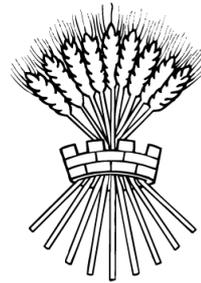


RYEDALE
DISTRICT
COUNCIL



FINANCIAL STRATEGY

2017 - 2022

REVENUE BUDGET

2017 – 2018

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RYEDALE DISTRICT COUNCIL

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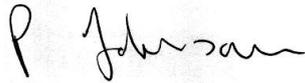
Members of Ryedale District Council

Meeting:

Thursday, 21 February 2017

BUDGET REVIEW 2017-18

The Financial Strategy 2017-2022, Revenue Budget for 2017-18, the Capital Programme, the Prudential Indicators, the Pay Policy and Special Expenses recommended for approval by the Policy and Resources Committee, are submitted for approval by the Council. The appropriate draft resolution has been circulated to all Members of the Council.

A handwritten signature in black ink, appearing to read 'P. Johnson', is positioned above the typed name.

P Johnson, Resources & Enabling Services Lead (S151)

EXECUTIVE SUMMARY

Financial Management is essential in achieving good corporate governance and underpins service quality, improvement and accountability. It supports effective performance and the achievement of the organisations aims. Financial Planning is integral to an organisations strategic planning process.

The Council has put in place a fully integrated Financial Strategy that seeks to ensure Long-term financial stability, the achievement of Value for Money and funding for priorities.

The focus of the Financial Strategy is on long term planning and decision making for the future. Whilst the Strategy includes specific proposals for the 2017/18 Revenue Budget there should not be an over concentration on just one years budget. This Strategy seeks to avoid year on year budget setting and use of short term/one off measures to balance the budget. It is a strategy for the future, to ensure effective resource planning and the delivery of Corporate Objectives.

To achieve the delivery of this Financial Strategy will require an understanding within the senior levels of the organisation of the collective responsibilities for stewardship and use of resources.

The Financial Strategy seeks to achieve the following objectives: -

1. Budgets are Prudent and Sustainable in the Long Term,
2. Financial plans recognise corporate Priorities and Objectives,
3. Significant risks are identified, and mitigation factors identified,
4. The Capital Programme is planned over a 4 year period with no further borrowing planned beyond the £2.07m for the Brambling Fields project.
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and use of resources.

The Summary Position is as follows:

- A revenue budget for 2016/2017 of **£6,156,794**.
- A 2.39% increase in Council tax for the Ryedale District Council Tax, increasing the Band D charge from **£181.71 to £186.05** (note the total Council Tax, including County Council, Fire, Police and Special Levy is covered within the separate Council Tax setting report)
- Savings / additional income of **£1,081,000**
- Application of **£32,000** New Homes Bonus to the Revenue Budget.
- Application of **£188,000** New Home Bonus to the Capital Programme
- Unused New Homes Bonus of **£1,200,000**.
- A capital programme totalling **£5,949,000** over the period 2017-2021
- The Treasury Management Statement and Annual Investment Strategy 2017/18
- The Prudential Indicators
- The Pay Policy 2017/18
- Special Expenses for Street Lighting of **£49,620**, representing an increase of £14,520.

The following table summarises the changes:

	£000s
2016/2017 Base Budget Brought forward	6,413
Add:	
Base Budget Adjustments	93
Growth items (appendix A)	328
Total	6,834
Less:	
Efficiencies/Savings/Cuts/Additional Income (appendix A)	1,081
Rural Services Delivery Grant	(110)
Movement in New Homes Bonus	(294)
2017/2018 Net Revenue Budget	6,157

Section 25 Report (Report of the Chief Finance Officer – Resources & Enabling services Lead (s151))

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

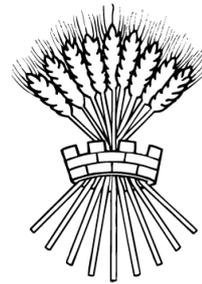
The total saving proposals are £1.081m. This level is significant in relation to the Authority's overall budget and therefore inherently carries a risk. The achievement of these savings will be crucial in managing within the budget. The risk of this has been mitigated in part by thoroughly reviewing all savings proposals for their robustness and effective budget monitoring procedures are in place. There inevitably remains a risk in delivering on this level of savings and there is always potential for delay in achieving savings or failure to achieve income targets. Where this occurs, compensating savings will need to be identified.

