which would enable it to consult with the major precepting authorities, the County Council, Fire and Police. Members were to approve a final scheme for Council Tax support in January 2013 and the matter was to go to Council in September prior to public consultation.

**Resolved**

That the report be received and that Council be recommended

- (i) The preparation of a scheme for 2013/2014 Council Tax Support for consultation with the major precepting authorities which incorporates:
  - 1. Maximum Eligible Council Tax Support of 80%
  - 2. Removal of the Second Adult Rebate
  - 3. A maximum Band D property restriction for all working age claims
  - 4. An assumption that all preceptors contribute proportionately to any additional collection costs
  - 5. An assumption that all preceptors contribute proportionately to the establishment of a Council Tax Support
- (ii) That any shortfall in funding to meet the total cut in Government funding, having implemented the above, is met through reductions in Council Tax discounts as part of the 2013/2014 budget strategy process
- (iii) That a further report and scheme for public consultation is presented to Council on the 6 September 2012 taking into account the comments of the major preceptors

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

There being no urgent business the Chairman declared the meeting closed at 8.10pm

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## Resources Working Party

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Held at Meeting Room 1, Ryedale House, Malton  
on Tuesday 4 September 2012

### Present

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Councillors Acomb, Mrs Cowling, Mrs Goodrick, Knaggs, Mrs Knaggs and Legard

### In Attendance

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Paul Cresswell, Peter Johnson, Nicki Lishman, Phil Long and Clare Slater

### Minutes

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53 **Apologies for absence**

Apologies for absence were received from the Chief Executive.

54 **Minutes of the Resources Working Party held on 6 June 2012**

**Decision**

That the minutes of the Resources Working Party held on 6 June 2012 be approved and signed by the Chairman as a correct record.

55 **Urgent Business**

There were no items of urgent business.

56 **Declarations of Interest**

There were no declarations of interest.

57 **Budget Strategy 2013/2014**

Considered - Report of the Corporate Director (s151).

**Decision**

That the recommendations included in the report be endorsed.

58 **New Homes Bonus 2012/2013**

Considered – Report of the Corporate Director (s151).

**Decision**

That the report be received.

59 **Bar Coding Council Bills**

Considered – Report of the Head of Corporate Services.

**Decision**

That the recommendations included in the report be endorsed.

60 **Maintenance of Closed Churchyards**

Considered – Report of the Council Solicitor and Monitoring Officer and the Corporate Director (s151).

**Decision**

That the report be received.

61 **Capital Programme Progress Report**

Considered – Report of the Corporate Director (s151).

**Decision**

That the report be noted.

62 **EMIS**

Considered – Report of the Corporate Director (s151).

**Decision**

That the report be received.

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

There were no items of urgent business.

Council Aim	<b>Aim 1: Housing Need</b> To meet housing need in the Ryedale District Council area			
Strategic Objectives	1. To change and add to housing stock to meet the local housing needs 	2. To support people to access a suitable home or remain in an existing home 		
Council Aim	<b>Aim 2: Economic Success</b> To create the conditions for economic success			
Strategic Objectives	3. Place of opportunity – economic structure and supporting infrastructure 	4. Opportunity for people – increasing wage and skills levels 		
Council Aim	<b>Aim 3: High Quality Environment</b> To have a high quality, clean and sustainable environment.			
Strategic Objectives	5. Reducing waste and CO2 emissions 	6. Planning to adapt to climate change 	7. To maintain the quality of our local environment 	
Council Aim	<b>Aim 4: Active Safe Communities</b> To help all residents to achieve a healthy weight by encouraging an active lifestyle, in communities where everyone feels welcome and safe			
Strategic Objectives	8a. Safe Villages and Towns 	8b. Healthy Villages and Towns 		
Council Aim	<b>Aim 5: To Transform the Council</b>			
Strategic Objectives	9. To know our communities and meet their needs 	10. To develop the leadership, capacity and capability to deliver future improvements 		

## **Performance Narrative**

### **Aim 1 – Meeting Housing Need**

The out-turn for the year 2011/12 was 95 affordable units, including 2 rural exception sites – the highest out-turn figure of any authority in North Yorkshire and a remarkable performance during a period of extremely low levels of house building nationally. However, a significant proportion of the 95 units came through public subsidy via the Homes and Communities Agency and such funding is now very limited (although is subject to further national initiatives, such as the recent September 2012 package announced by Government). Thus far in 2012/13 there have been 43 affordable units delivered and the expected out-turn for the year is around 60, although this is closely linked to progress made on private sector housing sites. Rural housing needs surveys are currently being undertaken in Slingsby and Burythorpe, with a view to exception sites potentially being brought forward.

Thus far in 2012/13 303 households in housing difficulty have sought assistance from the Council and its partners, compared to 289 households during the same period last year. In terms of homelessness applications there have been 19 compared to 26 in this period last year. Homelessness acceptances are similarly slightly lower at 8 compared to 11 in the first six months of 2011/12. Both of these statistics have been improved through the launch of Choice Based Lettings and the Young People's Partnership.

### **Supporting Independent Living**

The new White Rose Home Improvement Agency, a Partnership between Ryedale and Scarborough Councils, is now established and some 49 Disabled Facilities Grants in Ryedale are expected to be completed, in addition to 15 already processed, by the new Agency during 2012/13.

33 Energy Efficiency grants have been approved thus far and some £20k spent. 57 new lifelines have been installed.

### **Aim 2 – Creating Conditions for Economic Success**

The Ryedale Plan strategy document is currently the subject of an examination that is due to finish by early October 2012. Work to progress Community Infrastructure Levy's in Ryedale, Selby and the North York Moors is currently out to tender with a contract to be awarded in the near future. Progress with the Plan adds certainty to the decision making of the Planning Committee and enables progress with the Sites Document, which will be subject to consultation in spring 2013.

### **Improving Infrastructure**

Work is underway on a major extension to York Road Industrial Estate that will provide opportunities for new jobs and investment in Malton. A range of business uses are anticipated and RDC Economy Officers are working with the developers to encourage investment. Support is also being provided to FERA in their transition from a public sector site to an Applied Innovation Campus, based around bio and food sciences, with major potential for significant numbers of businesses to move into the site and strengthen the provision of quality jobs in Ryedale and links to the York economy. Support is also being provided to other major Ryedale employers to encourage investment and jobs, with a planning application for a sizeable site extension expected soon. During September 2012 the improved Brambling Fields junction on the A64 will open to traffic. This will take through traffic away from the congested centre of Malton and so improve the air quality problems at Butcher Corner. Although the opening of the scheme, which involved extensive earthworks, has been delayed significantly after unprecedented levels of recorded rainfall for this period, the achievement of this essential piece of major infrastructure is a huge milestone for Malton and Norton and their economic future. The Council has allocated £2.4m to jointly fund the £6m scheme with NYCC and the Highways Agency. Final outturn costs will not be known for several months but are potentially slightly above the allocated budget as a result of the impact of the extraordinary weather. The Council has recently helped fund (with Norton Town Council) work to advise Norton retailers on marketing and promotion to take advantage of opportunities offered by Brambling Fields. This is leading to mutual support amongst traders, with assistance from the District and Town Councils.

### **Wage and Skill Levels**

The York and North Yorkshire Local Enterprise Partnership (LEP) guides and encourages public and private sector investment in and maximise support

for enterprise and industry in the area. After its first year the LEP has re-focused its key economic priorities, which now include the expansion of FERA at Sand Hutton plus supporting the new potash and off-shore wind activity on the North Yorkshire coast (both of which provide potential economic benefits for Ryedale.. The 2011 'Opportunity Knocks' event to highlight to young people in Ryedale the diversity of business and employment opportunities available in the local area was a huge success and expanded upon the 2010 launch event. This will be repeated on 13 November 2012 with all Ryedale secondary schools involved and an even wider range of Ryedale employers present. Plans are being developed for a 'Skills Summit', together with a range of business-related activities, all aimed at improving networks and the provision of appropriate local skills and encouraging investment in the Ryedale economy.

### **Aim 3 –Maintaining a High Quality Environment**

#### **Increasing the rate of recycling and reducing the amount of waste collected**

Performance remains strong both regionally, nationally Ryedale remains top recycling performer in North Yorkshire and Yorkshire and Humber region and 3<sup>rd</sup> in its family group. SPARSE indicators demonstrate consistently high levels of performance with low comparative costs. Collections of cardboard and plastic bottles from every household have been introduced as part of the kerbside recycling collection service with a phased implementation. Delays due to late delivery of vehicles and vehicle faults have been addressed. 65% of the District currently benefit from additional materials collection complementing the glass, cans, paper and garden waste already collected. Further rounds are being implemented which will take the number of properties on the enhanced kerbside collection service to around 85%. Initial feedback has been extremely positive regarding the new system and the transition process, with high levels of public participation. Projections for 2012/13 are that the new scheme will divert 12,142 tonnes of waste from landfill, an estimated 850 tonnes being from the new collections of plastic and card (34.5 kgs per household). All recycle is taken to the new transfer station on Showfield Lane operated by Palm Recycling.

#### **Managing the risk of future flooding**

Flood resistance grant schemes have benefited communities at risk of flooding, the council attracting awards totalling £127,500 to households in Kirkby Mills and Keldholme, £85,000 for households in Pickering and £50,000 funding from RDC. To date flood resistance measures have been implemented to 35 properties in Kirby Mills, 12 properties in KMS, 6 properties in Pickering and 1 in Fryton. Final installations to 29 properties in Pickering are currently close to completion. Agreement has been reached with the Environment Agency to utilise any under spend on properties in Kirkbymoorside and/or Pickering in other areas with all funding being utilised for the benefit of those residents most at risk of flooding.

Progress has been made regarding 'Slowing the Flow at Pickering' Project, further options have been investigated and costed and a presentation is to be held shortly.

#### **Reduction of Co2 from Council Operations**

Co2 emissions resulting from Council Operations have been significantly reduced by 3% in 2009/10 and an additional 7% in 2010/11. The calculation for 2011/12 (based on original methodology as this has now changed) indicates a substantial further 5% reduction, with notable reductions of Co2 from buildings and business travel. Following procurement, work has been completed at Ryedale Pool Pickering regarding a gas-fired CHP, air source heat pumps and high efficiency domestic hot water storage, combined with appropriate amendments to the air handling equipment and the installation of a solar thermal array. The proposed scheme represents the most financially viable solution for energy used at the site and offers the potential for investing in renewable technologies and making significant reductions in CO<sub>2</sub> emissions likely to be in excess of 70 tonnes per year.

### **Aim 4 – Active Safe Communities**

#### **Safe and Welcoming Communities**

The Safer Ryedale Partnership Plan for 2012/13 has been agreed by the Partnership Board and is being implemented. Compared to this period last year, crime rates have fallen again. The partnership is planning for anticipated changes, particularly in the allocation of funding, following the enactment of the Police and Social Responsibility Bill and the election of Police and Crime Commissioners on 15 November 2012.