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

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

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

RYEDALE
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FINANCIAL STRATEGY

2017-2021

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Main Report

1. Purpose and Scope
2. Objectives of the Financial Strategy
3. The Current Financial Position
4. The Financial Strategy Objectives
5. The Revenue Plan 2017 - 2021
6. Development of the Financial Strategy
7. The Capital Plans 2017 - 2021
8. Balances and Reserves
9. Impact/Risk Assessment
10. Pay Policy 2017/2018
11. Conclusion

Appendix A: 2017/2018 Revenue Budget Pressures and Savings

Appendix B: Medium Term Revenue Forecast

Appendix C: Prudential Indicators

Appendix D: Reserves and Balances

Appendix E: Capital Programme 2017/18 - 2020/21

Appendix F: Pay Policy 2017/18

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

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

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

- The Council's Corporate Plan
- The Asset Management Plan
- The IT Strategy
- The Procurement Strategy
- The Treasury Management Strategy
- The Risk Management Strategy
- The HR Strategy

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

In particular it:

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

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

2. OBJECTIVES OF THE FINANCIAL STRATEGY

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

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

3. THE CURRENT FINANCIAL POSITION

The Council's net budget for 2016/17 totals £6.413m and is allocated to services as shown:

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

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

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

Appendix A details the budget pressures and savings/additional income proposals for the 2017/18 budget.

The financial strategy is to some extent shaped by factors outside the Council's immediate control. However, there are many facets to an effective financial strategy, and the Council must ensure it proactively manages its resources with a view to ensuring robust financial planning that delivers Council priorities.

External Factors:

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

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

Revenue Support Grant will see continued substantial reductions in future years reducing to zero followed by ongoing reductions to the Business Rates Tariff. Under the Business Rate Retention Scheme RDC keeps a proportion of business rates collected, but must pay a fixed tariff from its share. The retained share is 40% and any income above target performance will increase the retained share for Ryedale (after paying a levy of 50% of any growth). The down side risk is that any reductions in collected business rates lead to a 40% reduction in RDC income. Careful monitoring of business rates collection and appeals will be required. The financial impact of any significant appeal costs will need to be managed through reserves (see para 6.40 to the main report). In order to reduce levies payable the Council has formed a business rates pool with North Yorkshire County Council (NYCC), Hambleton District Council, Craven District Council, Richmondshire District Council and Scarborough Borough Council. This should generate additional retained business rates, however this will dependent not only on Ryedale's business rate income but that of the other partners (excluding NYCC).

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

Efficiencies

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

These efficiencies have to be achieved through a greater focus on Value for Money (VFM) and through a culture of innovation. Responsibility for identifying opportunities for efficiency gains are left to individual Councils and it will be up to them to put in place the processes that they need to plan VFM projects, track delivery, measure achievement, and assure service quality. Following the success of previous efficiency programmes which started with the One-11 programme for 2011/2012, Going for Gold for 2012/2013 and Round 3 for 2013/2014, the council is now implementing a more radical approach to transformation through the Towards 2020 programme, work so far is expected to deliver circa £1m. Following the previous efficiency programmes which involved a review of services, the level of savings required necessitates the council to invest resources in achieving the transformation.

Additional Cost Pressures

There has been a trend in local government in recent years for additional cost pressures (for example pay increases, impact of meeting national targets,

new duties/legislation) to significantly outweigh increases in Government funding. In addition to this some of the pressures carry significant growth year on year, which is not reflected in Revenue Grant Settlements.