#### **Supporting Active Communities.**

A detailed Sports and Active Lives Strategy is in the process of completion and will be presented to members shortly. The strategy is not focused solely on participation within formal indoor and outdoor activity, but also considers the wealth of informal opportunities provided by Ryedale's natural assets, the emphasis being More People – More Active – More Often. In particular Ryedale is recognised as a world class venue for mountain and road biking

### **Aim 5 - Transforming the Council**

The Council delivered savings of over £1 million pounds for the 2011/12 budget through the 'One 11' efficiency programme. In 2012/13 the 'Going for Gold' efficiency programme has delivered £628k of savings and £164k of cuts to balance the budget. The budget is currently being prepared for 2013/14 (the 'Round 3' efficiency programme) with a projected savings requirement of a further £700k to balance the budget.

### **Ensuring the capacity to deliver**

The ICT Programme is successfully approaching its conclusion having seen the upgrade of most of the Council's key applications and delivery infrastructure.

The Council's investment in Learning and Development for both Officers and Members has been well supported and evaluation has demonstrated that there have been positive outcomes delivered for the organisation through this.

### **Community Engagement**

Recent consultations have included a survey undertaken with the citizens panel in relation to the scrutiny review of support for the voluntary and community. A programme of engagement is imminent in relation to the development of the Safer Ryedale Partnership Plan. Planning for the Budget consultation is well advanced and will focus on assessing the impact of potential service cuts on communities in Ryedale. All of the parish plans developed by local communities are now available on the website. Parish Plans are currently being supported in the parishes of Gillamoor and Fadmoor, Rosedale, Lockton, Farndale and Bransdale.

### **Supporting Democracy**

The current scrutiny review is considering 'support for a sustainable community and voluntary sector' and the role of the Council in this, and this review will conclude in October.

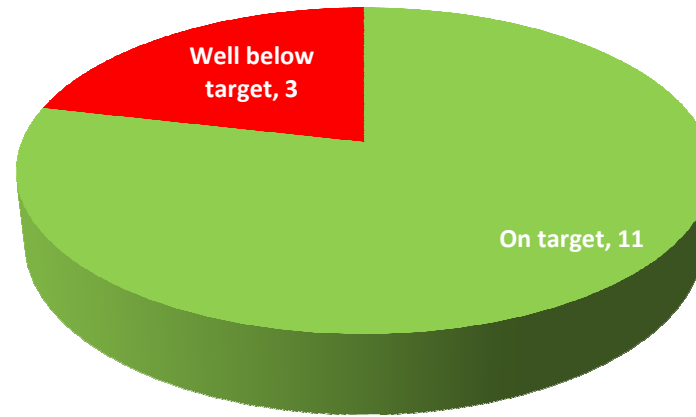
The election of the Police and Crime Commissioner for York and North Yorkshire will take place on 15 November 2012

### **Member Development**

A commitment to achieving Member Development Charter Status has been signed by the Chief Executive and three Group Leaders. The Charter is a national initiative, which is a statement of Councils' commitment to developing and supporting their elected councillors and aims to help Councils adopt a structured approach to councillor development and to building elected member capacity. Its approach is similar to Investors in People and involves a self-assessment, a pre-assessment visit and then an assessment day, involving peer review by officers and members.

## Aim 1. Housing Need – Performance Indicators

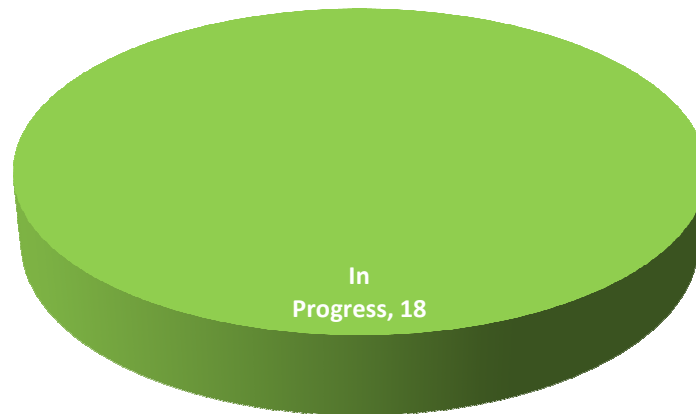
Status	Performance Indicator
✓	Percentage of vulnerable people achieving independent living
✓	The extent to which older people receive the support they need to live independently at home
✓	Number of current Lifeline users in Ryedale
✓	Number of empty properties in Ryedale
✓	Prevention of Homelessness through Advice and Proactive Intervention
✓	Improvements in energy efficiency of homes
✓	Number of affordable homes permissions granted



Status	Performance Indicator
✓	Stock Condition
✓	Number of affordable homes delivered (gross)
✓	Net additional homes provided
✓	Supply of ready to develop housing sites
●	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events
●	% households in Ryedale in Fuel Poverty
●	Affordability Ratio

## Aim 1. Housing Need - Actions

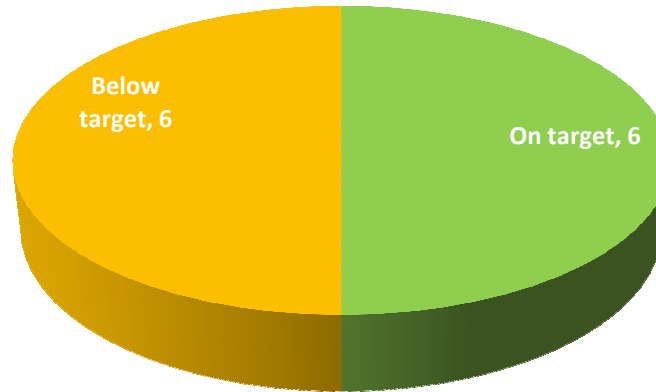
Target	Title
→	Planning Gain
▶	Registered Social Landlord/Other Funded
▶	Homelessness - Projects & Initiatives
▶	New Homes Bonus
▶	Lifeline Service
▶	Young People – Homelessness prevention
▶	Property Improvement Loans 2012-13
▶	Landlord Improvement Grants & Loans 2012-13
▶	Energy Efficiency Grants 2012-13
▶	Disabled Facilities Grants 2012-13



On Target	Title
▶	Exception Sites Land Purchase
▶	Temporary Accommodation & Bridge House
▶	Empty Homes Strategy
▶	Homelessness applications & acceptances
▶	To deliver an LDF for Ryedale
▶	Provision of a Mortgage rescue scheme in partnership
▶	Homelessness Strategy Action Plan
▶	Support for HCA funding to Housing associations

## Aim 2. Economic Success – Performance Indicators

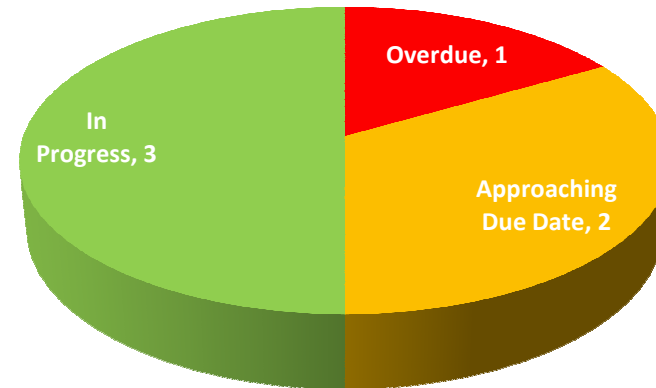
Status	Performance Indicator
✓	% Ryedale population qualified - NVQ1
✓	% Ryedale population qualified - NVQ2
✓	% Ryedale population qualified - NVQ3
✓	% Ryedale population qualified - NVQ4
✓	Industrial lettings vacancies
✓	Total Job Seeker Allowance Claimants
⚠	Employment Rate
⚠	NEETs



Status	Performance Indicator
⚠	Number of new business start ups
⚠	Footfall – Malton Town Centre
⚠	Average household earnings in Ryedale
⚠	Gross weekly earnings by workplace

## Aim 2. Economic Success - Actions

Target	Title
➔	Enable economic activity through supporting projects
➔	Support local businesses
➔	To deliver an LDF for Ryedale

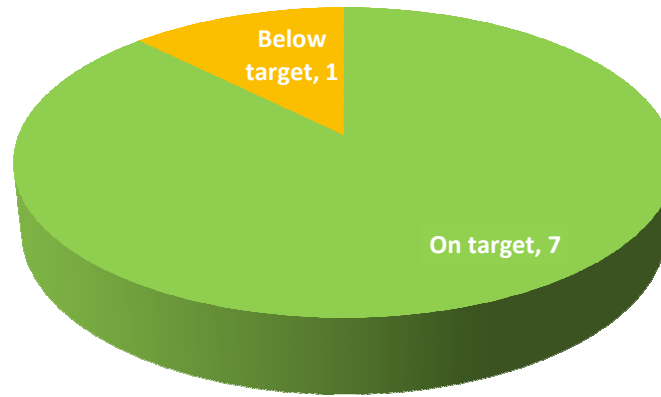


On Target	Title
⚠	Improve Skills and Knowledge of the workforce
⚠	Provision in Capital Programme for Managed Workspace Facilities
⚠	A64 Brambling Fields Junction Upgrade



### Aim 3. High Quality Environment – Performance Indicators

Status	Performance Indicator
✔	New homes built on previously developed land
✔	Flood and coastal erosion risk management
✔	Total number of properties flooded per year
✔	Overall/general satisfaction with local area

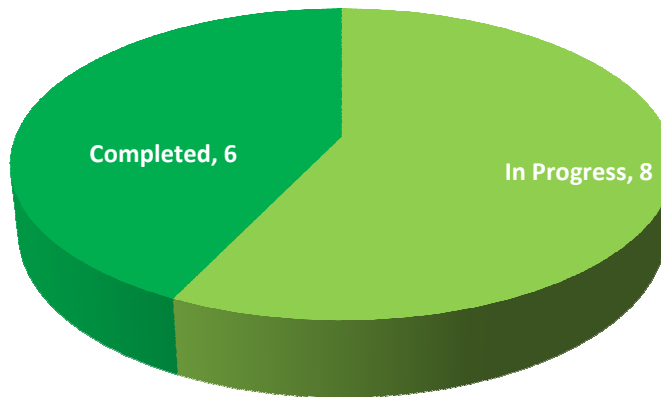


Status	Performance Indicator
✔	Improved Local Biodiversity
✔	CO2 reduction from Council operations
✔	% of household waste sent for reuse, recycling and composting
⚠	Residual household waste - kg per household

Page 15

### Aim 3. High Quality Environment – Actions

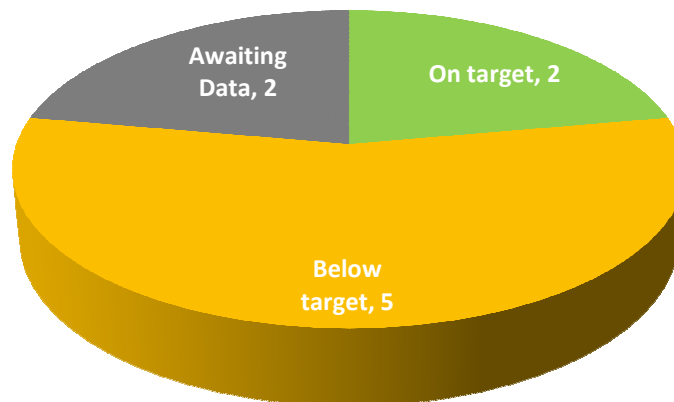
On Target	Title
✔	Prioritize flood risk areas and implement local catchment's of sandbags for immediate self help
✔	Maintain a current multi-agency risk plan
✔	Winter maintenance grant scheme
✔	Round review re waste management to ensure optimum efficiency
✔	Deliver on farm garden waste composting through partnership with local farmers
✔	Develop local transfer station for recyclable materials in partnership with private sector
▶	Recreational Open Space Development