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

New Homes Bonus

This funding started in 2011/2012 and provided Authorities funding based on the number of new properties brought into use with an added element for affordable housing. The calculation provides that 80% of the funding is paid direct to District Councils with the County Council receiving the remaining 20%.

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

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

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

External Funding

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

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

Pensions

The Council's contribution rate for the North Yorkshire Pension Fund (NYPF) is set based upon the returns to the fund and the recovery period for the fund. These are affected by economic fluctuations and with the current economic turbulence increases in contribution rates may ensue. The contribution rates are established in consultation with the Council based on a triennial review by the actuary. Changes to the scheme benefits have been made which should reduce overall costs. A review of the fund took place in 2016/17 and the overall contribution rates have increased, however by less than expected based on the interim valuations. The next review will be in 2019/20 and an estimation of the impact is included in the Financial Strategy.

Significant Partnerships

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

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

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

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

4. THE FINANCIAL STRATEGY OBJECTIVES

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

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

This seeks to ensure that budgets recognise real cost pressures.

This will be achieved by ensuring:-

- Adequate provision is made for inflation pressures, pay awards, and new legislation
- The revenue budget is not supported by significant one off savings, or any significant use of reserves

- Effective budget monitoring to ensure early identification of issues and action planning

Objective 2 – Financial Plans Recognise Corporate Priorities and Objectives

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

This will be achieved by ensuring:-

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

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

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

This will be achieved by:-

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

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

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

This will be achieved by ensuring: -

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

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

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

This will be achieved by ensuring:-

- specific reference within each financial strategy of constraints, and current issues
- regular reporting to members on local government finance issues
- awareness of the financial position within the organisation through effective communication

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

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

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

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

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

This will be achieved by ensuring:-

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

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

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

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

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

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

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

This will be achieved by

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

5. THE REVENUE PLAN 2017 - 2021

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

Local Government Finance Settlement

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

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

Localised Business Rates

As previously stated the Council retains a proportion of business rates out of which it must pay a fixed tariff (subject to RPI uplift). The revenue plan takes the estimated business rates income for 2017/18 based on the NNDR1 information and assumes no growth in business rates base over the plan period.

Council Tax

In accordance with Objective 6 of this Financial Strategy, the plan makes a clear assumption that future Council Tax increases will be restricted to below Government upper limits. The Government has announced that the limit above which increases in Council Tax must be subject to referendum for

2017/18 is £5 on the band D equivalent including the Special levy. With a District wide referendum likely to cost in excess of £70k, the authority must look to manage increases below the threshold and future forecasts assume the referendum limit will be £5.

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

Inflation rates and pay increases

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

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

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

The ongoing effect of existing policies and priorities

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

Spending Pressures Contingency

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

2018/19 - £150,000

2019/20 - £150,000

2020/21 - £220,000

Efficiency savings

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

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

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

Risks, contingencies and balances

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

6. DEVELOPMENT OF THE FINANCIAL STRATEGY

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

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

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

The budget process

The Financial Strategy comprises a 5-year revenue plan and a 4-year capital plan.

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

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

Consultation and Communication

There is a need for this Strategy to be effectively communicated to staff and key stakeholders. In addition, it is important that in the development of the

Strategy, allocations of resources, and the setting of Council Tax that there are effective consultation mechanisms in place.

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

- Budget Consultation.
- Regular communication with staff at all levels and with Unions

Budget Monitoring arrangements

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

The monitoring process focuses on high risk budgets and involves timely and accurate budget monitoring information to Budget Managers.

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

7. THE CAPITAL PLANS 2017 - 2021

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

a) Prioritisation methodology

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

b) Engagement with partners of the community

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

The Council has worked closely with funding partners. Future projects will continue to be developed through partnership working more likely with the

Local Enterprise Partnership (LEP). The Council also recognises the importance of increased community engagement and participation as fundamental to the quality of public services and the health of community life. The Council will therefore seek to develop major projects with the full involvement of local communities and ensure appropriate consultation prior to scheme approval.

c) Affordability of funding

Financing the Capital Programme for the Future

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

(d) Integration of Capital and Revenue Decision-Making

The Prudential Code

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

Revenue Implications

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

(e) Framework for Managing and Monitoring the Capital Programme

The Chief Financial Officer has overall responsibility for the preparation and monitoring of the Council's capital programme and for reporting the outcome to Members. The process involves:

- Reviewing the capital programme annually.
- Reviewing the current and estimated future availability of external earmarked funding and other opportunities for obtaining or bidding for additional capital resources.
- Prioritising and appraising any new proposals against agreed corporate criteria.
- Preparing the Council's capital programme and strategy.
- Monitoring progress in achieving the capital programme objectives.
- Ensuring that the outcomes of investment are reported to members.

- Ensuring there are effective arrangements for project planning and project evaluation.
- Issuing corporate guidance to ensure that there is a consistent approach across all service areas.
- Reviewing and monitoring the Council's capital resources and asset disposal programme.

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

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

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

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

8. BALANCES AND RESERVES

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

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

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

The Council's policy is to maintain its contingencies, balances and reserves at levels that are prudent but not excessive. With the outlook for 2017/18 and beyond being very tough, and the scale and risk of achieving cost reduction being high, any reserves identified as being surplus should be prioritised to

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

Appendix D details the position on the Councils Key Reserves.

9. IMPACT/RISK ASSESSMENT

This section recognises the challenges and risks that have implications for the Council's financial position in the medium term. This assessment of risk is an essential element of the budget process; it is used to inform decisions about the appropriate levels of contingencies and reserves that may be required and to indicate priorities for financial monitoring.

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

The key risks identified for 2017/18 and in the medium term are listed below, together with comments on how they will be managed:

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

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

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

10. PAY POLICY 2017/18

The Localism Act 2011 requires that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. The Pay Policy for 2017/18 is incorporated within this Financial Strategy at Appendix F.

11. CONCLUSION

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

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

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

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

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

APPENDIX A

2017/18 Budget Pressures

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

2017/18 Efficiencies/Savings/Additional Income

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

APPENDIX B

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

Prudential Indicators**Capital Expenditure**

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

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

Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2015/16 are:

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

Capital Financing Requirement

Estimates of the Capital Financing Requirement for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2016 are:

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

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

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

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing

does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years.”

The Chief Finance Officer reports that the authority had no difficulty meeting this requirement in 2015/16, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Authorised Limit for External Debt

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

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

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

Operational Boundary for external debt

The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Chief Finance Officers estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and

equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the Chief Finance Officer. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also asked to delegate authority to the Chief Finance Officer; within the total operational boundary for any individual year; to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

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

The Council's actual external debt at 31 March 2016 was £1.75m. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.

In taking its decisions on this budget report, the Council is asked to note that the Authorised Limit determined for 2017/18 (see above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