On Target	Title
▶	Vale of Pickering Channel Management Pilot
▶	Develop an Air Quality Action Plan.
▶	Enhance stakeholder participation re volunteer groups
▶	Pickering Flood scheme
▶	Refresh climate change strategy in line with new government guidelines
▶	Plastic Bottles & Cardboard Recycling Rollout
▶	Householder Flood Resistance Grants Scheme

## Aim 4. Active Safe Communities – Performance Indicators

On Target	Title
✓	Crime Rate for the District
✓	% of parishes covered by a current plan
⚠	Obesity in primary school age children in Year 6
⚠	Self-reported measure of people's overall health and wellbeing
⚠	Adult participation in sport and active recreation

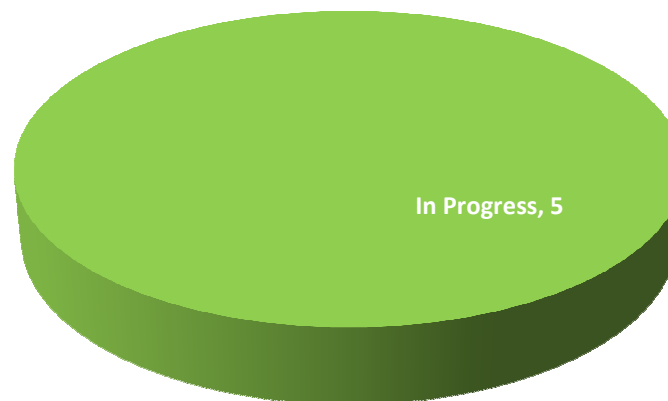


On Target	Title
⚠	Obesity in Adults
⚠	Levels of satisfaction with Council sport and leisure facilities
?	Residents satisfied with sports/leisure facilities
?	Swimming Pools & Sports centres no of visits per 1,000 population

Page 10

## Aim 4. Active Safe Communities – Actions

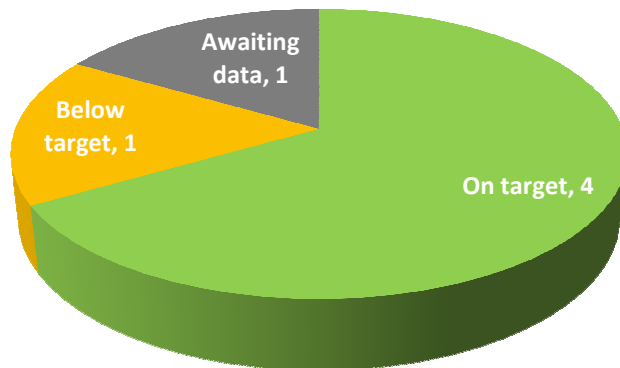
On Target	Title
▶	Safer Ryedale Partnership Plan 2012-2013
▶	Investigate feasibility of a GP referral scheme in Ryedale



On Target	Title
▶	Grant for the redevelopment of existing sports facilities in Helmsley
▶	Review the Sports Strategy with a vision towards 2012 Olympics
▶	Recreational Open Space Development

## Aim 5. To Transform the Council – Performance Indicators

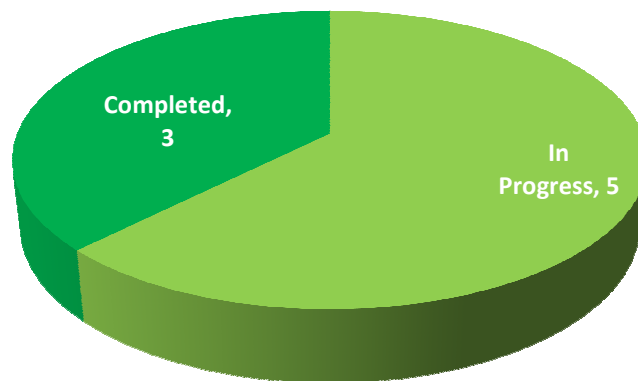
Status	Performance Indicator
✓	Civic participation in the local area
✓	Service satisfaction – customer satisfaction
✓	Top priorities for local people
✓	Queries resolved at first point of contact



Status	Performance Measure
⚠	Pulse Survey - employee satisfaction
?	Overall satisfaction with the Council

## Aim 5. To Transform the Council – Actions

On Target	Title
✓	Formulate an action plan for maintaining IIP accreditation
✓	ICT Strategy Programme
✓	Going for Gold
▶	Value for Money



On Target	Title
▶	Partnership Protocol and significant partnerships
▶	A Plan for Every Parish
▶	Deliver the Police Commissioner elections
▶	Service Equality Monitoring

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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>27 SEPTEMBER 2012</b>
<b>REPORT OF THE:</b>	<b>HEAD OF CORPORATE SERVICES CLARE SLATER</b>
<b>TITLE OF REPORT:</b>	<b>COMMUNITY RIGHT TO CHALLENGE</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To provide an overview of the Community Right to Challenge provisions of the Localism Act 2011.
- 1.2 To consider and recommend the Council's approach, including the time periods for accepting and considering expressions of interest, notifying the relevant body of its decision, and commencing a procurement exercise.

### **2.0 RECOMMENDATION**

- 2.1 That the Council notes the Community Right to Challenge (CRC) provisions in the Localism Act 2011.
- 2.2 That the Council approves the approach set out in section 6 of the report, in particular:
  - (i) To accept expressions of interest (EoI) under the CRC duty during the period from 18th February to 31st March each year.
  - (ii) To specify individually for each EoI, by 30th April in the year in which it was submitted, the maximum period that it will take for the Council to notify the relevant body of its decision and to publish details of the specification; and to delegate this decision to the Chief Executive (in consultation with the Chairman of the Commissioning Board).
  - (iii) For services that are not currently contracted out, the maximum period that it will take to notify the relevant body of its decision and to publish details of the specification will be individually determined but normally 30th September in the year that the EoI was submitted. For services that are currently

contracted out, the maximum period will be individually determined so as to fit with the relevant commissioning cycle.

- (iv) The procurement process arising from the acceptance of any EOI will start no sooner than two months and no later than six months after acceptance.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 The Council has a statutory duty to respond to requests made in line with the Community Right to challenge

### **4.0 SIGNIFICANT RISKS**

- 4.1 There are no significant risks associated with the operation of the Community Right to Challenge. Risks associated with each Eoi will need to be assessed on a case by case basis.

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

- 5.1 From 27 June 2012, the Localism Act 2011 introduced a right for Parish Councils, community and voluntary bodies, charitable trusts and 2 or more local authority employees to submit an Expression of Interest in taking over the provision of a service on behalf of the authority. The statutory guidance can be read at <http://www.communities.gov.uk/publications/communities/righttochallengestatguide> .

### **6.0 REPORT DETAILS**

- 6.1 This Community Right gives relevant bodies the right to submit an expression of interest (Eoi) in running specified local authority services, where they believe they can do so differently and better. It is a right to request. The relevant body that submits the EOI and triggers the procurement exercise may not eventually be the provider of the service. Where a valid expression of interest is received, the authority is required to undertake a procurement exercise for that service, which may lead to the authority awarding a contract for the provision of that service. This report recommends the arrangements which the authority should adopt in order to operate the new Community Right to Challenge.

#### **Who can submit an Expression of Interest?**

- 6.2 An expression of interest can be submitted by a “relevant body”, comprising:
  - a. A Parish Council, but not limited to services or facilities within its area;
  - b. A Voluntary Body – a body, other than a local authority, the activities of which are not carried on for a profit;
  - c. A Community Body – a body, other than a local authority, which carries on activities primarily for the benefit of the community;
  - d. A body or trust established for charitable purposes;
  - e. 2 or more employees of the authority, whether or not they have formed themselves into a body for this purpose, or
  - f. Such other persons or bodies as may be specified by the Secretary of State by regulations. To date, no such regulations have been made.

It is worth noting that there is no requirement for a Voluntary or Community Body to have any local connection, and any of these bodies can submit an expression of interest in partnership with any other organisation, including a commercial organisation, or propose to sub-contract the work to a commercial organisation. Providing that this is done, there is no requirement for the relevant body to undertake the majority of, or any particular share of the work.

#### **When can Expressions of Interest be Submitted?**

- 6.3 Authorities can choose to set periods during which EOI's may be submitted, which may be different for different services. If periods are set, they must be published. The intention is to help authorities align consideration of EOI's with their commissioning cycles. If no periods are set, EOI may be submitted at any time.

#### **What services can an Expression of Interest relate to?**

- 6.4 The expression of interest must relate to the provision of, or assisting in the provision of, a "relevant service", which means any service which is currently provided by or on behalf of the authority. However, the following services are "excluded services" which cannot be the subject of an expression of interest –

- a. Services provided in partnership with NHS bodies, or by an NHS body on behalf of the authority;
- b. A service provided to a named person with complex individual health or social care needs; or
- c. A service which includes the exercise of a statutory power which cannot be delegated. So, the setting of Council Tax or the determination of a planning application is not legally capable of being undertaken by anyone other than the local authority, and so cannot be the subject of an expression of interest.

- 6.5 An expression of interest can relate to services such as management and maintenance of refuse collection and re-cycling, running a leisure centre, or operation of off-street car parks. Equally, a team of Council staff might consider taking on a back office activity.

#### **The Expression of Interest.**

- 6.6 The Expression of Interest must be in writing and meet certain requirements. These include the provision of -
- a) Information about the financial resources of the relevant body which is submitting the expression of interest;
  - b) Evidence that demonstrates that by the time of any procurement exercise the relevant body submitting the expression of interest will be capable of providing or assisting in providing the relevant service. This is particularly important when dealing with an emergent staff mutual or voluntary body, which may not be fully operational at the date of submitting an expression of interest;
  - c) Information about the relevant service sufficient to identify it and the geographical area to which the expression of interest relates;
  - d) Information about the outcomes to be achieved by the relevant body or, where appropriate, the consortium of which it is a part, in providing or assisting in the provision of the relevant service, in particular

- how the provision or assistance will promote or improve the social, economic or environmental well-being of the relevant authority's area; and
  - how it will meet the needs of the users of the relevant service; and
- e) Where the relevant body consists of employees details of how that relevant body proposes to engage other employees of the relevant authority who are affected by the expression of interest.

### **Validation of Expressions of Interest**

6.7 The first stages comprise the validation and acceptance or rejection of each expression of interest.

a. What happens when an Expression of Interest is received?

When an expression of interest is received, the authority needs to check that it is submitted by a "relevant body" for a "relevant service" which is not an "excluded service". If it fails to meet these requirements, the authority notifies the person who submitted the expression of interest that it is not a valid expression of interest, but need take no further action.

b. Can the authority reject a valid Expression of Interest ?