Estimate of Incremental Impact of Capital Investment

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

For the Band D Council Tax	2017/18	2018/19	2019/20
	£0.06	£0.13	£0.21

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

Consideration of options for the capital programme

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

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

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

APPENDIX D

Key Reserves and Balances

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

APPENDIX E

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

Category / Scheme	2016/17 Rev Est £000	2016/17 Forecast £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	Total Cost £000	External Funding £000	Net RDC Cost £000	Net Outturn £000	Comments	External Funding Assumptions Comments	Revenue Implications						
													2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Comments	
ASSET MANAGEMENT																			
Car Parks Major Repairs	11	11	0	0	0	0	11	0	11	11	In accordance with Asset Mgt Plan, Hth & Safety risk		0	0	0	0	0	0	
Vehicle Replacement Programme	116	116	50	20	20	40	246	0	246	257	Replacement for recycling, street cleansing and grass cutting services		0	0	0	0	0	0	
Public Conveniences Refurbishment	8	8	0	0	0	0	8	0	8	265	Refurbishment of sites		0	0	0	0	0	0	
Wall Repairs Land Castlegate Milton	0	0	0	0	0	0	0	0	0	265	Repairs to boundary walls		0	0	0	0	0	0	
Ryedale Pool Major Repairs	33	33	0	0	0	0	33	0	33	298	Necessary works over the life of this capital programme		0	0	0	0	0	0	
Trade Waste Equipment	0	0	0	0	0	0	0	0	0	298	Replacement of trade waste bulk bins		0	0	0	0	0	0	
Property Condition Survey	365	365	125	125	110	110	855	0	855	1,153	Programme of minor capital works to property portfolio		0	0	0	0	0	0	
IT Infrastructure Strategy	158	158	24	0	0	0	182	0	182	1,335	Essential upgrade of IT Infrastructure		0	0	0	0	0	0	
Replacement of Garage Inspection pit	50	50	0	0	0	0	50	0	50	1,365	Essential upgrade to accommodate new style of vehicle		0	0	0	0	0	0	
	761	761	199	145	130	150	1,385	0	1,385				0	0	0	0	0	0	
PRIORITY AIMS - HOUSING																			
Aff Hsg Init - Exception Sites Land Purchase	100	100	0	0	0	0	100	0	100	1,485	Contribution to RSL land acquisitions		0	0	0	0	0	0	
Aff Hsg Init - Property Improvement Loans	95	95	95	95	75	75	435	0	435	1,920	Recoverable Loans to ensure properties are to the decent home standard		0	0	0	0	0	0	
Aff Hsg Init - Landlord Improvement Loans/Grants	80	80	80	80	60	60	360	0	360	2,280	Recoverable Loans or Grants to Landlords		0	0	0	0	0	0	
Private Sector Energy Efficiency Grants	65	65	50	50	40	40	245	0	245	2,525	Provide insulation improvements		0	0	0	0	0	0	
Private Sector Renewal - Disabled Facilities Grants	437	645	533	483	483	483	2,627	2,040	587	3,112	Improve access to and within properties for people	2,040 DCLG	0	0	0	0	0	0	
Mortgage Rescue Scheme	21	21	0	0	0	0	21	0	21	3,133	Scheme in partnership with Registered Social Landlord		0	0	0	0	0	0	
	798	1,006	758	708	658	658	3,788	2,040	1,748			2,040	0	0	0	0	0	0	
PRIORITY AIMS - JOBS																			
Expansion of Darwent Training	0	0	0	0	0	0	0	0	0	3,133	Provision for contribution to external scheme		0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	
MAJOR SCHEMES																			
A64 Branding Fields Junction Upgrade	0	65	0	0	0	0	65	65	0	3,133	Contribute to upgrade for improvement to traffic management in Milton	65 Developer Contributions	0	0	0	0	0	0	
	0	65	0	0	0	0	65	65	0			65	0	0	0	0	0	0	
OTHER SCHEMES																			
Helmsey CPO	506	506	0	0	0	0	506	0	506	3,639			0	0	0	0	0	0	
Flood Relief Grant Scheme	0	50	0	0	0	0	50	0	50	3,689			0	0	0	0	0	0	
Assembly and Milton Rooms - Preservation Works	155	155	0	0	0	0	155	0	155	3,844	Work required under terms of lease to prevent further deterioration of building		0	0	0	0	0	0	
	661	711	0	0	0	0	711	0	711			0	0	0	0	0	0	0	
TOTAL OF PROPOSED CAPITAL PROGRAMME	2,220	2,543	957	853	788	808	5,949	2,105	3,844			TOTAL	2,105	TOTAL	0	0	0	0	0

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES

249K

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

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

**PAY POLICY STATEMENT 2017 - 2018****CONTENTS**

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INTRODUCTION

In accordance with Sections 38 – 43 of the Localism Act 2011 the authority is required to produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement sets out the arrangements and meets the requirements of the Localism Act. It also complies with the guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. This policy also correlates with the data on pay and reward for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2015). It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex A to this policy statement.