There are 10 grounds on which the authority may reject a valid expression of interest:

1. That the expression of interest does not meet the statutory requirements, because it is not from a relevant body or is not for a relevant service;
2. That the supporting information is inadequate or incorrect;
3. That any member of the body making the bid, or of their consortium, is not suitable to provide the service. This would cover absence of a necessary qualification, or past conduct;
4. That the authority has already taken a formal decision to cease to provide the service. So an expression of interest cannot be used as a means to challenge an authority's decision to close a facility or cease a service;
5. That taking this service in isolation would result in a loss of integration with NHS services to the detriment of users of the integrated service. This prevents expressions of interest un-picking integrated Section 75 arrangements;
6. That the service is already the subject of a procurement exercise.
7. That the authority is already in negotiations in writing with a third party for the provision of the service;
8. That the authority has already published its intention to consider the provision of the service by a body to be set up by 2 or more employees;
9. That the expression of interest is vexatious or trivial; and
10. That the acceptance of the expression of interest is likely to lead to a breach of law or statutory duty. This would cover an expression of interest which would require delegation of statutory powers which cannot be delegated or where it



would lead to a breach of the authority's duty to secure best value, for example by causing greater cost by the break-up of shared service arrangements.

- 6.8 In addition, the Localism Act provides that an authority may define services and set periods during which expressions of interest may be submitted from those services, and may then refuse to consider an expression of interest which is submitted at the wrong time. This enables the authority to ensure that, for example, it receives any expressions of interest for different parts of the waste collection and disposal and recycling services at the same time so that it can deal with them in a co-ordinated manner. It could also be an advantage for county and district authorities to consider EOI within a coordinated timescale.
- 6.9 The Act also requires the authority, in considering an expression of interest, to consider whether the acceptance of the expression of interest would promote or improve the social, economic or environmental well-being of the area, but this does not form a separate ground for rejecting an expression of interest.

#### **Acceptance or rejection of an Expression of Interest**

- 6.10 Once an expression has been validated, it is necessary for the proper officer to conduct a review of the expression of interest to determine whether it falls within any of these criteria. This is partly a matter of fact and law, and partly a question of collecting information from the officer currently responsible for the running of the service. It is also a question of policy, because, where an expression of interest falls within one of these grounds for rejection, the authority still has a discretion and may decide to accept the expression of interest anyway. It must then notify the persons or body who submitted the expression of interest of its decision and of the reasons for that decision. If the authority acted unreasonably in rejecting an expression of interest, that decision would be open to judicial review.

#### **Shared services**

- 6.11 Particular attention needs to be given to how the authority will deal with expressions of interest for services which are provided on a joint arrangement with other authorities. Where this would result in the loss of efficiencies, it may justify rejection of the expression of interest on best value grounds. However, it is possible that expressions of interest for the relevant parts of the service have been submitted to each participating authority, so there may be a need to co-ordinate with the other participating authorities.

#### **Timescale**

- 6.12 The authority must set and publish the maximum period which will elapse between receipt of an expression of interest and the authority notifying the body which submitted the expression of interest of its acceptance or rejection of that expression of interest, but may set different maximum periods for different cases.

#### **Support for Community Organisations**

- 6.13 The Department for Communities and Local Government (DCLG) is funding a programme of support to help communities to take advantage of the CRC. The Government has launched a community rights website: <http://communityrights.communities.gov.uk/>

#### **Notifying decisions on EOI:**

- 6.14 Authorities must specify the maximum period that it will take to notify the relevant body of its decision on an EOI and publish details of the specification. However, this only has to be done once an EOI has been received.

- 6.15 Authorities may specify different periods for different cases. This is in recognition of the varying nature, size and complexity of services and/or EoI; the likely need to agree modifications to EoI in order to accept them; and the timescales of any existing relevant commissioning cycles.
- 6.16 The authority must notify the relevant body of the timescale within which the authority will notify the body of its decision. This must be done within 30 days after the close of any period specified by the authority for submitting EoI or, if no such period has been specified, within 30 days of the authority receiving the EoI.
- 6.17 The authority must notify the relevant body of its decision and, if the decision is to modify or reject the EoI, give reasons for the decision. The authority must also publish the notification in such manner as it thinks fit, which must include publication on the authority's website.

**Appeal process following rejection of EoI**

- 6.18 DCLG has said that it has no immediate plans for an appeals process in the event of an authority rejecting an EoI, but this will be kept under review as the right is implemented.

**Modifying an EoI:**

- 6.19 If the authority believes it would otherwise reject an EoI, it may seek instead to agree to it being modified. Any modification must be agreed with the relevant body. If an agreement cannot be reached, the authority may reject the EoI.

**Period between an EoI being accepted and a procurement exercise starting:**

- 6.20 Authorities must specify minimum and maximum periods between an EoI being accepted and a procurement exercise starting. In specifying these periods, authorities should have regard to relevant bodies and employees of the authority being given a fair, reasonable and realisable opportunity to bid in the procurement exercise for the service; the nature, scale and complexity of the service being procured; the timescales for any existing commissioning cycle relevant to the service being procured, or any other relevant authority processes.

**Procurement exercise:**

- 6.21 Where an authority accepts one or more EoI for a service it must carry out a procurement exercise for the service. This includes situations where the relevant body subsequently withdraws its EoI.
- 6.22 Authorities will need to comply with existing procurement law, including threshold values and consider how both EoI and procurement exercises triggered by one or more EoI being accepted would promote or improve the economic, social or environmental well-being of the authority's area.

**Proposed approach to be taken by the Council**

- 6.23 The CRC should be seen as a last resort for communities when all other avenues have been exhausted. The Council will publish its overall approach including:
- Publicising contact points that communities can use for starting conversations about the part that they could play in shaping and running local services
  - Publicising a contact point for the CRC process
- 6.24 The number and nature of EoI that might be submitted to the Council is unknown. The government have estimated in the impact assessment for the CRC that between 500 and 530 EoI will be submitted a year across all local authorities.

- 6.25 It will be necessary to ensure that EoI are considered at the appropriate time in the relevant commissioning cycle. As many contracts are for longer than a year, the appropriate time in the commissioning cycle may be one or more years away. The Council has liaised with other councils in North Yorkshire on the likely window for EoI.
- 6.26 Specifying a period will align consideration of EoI with commissioning cycles and enable the most effective use of resources when EoI are being evaluated. This window is also in line with that of North Yorkshire County Council and is being considered by other Districts in North Yorkshire.

**It is recommended that the Council specifies a period during which it would accept EoI and that this is the period from 18th February to 31<sup>st</sup> March each year.**

- 6.27 It is recommended that the Council specifies individually for each EoI, by 30 April in the year in which it was submitted, the maximum period that it will take to notify the relevant body of its decision and to publish details of the specification. Key factors in determining the maximum period will include:
- the nature, size and complexity of services and/or the EoI
  - the likely need to agree modifications to the EoI in order to accept it
  - the timescales of any existing relevant commissioning cycles.

**It is recommended that the decision regarding maximum period is delegated to the Chief Executive in consultation with the Chairman of the Commissioning Board, on the advice of an officer panel which will include legal and procurement experts.**

- 6.28 For services that are not currently contracted out, the maximum period that the Council will take to notify the relevant body of its decision and to publish details of the specification will be individually determined. It is anticipated that this will not normally be later than 30<sup>th</sup> September in the year that the EoI was submitted, but in some circumstances the period may be longer.
- 6.29 For services that are currently contracted out, the maximum period that the Council will take to notify the relevant body of its decision and to publish details of the specification will be individually determined so as to best fit with the relevant commissioning cycles.
- 6.30 Evaluation of EoI and discussions regarding any potential modifications with the relevant body, would be undertaken by an officer panel (including legal and procurement expertise), before making a recommendation at the appropriate time to the Commissioning Board.

**It is recommended that the minimum period between an EoI being accepted and a procurement exercise starting be two months and the maximum period be six months.**

- 6.31 This takes into account the advice in the statutory guidance that relevant bodies and employees of the authority are given a fair, reasonable and realisable opportunity to bid in the procurement exercise for the service whilst cautioning against having a lengthy period between an EoI being accepted and the commencement of a procurement exercise.

- 6.32 The Council will publish on its website:
- information about the CRC including the period during which it will accept EoI, the process that will be followed and the likely timetable;
  - a contact point for the CRC process and contact points that communities can use for starting conversations about the part that they could play in shaping and running local services; and
  - details of EoI received and decisions reached.
- 6.33 The Council will also use existing networks and communication channels to provide information about the CRC to local voluntary and community organisations, local charities, parish councils and employees.
- 6.34 In evaluating an EoI, the Council will need to consider its statutory Best Value duty (Section 3 of the Local Government Act 1999) to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. This will include the impact of EoI on the economy, efficiency and effectiveness of the service and linked services across the whole of the county, not just the service and/or geographical area specified in the EoI in isolation.
- 6.35 Following the usual practice, consideration will need to be given as part of any procurement exercise to the length of contract likely to give best value to the Council. Depending on the service areas where interest is expressed, it is possible that some may be in areas likely to see changed requirements in the future, and it may be appropriate to award contracts for a relatively short time period, linked to the budget cycle, particularly during periods when the Council’s budget is under pressure.

#### **The Procurement Exercise**

- 6.36 Once a valid expression of interest has been accepted, the authority must conduct an appropriate procurement exercise which will be run in accordance with the requirements of legislation and the Constitution of the Council.

### **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:

a) Financial

The financial consequences of managing the CRC, including publicising the process and evaluating EoI, will have to be met primarily from within existing staff resources, although DCLG has paid a small additional grant (£8k) in respect of the new burdens associated with CRC.

If an EoI is accepted, there will be additional costs associated with running a procurement exercise. These will vary according to the nature and complexity of the service, but could be considerable.

b) Legal

The Council has a statutory duty to consider all EoI received under the CRC.

c) Other

No significant impact has been identified for any of the protected groups identified in the Equality Act 2010 with regard to the CRC process; which accords with the impact assessment undertaken by DCLG prior to the draft legislation being considered by parliament.

The evaluation of all EoI will need to include an assessment of the potential impact on all protected groups.

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**Background Papers:**

Localism Act 2010 -

Community Right to Challenge - Statutory Guidance –

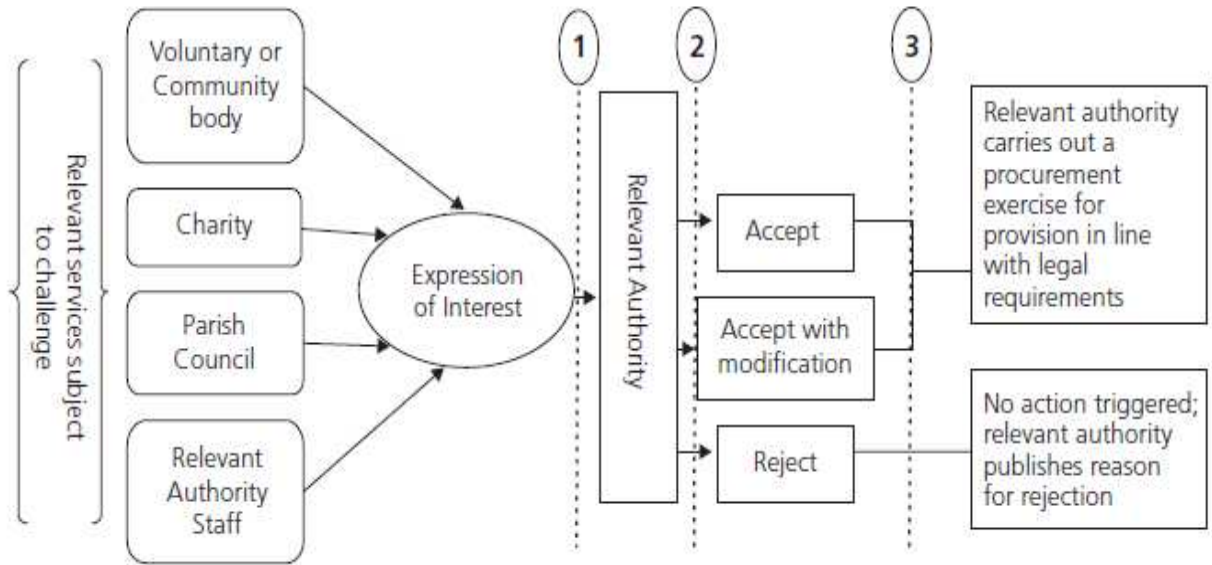
<http://www.communities.gov.uk/publications/communities/righttochallengestatguide>

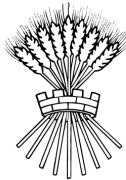
Community Right to Challenge – Impact Assessment -

<http://www.communities.gov.uk/documents/localgovernment/pdf/1829777.pdf>

Annex A

# Community Right to Challenge Process





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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>27 SEPTEMBER 2012</b>
<b>REPORT OF THE:</b>	<b>HEAD OF CORPORATE SERVICES</b>
<b>TITLE OF REPORT:</b>	<b>FUTURE ARRANGEMENTS FOR PAYMENT OF BILLS ISSUED BY THE COUNCIL</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To present options for providing access to outlets through which customers can pay bills issued by the Council.

### **2.0 RECOMMENDATIONS**

- 2.1 That Council is recommended to approve:
- (i) officers to implement barcoding of all Council invoices to enable payments to be made at any Post Office or PayPoint outlet within the district;
  - (ii) following implementation of the above the area cash office service be removed; and
  - (iii) the savings achieved from the implementation of the above to be considered as part of the Council's 2013/2014 budget strategy process.

### **3.0 REASONS FOR RECOMMENDATIONS**

- 3.1 To increase the number of outlets through which customers can pay bills issued by the Council whilst making savings from the Councils Revenue Budget for 2013/14 and helping to ensuring the maximum collection rates for localised council tax and business rates from April 2013.
- 3.2 In order to ensure implementation for 2013/2014 approval is required from members at this time rather than through the 2013/2014 budget process.

### **4.0 SIGNIFICANT RISKS**

- 4.1 No risks identified are considered to be significant.

## **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 This report considers the options available to the Council to enable customers to pay bills issued by the Council in the most cost effective way available to the customer and the Council.
- 5.2 The review of Post Offices undertaken by the Council's Overview and Scrutiny Committee recommended that officers continue to work with the post office to explore options for extending the use of post office outlets for delivering front office services for the Council.
- 5.3 Consultation undertaken as part of the scrutiny review showed clearly that people are content to pay their Council bills and other transactions at the Post Office
- 5.4 The budget consultation undertaken in 2010 using the online budget simulator found that spending on providing 'customer services' was identified in the top 5 areas for making savings.
- 5.5 The Council will also need to consult with the County Council as area offices are in shared buildings.

## **REPORT**

### **6.0 REPORT DETAILS**

- 6.1 The current arrangements by which customers can pay bills are as follows:

#### **Touch Tone Phone**

Touch Tone phone payments were introduced in September 2011 and allow customers to make payments 24/7 – 365 days a year using their phone.

Customers can pay the following bills

- Council Tax
- NNDR (Business Rates)
- Sundry Invoices
- Housing Benefit Overpayments

Payments can be made by debit or credit card and there is a Freephone number available for making Touch Tone payments

#### **Direct Debit**

Direct Debit is the easiest, most convenient and cost effective way to make any regular payments to the Council. Many residents already make regular payments for Council Tax and Business Rates this way.

#### **Online Payments**

The Council offers a 24 hour secure Internet payments service. Payment is accepted for most major credit and debit cards using the secure site and for the following payment types.

- Council Tax
- NNDR (Business Rates)
- Invoices issued by the Council
- Housing Benefits Overpayments
- Other payments including parking fines



### Cashiers Desks

All bills issued by the Council can be paid at the cashiers' desks. Those at Ryedale House are open on Monday to Friday from 9.00am to 4.00pm and payments can also be made at the area offices as follows:

- Helmsley Area Office is open on Fridays from 8.30am to 3.00pm
- Pickering Area Office is open on Mondays from 9.00am to 5.00pm
- Kirkbymoorside Area Office is open on Wednesdays from 8.30am to 5pm

### Post Offices

Council Tax payments (only) can be made through all post office outlets using a Giro card provided on request by the Council. The total number of Post Office outlets in Ryedale is 28. The network in Ryedale comprises of 2 main sub-post offices, 12 sub-post offices, 6 outreach services, 2 home service and 6 villages receive a mobile service.

- 6.2 The table below identifies the volumes and values of transactions currently made through the various payment options:

Payment Method	2011/2012 Transaction Volume	2011/2012 Transaction Value (£000)
Direct Debit	169,867	31,220,998
Cashiers Service (R.House)	28,914	6,853,672
Post Offices (Girocard)	9,793	912,631
Area Cashiers Service	8,578	1,263,309
Online Payments	1,564	249,288
Touch Tone Phone*	1,584	27,989
<b>Total</b>	<b>220,300</b>	<b>40,527,887</b>

\* Went Live September 2011

- 6.3 Looking towards the need to identify savings for the 2013/2014 budget to reduce cuts to services which may be required officers have reviewed the provision of area cash offices.
- 6.4 Following this review officers have identified 3 options for the service delivery. The options under are as follows:

#### Option 1: Status quo

This option would maintain all access as detailed above and would not impact on the costs of the service. This option supports access to outlets for payment of bills in person as follows:

- at Ryedale House
- at the 3 RDC area offices
- Payment of Council Tax by Giro card at 28 Post Office Outlets

#### Option 2: Bar code all bills and closure of the area offices

All Council bills would include a barcode with a service provided by All Pay Ltd. Customers could then make payments against the bill in any Post Office or at any Pay Point Outlet. This service would be procured through an existing framework agreement. The Council would join with Scarborough Borough Council (SBC) who have already have an agreement in place with All Pay for the bar coding of all of their bills. Joining with the existing agreement lead by SBC brings a preferential transaction cost to RDC.

This option supports access to outlets for payment of bills as detailed above but

would lead to the withdrawal of the services provided through the 3 area offices. This option supports access to outlets for payment of all Council bills in person as follows:

- at Ryedale House
- at 28 Post Office outlets
- at 13 Paypoint outlets

A map showing the location of all the post office outlets and the paypoint outlets is attached at annex A

The financial implications of implementing bar coding of all Council bills and withdrawing the area office services would be as follows:

	<b>Year 1</b>	<b>Year 2 Onwards</b>
Cost of All Pay implementation	13,000	6,400
Maximum saving through withdrawal of area office services	64,500	64,500
<b>Net saving</b>	<b>51,500</b>	<b>58,100</b>

The savings are a result of a reduction in staff hours through the withdrawal of the area office service, cash collection costs and accommodation costs. Any staffing issues would be managed through the Council's redeployment and redundancy policy with any associated costs met from the Council's restructure reserve.

**Option 3: Bar code all bills and maintain the area offices**

This option would involve a combination of options one and two and would incur additional cost to the Council of £13,000 in year one and £6,400 in year 2 for the implementation of the bar coding of all Council bills.

- 6.5 The 2013/2014 Budget Strategy report also being considered on this agenda identifies that the need to make service cuts to balance the budget is almost certain. The proposed service change within this report identifies a significant savings opportunity which increases the number of outlets at which payments can be made and has the additional benefit of providing footfall and support for the Post Office network in Ryedale.

**7.0 IMPLICATIONS**

7.1 The following implications have been identified:

a) Financial

Option 1 incurs no additional cost to the Council

Option 2 - The bar coding bills when combined with the closure of the 3 area offices would allow for a revenue saving to the Council in the sum of £51,500 in year one and £58,000 in subsequent years.

Option 3 – Would incur additional costs to the council of £13,000 in year one and £6,500 in subsequent years

b) Legal

The Council would enter into a legal agreement with Scarborough Council to deliver the bar coding solution using All Pay for options 2 and 3.

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime &

Disorder)

An equalities impact assessment has been drafted in relation to the various options.

Access to payment outlets would be improved through option two and three. There would be a reduction in staff hours as a result of the withdrawal of the area office service which would be managed through the Council's Redeployment and Redundancy Policy but could ultimately result in redundancies.

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**Background Documents:**

Post Offices Scrutiny Review Final Report –

<http://democracy.ryedale.gov.uk/mqConvert2PDF.aspx?ID=8292&ISATT=1#search=%22post%20offices%22>

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## Bar Coding of Council Bills - RISK MATRIX

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Withdrawal of the range of area office services is challenged by members of the public	Damage to the councils reputation with customers	<b>3</b>	<b>C</b>	Promotion of the range of channels to access council services.	<b>2</b>	<b>C</b>
Withdrawal of services is challenged on equality grounds	Inability to achieve proposed savings.	<b>2</b>	<b>D</b>	An equality impact assessment has been undertaken which will ensure that the impact on any groups is minimised	<b>2</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>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>27 SEPTEMBER 2012</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>BUDGET STRATEGY 2013/2014</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 2013/2014 Council budget.

### **2.0 RECOMMENDATIONS**

2.1 That Council is recommended to approve the following parameters for the preparation of the 2013/2014 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;
- (iii) Efficiencies to be maximised;
- (iv) Options for service cuts to be provided. These proposals to be considered by the Resources Working Party and the Policy and Resources Committee.

### **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 budget review, shared services and service reviews. Notwithstanding this work it is almost

certain that service cuts will be required to balance the budget (see risk matrix).

## **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 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.
- 5.2 Major public consultation on the 2011/2012 budget was undertaken through the residents' panel, and on line through a procured software tool. Further public consultation will be required as work on the budget and requirements are undertaken. Early consideration of options for cuts by members will facilitate timely and meaningful consultation.

## **REPORT**

### **6.0 REPORT DETAILS**

- 6.1 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 2012 set out the projected financial position. At that time the Council set a 0% increase in its part of the Council Tax bill for 2011/2012. This was supported by additional Government grant equivalent to a 2.5% increase in Council tax.
- 6.2 Within the MTFP projection was the need to identify approximately £600k efficiency and cuts for the 2013/2014 budget. This position was based on the following assumptions:
- Further Cuts to Government grant of 7.1% 2013/2014
  - A Council Tax increase of 2.5%
  - Pay Inflation of 1%
  - Price inflation of 3%
- 6.3 There are a number of key influences on the finances of the Council for 2013/2014 which then impact on the budgetary position. These include:
- Government grant
  - Council Tax increase
  - Income from Fees and Charges
  - Issues arising from the current year
  - Pay and price inflation
  - Revenue effects of the Capital Programme
- Government Grant**
- 6.4 The Council has no indication at present of the likely level of Government Grant for 2013/2014. Details of the provisional grant settlement are expected in early December 2012. This announcement may also provide a provisional figure for 2014/2015.
- 6.5 The significant uncertainty arises from the ongoing recession and state of the public finances together with a fundamental change in the way that central government funding is provided to Local Authorities. This latter point involves the Business Rate Retention Scheme grant to replace the current formula based allocations. Some formula based element will also be involved, however over forthcoming years this latter element is expected to be cut significantly.

6.6 In drafting the projections for 2013/2014 in February 2012 the assumption was of a further cut in Central Government funding of 7.1%, equivalent to c£225k. This was considered a prudent estimate and was a greater cut than most North Yorkshire authorities had included in their medium term financial plans.

6.7 The following table sets out the reductions in grant over recent years for RDC:

Year	Government Grant	Reduction
2010/2011	4,520k	
2011/2012	3,599k	20.4%
2012/2013	3,207k	10.9%

6.8 The estimate for grant income for 2013/2014, based on consultancy advice is that a cut of only 10% would be a good outcome from the Authority. It is possible at this level that Ryedale would see one of the lowest cuts to District Council funding. This is in part reflective by some formula review work undertaken which has increased the weightings for sparsity. It is quite probable that the cut will be higher than the 10% quoted above not least as the calculation assumes the use of New Homes Bonus as revenue funding which RDC has not done to date.

6.9 The basic operation of the Government Support for RDC in 2013/2014 is as follows:

- The Council continues to collect Business Rates.
- 50% is paid over to the Government.
- Of the remaining 50%, 9% is paid to the County Council and 1% to the Fire and Rescue Service.
- The Council will be provided with a set amount of the remainder it must pay (the Tariff) over to the Government (whatever the business rate income is, with a safety net for falls of over 10%). RDC keeps the rest.
- On top of the retained business rates the Council will receive 'Revenue Support Grant (RSG) on a formula based approach.
- The Council will also receive direct funding for Localised Council Tax Support and New Homes Bonus. Homelessness grant will be part of the RSG allocation, presently the Council receives separate funding of £85k.
- Specific funding to finance the New Homes Bonus up to 2017/18 has been taken out of the total funding for Local Authorities. In the early years more funding is being removed than required and some form of 'rebate' to authorities may be paid. There is little clarity on the operation of this at present and a different option is also under consideration.
- Growth in business rates above the average could lead to an increase in RDC resources, however the amount retained is only a percentage of the growth.
- Annex A to this report provides a step by step exemplification of the Business Rates Retention Scheme from the Department for Communities and Local Government.

6.10 Members should also remember that Council Tax Benefit ceases and each Authority must produce its own schemes of Council Tax Support effective from the 1 April 2013. This also carries financial risk for the authority and will see a significant change in the funding methodology.

#### **Council Tax Increases**

6.11 The Council's MTFP is predicated on a 2.5% increase in Council Tax for 2013/2014. The 2012/2013 charge was £176.72 per band D property. The Council has had 3 years of no increase in Council Tax.

- 6.12 A rise of 2.5% would 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.

### **Income**

- 6.13 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.
- 6.14 Members may be aware of the proposed 15% uplift in national planning fees. Whilst welcome, being the first increase since 2008, it is not the expected localisation of planning fees expected following consultation which ended in January 2012. A full assessment of the impact of the 15% increase will be undertaken considering the current year experience and expectations of demand in 2013/2014.

### **Current Year issues (2012/2013)**

- 6.15 Detailed monitoring of in year spend and income is undertaken and reported to the Resources Working Party and this Committee. The only significant pressure in the current year is in car parking income which is £20k below profiled budget at the end of the first quarter. Some realignment of the budget may be required and this will be considered during the budget process.

### **Pay and Price inflation**

- 6.16 The 2012/2013 budget included provision for a 1% pay rise for all employees. The pay freeze has continued and no pay rise has been made in 2012/2013. This unspent provision will provide a saving towards the target in preparing the 2013/2014 budget.
- 6.17 The 2013/2014 MTFP which identifies a savings target of £607k includes a 1% provision for the pay award.

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

- 6.18 The MTFP incorporate predictions around revenue impact of Capital Decisions, in particular the borrowing to finance the Brambling Fields junction upgrade.

### **Progress to Date**

- 6.19 Following on from the success of the Council's One-11 programme which achieved over £1m of saving and helped deliver a balanced budget with no significant cuts for 2011/2012 and the Going for Gold Programme which delivered efficiencies of over £600k towards the 2012/2013 budget, officers have progressed the Round 3 programme for the 2013/2014 budget.
- 6.20 A series of ongoing staff briefings have taken place to ensure that employees are aware of the financial projections.

- 6.21 The strategy for the 2013/2014 budget revolves around the following key headings:
- Establishment of a Business Hub**  
This has involved the centralisation of support to front line services, with voluntary redundancies and service redesign. Savings in excess of £250k are likely to be achieved.

### **Senior Management Reductions**

On top of significant savings in previous years for the costs of management additional savings in excess of £50k should be achieved towards the 2013/2014 budget.

#### **Other efficiencies**

Budget Review meetings are underway to identify other efficiency savings within the budget. Including issues such as the unallocated £50k budget could realise savings of over £100k.

- 6.22 With the projections above it is almost certain possible that there will be a shortfall and cuts to services will therefore be required for the Authority to continue with its current services and levels of service. Officers will seek to maximise efficiencies, however given the level of efficiencies identified over the part three years, significant savings will not be achieved without reducing services or their standard.
- 6.23 Work on options for cuts has been considered as part of the budget review meetings and will be presented to the Resources Working Party. At this stage only unavoidable growth can be accommodated. Within the MTFP £100,000 is included for growth/meeting priorities. Further details on any unavoidable growth will be presented to the Resources Working Party.

### **7.0 IMPLICATIONS**

7.1 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.

### **8.0 NEXT STEPS**

8.1 The following table sets out the timetable for the budget process:

Officers prepare options for discussion at Resources Working Party	20 November 2012 8 January 2013
Member briefing on budget	16 January 2013
Policy and Resources Committee consider 2013/2014 Budget	7 February 2013
Full Council formally set budget and Council Tax	26 February 2013

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#### **Background Papers:**

None.

## RISK MATRIX

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Efficiency savings unable to meet the shortfall therefore service cuts will be required.	Cuts to front line services, reputational damage to Council, possible poor external inspection.	<b>5</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 budget review of revenue budgets. Any cuts will be fully worked up and considered by members at an early stage	<b>5</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



## Business Rates Retention Scheme

A STEP-BY-STEP EXEMPLIFICATION

## EXEMPLIFICATION OF BUSINESS RATES RETENTION SCHEME

This document provides a step-by-step guide on how the business rates retention scheme will be set up and will operate, including how the central and local share will operate and how levy and safety net payments will be calculated.

The current consultation, which runs until 24 September 2012, sets out the technical detail underpinning the business rates retention scheme ahead of the 2013-14 local government finance report. This consultation includes income definitions for the purpose of calculating the payments from billing authorities to their major precepting authorities, in respect of the central share and for the purposes of levy and safety net calculations. It also deals with the calculation and distribution of Revenue Support Grant, which is not discussed here.

This step by step guide is intended to aid councils in understanding the scheme, as such, the numbers used in this document are for illustrative purposes only and do not reflect actual sums of business rates at either aggregate or individual authority level.

The exemplification is based on the operation of the scheme in a two-tier area. Single tier authorities and other major precepting authorities, such as single purpose fire and rescue authorities, can see how the scheme will operate for them by substituting the relevant major precepting authority shares for their areas as necessary in steps 4, 7 and 8.



## BUSINESS RATES RETENTION SCHEME SET-UP

- 1. DCLG will first calculate the total business rates that will be collected by all English billing authorities in 2013-14 i.e. the estimated business rates aggregate.**

This will be on the basis of an Office of Budget Responsibility UK forecast. The details of how this will be done are set out in the summer consultation.

*Estimated business rates aggregate: £10bn*

- 2. The central and local share percentages will then be applied to the estimated business rates aggregate.**

The Statement of Intent, 'Business Rates Retention Scheme: the central and local share of business rates', set out the Government's intention to set the local share at 50% and the central share at 50%.

*Estimated business rates aggregate= £10bn*

*Central share @ 50%= £5bn*

*Local share @ 50%= £5bn*

The central share will be paid by billing authorities to central government. This will be used in its entirety to fund local government through Revenue Support Grant or other specific grants.

Payment schedules will be set up on the basis of the estimated business rates aggregate but will be subject to a process of reconciliation to ensure payments represent 50% of actual receipts.

- 3. DCLG calculates a proportionate share for each billing authority** in order to work out a billing authority business rates baseline.

It first works out a proportionate share percentage for each billing authority based on its historic business rates collection averaged over a number of years. The methodology for how proportionate shares will be calculated is set out in the summer consultation.

The proportionate share percentage is then applied to the local share of estimated business rate aggregate (as set out in step 2) to determine the billing authority business rates baseline.

*Local share: £5bn*

*Proportionate share percentage for billing authority A: 1%*

*Billing authority business rate baseline: £5bn x 0.01= £50m*

**4. This billing authority business rate baseline is then split between the billing authority and its major precepting authorities (on the basis of major precepting authority shares) to determine individual authority business rate baselines.**

In December 2011, the Government set out that it intended to set the major precepting shares in two tier areas at 80% for district councils and 20% for county councils that have responsibility for fire and rescue services. The summer consultation proposes to set the percentage share for single purpose fire and rescue authorities at 2%, and county councils in such areas would receive an 18% share.

*Billing authority business rates baseline: £50m*

*Individual authority business rate baseline (for billing authority A) @ 80%= £40m*

*Proportion of billing authority business rates baseline which is passed to major precepting authority B @ 20%= £10m*

*A major precepting authority's individual authority business rate baseline will be formed from adding together the proportions they receive from the billing authorities in their area.*

*Proportion from billing authority A: £10m*

*Proportion from billing authority C: £5m*

*Proportion from billing authority D: £7m*

*Individual authority business rate baseline (for major precepting authority B)= £22m*

**5. For each authority, DCLG will then calculate the baseline funding level for the purpose of the business rates retention scheme.**

This is done by applying the 2012/13 formula grant process to the local share of the estimated business rates aggregate. Proposals for using updated datasets, making limited methodological updates and other technical adjustments are set out in the summer consultation.

*Billing authority A's baseline funding level = £25m*

**6. Tariffs and top-ups are then calculated.**

A local authority must pay a tariff if its individual authority business rate baseline is greater than its baseline funding level. Conversely, a local authority will receive a top-up if its baseline funding level is greater than its individual authority business rate baseline.

Tariffs and top-ups will be fixed until the business rates retention system is reset but will be updated by RPI each year.

*Billing authority A's individual authority baseline funding level: £25m*

*Billing authority A's business rate baseline: £40m*

*Billing authority A is a tariff authority as its individual authority business rate baseline is greater than its baseline funding level.*

*Tariff: £40m- £25m= £15m*

## RUNNING THE SYSTEM: MAJOR PRECEPTING SHARES

7. **In setting up the system, major precepting shares will be used to determine individual authority business rates (see step 4). They will also be used once the system is running to determine how much of the business rates it collects a billing authority has to pay to central government and its major precepting authorities.**

In December 2011, the Government set out that it intended to set the major precepting shares in two tier areas at 80% for district councils and 20% for county councils. After central share payments are taken into account, this percentage split becomes 40% and 10% respectively of the total rates collected. For single purpose fire and rescue authorities, this means they will receive 1% of the business rates collected by the billing authority and a further 1% would be paid to central government as a central share payment by the billing authority.

*Business rates collected by billing authority A in 2013-14: £120m*

*Central share payment of 50%: £60m*

*Payment to major precepting authority B@ 10% of rates collected= £12m*

*Retained income by billing authority A@ 40% of rates collected= £48m*

8. **Major precepting authorities will receive business rate income from each of the billing authorities in their area.**

They will also receive Revenue Support Grant and are likely to receive a top-up payment because county councils in two tier areas are receiving 10%, and single purpose fire and rescue authorities are receiving 1%, of locally retained business rates.

*10% of billing authority A's business rate income: £12m*

*10% of billing authority C's business rate income: £8m*

*10% of billing authority D's business rate income: £5m*

*Total business rate income of major precepting authority B= £25m*

## RUNNING THE SYSTEM: THE LEVY AND THE SAFETY NET

### 9. A levy will be calculated for each local authority.

In the Statement of Intent, 'Business rates retention scheme: the safety net and levy', the Government stated that the levy would be a 1:1 proportionate levy. This means that for every 1% increase in a local authority's business rate income, the local authority would see no more than a corresponding 1% increase in its baseline funding level.

This relationship is expressed in the levy rate, which is:

$$1 - \left[ \frac{\text{baseline funding level}}{\text{individual authority business rates baseline}} \right]$$

If the calculation produces a negative levy rate, the local authority will not be levied.

*Local authority A's individual authority business rate baseline= £40m*

*Local authority A's baseline funding level= £25m*

*Levy rate:  $1 - (£25m / £40m) = 0.375\%$*

### 10. Calculating levy payments

At the end of a financial year, DCLG will calculate whether a levy payment was due from an authority. It will do this by comparing an authority's pre-levy income under the business rates retention scheme with its baseline funding level.

*Total business rates collected by billing authority A in 2013-14= £120m*

*Less:*

*Central share @ 50%: £60m*

*Payments to major precepting authority B @ 10%: £12m*

*= Billing authority A's retained business rate income= £48m*

*Less:*

*Tariff =£15m*

*= Pre-levy income under rates retention scheme = £33m*

*Baseline funding level = £25m*

*Growth= £8m*

*Levy rate of 0.375% = Levy due of £3m*

*Growth Retained= £5m*

For major precepting authorities, the levy ratio will be applied to the cumulative total of business rate payments from their billing authorities.

## 11. Calculating safety net entitlements

At the end of a financial year, DCLG will calculate whether a safety net payment should be paid. It will do this by comparing an authority's pre-safety net income under the business rates retention scheme with its baseline funding level. For the purpose of these calculations, the baseline funding levels will be indexed to RPI.

Safety net payments will ensure that a local authority's income does not drop below more than a set percentage of its baseline funding level uprated by RPI. In the Statement of Intent, 'Business rates retention scheme: the safety net and levy', the Government announced that the safety net threshold would be set at between 7.5% and 10%. The Government is consulting on the safety net threshold in the summer consultation, as well as the mechanism for providing in-year safety net payments.

*Assuming a safety net threshold of 8.5%.*

*Total business rates collected by billing authority A in 2013-14= £80m*

*Less:*

*Central share @ 50%: £40m*

*Payments to major precepting authority B @ 10%: £8m*

*= Billing authority A's retained business rate income= £32m*

*Less:*

*Tariff= £15m*

*= Pre-safety net income under rates retention scheme = £17m*

*Baseline funding level = £25m*

*Safety net level (@ 8.5% threshold) = £22.9m*

*= Safety net payment of £22.9m- £17m = £5.9m*

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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>27 SEPTEMBER 2012</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>NEW HOMES BONUS 2012/2013</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report considers the allocation of the 2012/2013 New Homes Bonus (NHB) of £439,779.

### **2.0 RECOMMENDATION**

- 2.1 That members recommend to Council their preferred options for allocation of the 2012/2013 New Homes Bonus of £439,779.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 This funding for RDC is not ringfenced and the Council set its budget for 2012/2013 without the requirement to use any of this funding stream. Allocation of all or part of this funding can of course be deferred at this time and considered at a future meeting.

### **4.0 SIGNIFICANT RISKS**

- 4.1 There are no significant risks in considering this funding allocation. Members should be mindful that the 2013/2014 Provisional Grant announcement in December 2012 is likely to be particularly challenging and cuts to services are almost certain for next year. Any use of the funding which can generate revenue savings could reduce the size of cuts required.

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

- 5.1 There are no significant policy implications around this report and there being no proposals at this stage consultation has not been undertaken.

## REPORT

### 6.0 REPORT DETAILS

- 6.1 The NHB is designed around the council tax revenues generated from housing development. This is primarily undertaken by measuring the net change in occupied Band D equivalent properties at October each year. It therefore looks at additions to the Council Tax Base, deletions and also takes into account the net change in empty properties.
- 6.2 The scheme provides Local Authorities with a NHB equivalent to the national average for the council tax band on each additional property. 2011/2012 was the first year of NHB. The announcement stated that it would be paid to authorities for 6 years. Grant is paid cumulatively, that is year 2 includes the year 1 grant plus changes in year 2 and so on. It is paid as an unringfenced grant.
- 6.3 The indications from the Statement of Intent on the Business Rate Retention Scheme are that New Homes Bonus will be paid until at least 2017/2018 and funding has been identified to ensure this can take place.
- 6.4 For 2012/2013 allocations and onwards there is an enhancement of £350 per annum for each affordable home provided in year.
- 6.5 The grant is calculated on an individual authority basis and in 2 tier areas 80% of the total is paid to the District Council and 20% to the County Council. In 2011/2012 the RDC element of the grant was £214,540, the grant for 2012/2013 though changes to the Council Tax Base and affordable housing is £225,239, which gives a total grant for 2012/2013 of £439,779. It is already expected that the total grant in 2013/2014 will be over £600k.
- 6.6 The RDC 2011/2012 NHB of £214,540 was allocated as follows:
- (i) £12,934 was given direct to the National Park to be spent on projects within Ryedale (which reflected 50% of the their contribution towards the grant received for planning approvals within the National Park).
  - (ii) £100,803, established Pot 1 within the Community Investment Fund (CIF) distributed through a bid process, on a Geographic basis to those Wards in which the development took place.
  - (iii) £100,803, established Pot 2 in the CIF and is to be distributed to other projects across Ryedale on a bid basis with bids permitted from properly constituted organisations.
- 6.7 The CIF panel met on the 17 July 2012 to start the allocation of funding from the resources allocated.
- 6.8 In considering the allocation of funding for 2012/2013 members may want to consider:
- Whether to make any allocation to the National Park;
  - Further investment in the CIF, without which the panel will cease when the existing funding has been allocated;
  - The previous stated ambition to restart the business grants programme;
  - Allocating funding to the Council's capital programme, where there are presently no unallocated capital resources;
  - 'Banking' the money ahead of the 2013/2014 provisional grant announcement



in December.

- 6.9 Given the allocation to Wards undertaken in 2011/2012 (Pot 1), Annex A to this report includes details of the Wards in which funds have been generated towards the 2012/2013 NHB.

## **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:

a) Financial

The funding is unringfenced. The Council's revenue budget does not incorporate the use of New Homes Bonus. The Council's reserves are in a satisfactory position however there are no unallocated capital resources.

b) Legal

There are no significant legal issues in considering this report. Proposals on the allocation of funding could give rise to implications which will be highlighted at that time.

c) Other

There are no significant other issues in considering this report. Proposals on the allocation of funding could give rise to implications which will be highlighted at that time

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**Background Papers:**

New Homes Bonus: final scheme design

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

<http://www.communities.gov.uk/publications/housing/finalschemedesign>

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### Additions to the Council Tax Base which led to the 2012/2013 New Homes Bonus (by Ward)

<b>Ward</b>	<b>Planning Decision</b>	<b>Band D Equivalents</b>
Amotherby	RDC	3.00
Ampleforth	RDC	3.33
Cropton	RDC	1.89
Dales	NYM	2.89
Derwent	RDC	2.44
Helmsley	NYM	4.44
Helmsley	RDC	1.67
Hovingham	RDC	0.89
Kirkbymoorside	RDC	4.67
Malton	RDC	15.00
Norton	RDC	35.56
Pickering	RDC	17.22
Rillington	RDC	1.22
Ryedale South West	RDC	5.00
Sherburn	RDC	1.89
Sheriff Hutton	RDC	5.22
Sinnington	RDC	0.78
Thornton Dale	RDC	3.67
Wolds	RDC	11.00

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**PART B: RECOMMENDATIONS TO COUNCIL**

**REPORT TO: POLICY AND RESOURCES COMMITTEE**

**DATE: 27 SEPTEMBER 2012**

**REPORT OF THE: COUNCIL SOLICITOR AND MONITORING OFFICER  
ANTHONY WINSHIP  
CORPORATE DIRECTOR (s151)  
PAUL CRESSWELL**

**TITLE OF REPORT: MAINTENANCE OF CLOSED CHURCHYARDS**

**WARDS AFFECTED: ALL**

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 To review the consultation responses and consider the financing of works to Closed Churchyards.

### **2.0 RECOMMENDATIONS**

2.1 That members recommend to Council their preferred option for managing the costs of closed churchyards. The options are detailed in paragraph 6.13.

### **3.0 REASONS FOR RECOMMENDATION**

3.1 A local parish can include the on-going costs associated with maintaining closed churchyards within their precept setting process. This option should secure adequate resources to maintain the sites. If requested, Ryedale District Council could undertake the repair/rectification works under an agency agreement.

### **4.0 SIGNIFICANT RISKS**

4.1 The primary risks to the Council are around the finances and impact of not passing on the predicted costs through special expenses. In such a case all costs will fall on the district council and this will create a budgetary pressure which will necessitate cuts to other services to finance. Not passing the charge on increases the likelihood of further closed churchyards being passed to the district council creating a future unbudgeted pressure.

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

5.1 This report considers a new policy for the Council for the financing of works to closed

churchyards.

- 5.2 This report considers the results of a consultation exercise undertaken between 28 March 2012 and 31 July 2012. The consultation questionnaire is attached at annex A. This was also discussed at the Parish Liaison meeting on the 30 May.

## REPORT

### 6.0 REPORT DETAILS

- 6.1 On the 8 December 2011 this committee considered a report on the maintenance of closed churchyards. Members resolved:

*That a consultation with Parish Councils on the following principles be approved:-*

*Where Parish Councils do not wish to retain responsibility for the maintenance of closed churchyards that Council:-*

- (a) Agrees that a special expense be charged to cover Ryedale District Council's annual maintenance and administration costs in the event of any parish determining that it does not wish take responsibility for maintenance of a closed churchyard in its parish and passes this to Ryedale District Council;*
- (b) Agrees that a special expense charge be made to cover costs henceforth for closed churchyards which have already transferred to this Council;*
- (c) Consider whether they would wish to see an upper annual limit to any special expense charge levied for closed churchyards, and if so determine at what level they would wish this to be set.*

- 6.2 Ryedale District Council has already assumed responsibility for the following 7 churchyards:-

- St Helen's Churchyard, Amotherby
- Holy Cross Churchyard, Gilling East
- St Mary's Priory Churchyard, Old Malton
- St Nicholas Churchyard, Norton (this provides the access to the swimming pool)
- All Saints Churchyard, Slingsby
- All Saints Churchyard, Terrington
- St Hilda's Churchyard, Ampleforth (this is an RDC responsibility but the Parish cut the grass)

- 6.3 The current costs of maintaining closed churchyards are met from limited budgets at the Council. There are insufficient funds for any major works. The estimated 10 year costs for the existing transferred churchyards is in excess of £300k.

- 6.4 Once a churchyard is closed the PCC concerned may apply to the local authority to take over its maintenance responsibilities under the Local Government Act 1972. The application is usually made to the Parish Council and, if they decline, to the District which, under the legislation, has a legal obligation to take on the responsibility.

- 6.5 Where the District Council does take on the responsibility for a closed churchyard, the Parish Council gives up any control over future maintenance arrangements. The

churchyard would be managed by the District Council's to its own chosen standard. There is currently no legal basis to ensure that the churchyard is "in decent order and its walls and fences in good repair" prior to transfer.

- 6.6 Transferring all or part of the PCC's maintenance and repair liability to the local authority does not mean that the churchyard itself is transferred; all other rights, powers, functions and liabilities remain under the control of the incumbent.
- 6.7 The Local authority has an option to charge the costs of maintenance of closed churchyards as a Special Expense. This is a charge only paid by residents within a certain parish, in addition to the Council Tax, which is collected as part of Council Tax. Members will be aware that there presently exists a special expense in former Norton UDC, former Malton UDC and former Pickering RDC areas for street lighting.

#### Consultation Responses

- 6.8 This consultation has sparked significant debate and interest in this issue. Whilst the consultation was around principles of the future funding of closed churchyards, inevitably officers ended up in detailed discussions around specific issues.
- 6.9 Of those 11 parishes who anticipate a closure order in the next 10 years, 5 would prefer to retain the responsibility for the churchyard and raise a precept to cover the maintenance costs. Of those churchyards which are closed or anticipating closure only one anticipates transferring responsibility to RDC.
- 6.10 There were a total of 63 responses (from a possible 99 local Councils). Of the 63 responses received 14 preferred option one – to retain responsibility and 2 preferred the option to transfer to RDC. 9 respondents thought that RDC should impose a limit if a special expense was levied. One thought not. The common amount for the limit was £1 with one suggestion of £5 but most respondents not answering this question.
- 6.11 Whilst the scope for additional closed churchyards becoming the Council's responsibility for maintenance seems low, this of course may change over time, more especially if significant works are required which would be beyond a reasonable parish precept.
- 6.12 Notwithstanding this the Council still has a significant unbudgeted pressure to consider for existing closed churchyards.
- 6.13 The options for taking forward this issue are as follows:

**1. The Council resolves to finance works to closed churchyards from its resources.**

The Council would need to identify where the additional resources would be finance from, clearly a revenue budget of c£30k could manage the expected costs. Members will be aware from other reports on this agenda that the scope for budgetary growth will lead to cuts to other services, it is therefore a priorities issue for members. Some capital resources could be applied to manage this, however there are presently no unallocated capital resources.

**2. Apply a Special Expense to those parishes in which the closed churchyard is located to cover in full the maintenance costs.**

As members will see from Annex C to this report (the same annex to the report last year) there are very unequal financial consequences on individual parishes, as the cost is spread across the number of band D properties within that Parish. For example Ampleforth residents would face a special expense of £67 per year for 10 years to cover the anticipated maintenance obligations.

**3. Apply a Special Expense with a Capped maximum amount.**

Clearly the level of cap would determine what costs remained with RDC and what could be charged to rate payers. The following table shows the estimated cost sharing of applying a cap:

<b>Special Expenses Cap</b>	<b>Rate payers (£000)</b>	<b>RDC (£000)</b>
£10	157	152
£15	188	121
£20	214	95
£25	229	80

6.14 For information the current special expenses rate for street lighting is between £2.83 and £10.57 in 2012/2013.

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

- a) Financial  
The implications will depend on the option chosen and have been included in the report.
- b) Legal  
There are no new legal issues in considering this report.
- c) Other  
The report has no other significant implications.

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

**Anthony Winship**  
**Council Solicitor**

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**Background Papers:**  
None.





# Closed Churchyard Consultation

Ryedale District Council is consulting all Parish Councils on the options available to parishes and the Council in relation to the arrangements for the maintenance of closed churchyards, and particularly the future arrangements for financing any related works.

The Council is also undertaking an audit of the churchyards in Ryedale to ensure that any decision made on this matter is supported by the right information.

A report detailing the issues and options as discussed by the Council in December is available on the Council website at the following address:  
<http://democracy.ryedale.gov.uk/mgConvert2PDF.aspx?ID=8240>

This consultation will be an item for discussion at the next Parish Liaison meeting to be held on 1 June 2012 at Ryedale House, Malton. Officers will be available to answer any queries.

The consultation will close on 31 July 2012. Please return your completed survey to:

Business Improvement Team  
Ryedale House  
Old Malton Road  
Malton  
North Yorkshire  
YO17 7HH

For further information please contact Faye Snowden, Business Improvement Officer on 01653 600666 ext 222 or email [faye.snowden@ryedale.gov.uk](mailto:faye.snowden@ryedale.gov.uk)

Q1 Your parish:

Q2 Main contact for future correspondence:

Q3 Is there a churchyard in your parish? (if no, please tick and return your form for audit purposes)  
No .....  Yes, just one .....  Yes, more than one .....   
If more than one, how many?

Q4 Please could you provide the name and location with a grid reference, map or address: (please copy and return a separate form for each churchyard)

Q5 Is the parish churchyard open or closed?  
Open .....  Closed .....

**Q6** If the parish churchyard is open, who is currently responsible for it's maintenance?

**Q7** If the parish churchyard is closed, who is currently responsible for it's maintenance?

The Parish .....       Currently, an application has been made for  
Ryedale District Council.....       it's closure.....

**Q8** If the churchyard is closed and the parish is currently responsible, do you anticipate applying to Ryedale District Council for transfer?

Yes.....       No .....

**Q9** If the parish churchyard is open, do you anticipate an application being made for closure within the next..

1 year.....       5 years .....       10 years .....

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If the parish churchyard was to close, please indicate what your preferred option would be for taking responsibility for it's maintenance? *Please tick only one option from those detailed below*

**Q10** **Option 1:** The Parish Council retains responsibility for maintenance and levies a pre-cept to cover any expenses.

.....

**Q11** **Option 2:** The parish transfers responsibility to Ryedale District Council and the District Council levies a special expense on the parish in which the closed churchyard is located, to cover future annual maintenance and major repairs.

.....

**Q12** If the District Council decides to levy a special expense, in those parishes with closed churchyards for which it has responsibility, should there be a maximum annual charge applicable, per household, in that parish?

Yes.....       No .....

**Q13** If you ticked 'yes' to Q12, please indicate the maximum level \*per household in £'s:  
(\*per household means a band D property)

Thank you for taking the time to complete this consultation document

### SPECIAL EXPENSES – A SUMMARY

#### **1.0 FINANCIAL ARRANGEMENTS WITH PARISH COUNCILS – THE PRINCIPLES**

- 1.1 Financial arrangements with Parish Councils are specifically aimed at avoiding 'double taxation' – the situation where the costs of certain services are charged twice to local taxpayers because the parish provides a service but the District Council still charges taxpayers in the parish for the equivalent services it provides elsewhere.
- 1.2 Double taxation might apply, for example, if the residents of a parish were to be charged via the Parish Council precept, for the maintenance of playing fields in the parish (a function performed only by the Parish Council in that area and paid for only by the parishioners), and for a share of the cost of maintenance of playing fields in the remainder of the district (carried out by the District Council elsewhere).
- 1.3 Guidance provided in August 2004 by the then Office of the Deputy Prime Minister suggested that there should be five principles that should govern arrangements between District Councils and Parish Councils.
  1. Fairness in the provision and access to services
  2. Simplicity to keep operating costs to a minimum
  3. Transparency to help understanding
  4. Democratic control and accountability to distinguish between funding provided to a parish by the district for a service carried out by the parish and funding raised through the parish precept for services carried out by the parish
  5. Finance should follow function so that where service provision is devolved or transferred from the District to the Parish Council funding is also transferred with the about agreed between the Councils.
- 1.4 Prior to the Local Government Finance Act 1992, the Council made grants to Parish Councils where they carried out a 'concurrent' function in their area that would normally have been performed by the District Council.
- 1.5 Other arrangements (that have not been used here) could be support in goods or in kind and agency agreements under S101 of the Local Government Act 1972 or S20 of the Local Government Act 2000 where a Parish Council acts as an agent for the District in carrying out a task for which it is paid an agreed rate.
- 1.6 The Local Government Finance Act 1992 provides for different amounts of council tax to be calculated for different parts, eg parished and unparished areas, of a district, depending on what, if any, 'special items' relate to those parts.
- 1.7 A special item is an item which relates to only part of a District Council's area. A parish precept is one special item. 'Special expenses' are another special item.
- 1.8 There are five different types of special expense, but the one affecting this district is set out in Section 35(2)(d) which provides that:-

“any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area by the sub-treasurer of the Inner Temple, the under-treasurer of the Middle Temple, a parish or community council or the Chairman of a Parish Meeting are the authority's special expenses unless a resolution of the authority to the contrary effect is in force.”

## ESTIMATED SPECIAL EXPENSE CHARGE AT BAND "D" : 10 YEAR BASIS FOR RECHARGING

Parish	Council Tax Base (Number of dwellings expressed as Band D) (a)	Estimated 10 year major repairs cost (b)	Estimated 10 year maintenance and trees cost (c)	Estimated 10 year total costs (d)	Estimated Annual charge (e)= (d)/10	Total estimated charge at Band "D" (f)=(e)/(a)
St Helen's Churchyard, Amotherby	152.32	£88,880	£13,730	£102,610	£10,261	£67.36
Holy Cross Churchyard, Gilling East	102.22	£34,450	£6,500	£40,950	£4,095	£40.06
St Mary's Priory Churchyard, Old Malton	1862.35	£24,330	£7,000	£31,330	£3,133	£1.68
St Nicholas Churchyard, Norton	2,459.57	£10,450	£3,500	£13,950	£1,395	£0.57
All Saints Churchyard, Slingsby	259.31	£48,220	£6,400	£54,620	£5,462	£21.06
All Saints Churchyard, Terrington	238.11	£19,455	£7,000	£26,455	£2,645	£11.11
St Hilda's Churchyard, Ampleforth	362.80	£29,400	£9,770	£39,170	£3,917	£10.80
TOTAL		£255,185	£53,900	£309,085	£30,908	

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