DEFINITION OF OFFICERS COVERED BY THE POLICY STATEMENT

This policy statement covers the following posts:

1. Head of the Paid Service, which in this authority is the post of Chief Executive
2. Chief Financial Officer (s151)
3. Monitoring Officer
4. Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service) which in this authority are the posts of:
 - Deputy Chief Executive
 - External Partnerships Lead
 - Head of Planning
5. Deputy Chief Officers (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
 - Delivery and Frontline Services Lead
 - Customer Service Lead

POLICY ON REMUNERATING CHIEF OFFICERS

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

POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE

The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Council decisions. These are then incorporated into contracts of employment. The lowest pay point in this authority is Scale 1 point 6 which equates to an annual salary of £14,514 (i.e. £7.5230 per hour). This Council adopted the payment of a

'Living Wage' of £7.85 per hour with effect from 1 November 2015, which is paid as a supplement to the nationally agreed rate for all employees on spinal column points 6 to 10 inclusive.

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

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

The average median salary in this authority is £19,939. The ratio between the two salaries, the 'pay multiple' is 5.29:1.

This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

6 POLICY ON OTHER ASPECTS OF CHIEF OFFICER REMUNERATION

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

7 APPROVAL OF SALARY PACKAGES IN EXCESS OF £100K

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

8 FLEXIBILITY TO ADDRESS RECRUITMENT ISSUES FOR VACANT POSTS

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

9 AMENDMENTS TO THE POLICY

It is anticipated that this policy will not need to be amended during the period it covers (1 April 2017 to 31 March 2018), however if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft policy will be presented to Full Council for consideration.

10 POLICY FOR FUTURE YEARS

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

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

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

The Accounts and Audit (England) Regulations (2015) require that the following data is included in the **authority's statutory accounts**:

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

For the above remuneration is to include:

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

For the above pension contributions to include:

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

ANNEX B

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

ANNEX C

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£105,504	Paid through normal authority procedures	None	None	None	None	None	Election duty fees are paid in accordance with normal authority and national procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2017/18.
Deputy Chief Executive	£70,000	Paid through normal authority procedures	None	None	None	None	None	Election duty fees are paid in accordance with normal authority procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2017/18

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Resources & Enabling Lead (s151)	£49,624	Paid through normal authority procedures	None	None	None	Paid through normal authority procedures, none planned.	Paid through normal authority procedures, none planned.	Election duty fees paid in accordance with normal authority and national procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments are anticipated for 2017/2018
External Partnerships Lead	£56,879									
Delivery & Frontline Services Lead	£51,934									
Customer Services Lead	£40,619									
Head of Planning	£56,879									
Council Solicitor/Monitoring Officer	£56,879									

REVENUE BUDGET

2017-18

COUNCILLOR LINDA COWLING
Chairman of the Policy & Resources Committee

P C JOHNSON
Resources & Enabling Services Lead (s151)

REVENUE BUDGET 2017-18

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GENERAL FUND SUMMARY

GENERAL FUND SUMMARY

2015/16 Actual £	2016/17 Original Estimate £	2016/17 Revised Estimate £	Service	2017/18 Original Estimate £
			CENTRAL SERVICES	
948,392	844,110	844,110	Central Services to the Public	757,230
1,238,017	1,207,270	1,227,800	Corporate & Democratic Core	1,151,500
131,606	8,410	-12,120	Non Distributed Costs	3,749
-2,157,042	-1,479,327	-559,327	Other Operating Income & Expenditure	-1,757,507
160,973	580,463	1,500,463	Total	154,972
1,169,527	1,015,090	1,015,090	CULTURAL & RELATED SERVICES	893,270
2,909,609	2,401,890	2,401,890	ENVIRONMENTAL & REGULATORY SERVICES	2,348,930
1,210,571	1,113,270	1,223,270	PLANNING SERVICES	1,027,620
-485,719	-538,440	-538,440	HIGHWAYS & TRANSPORT SERVICES	-553,760
1,039,674	1,067,150	1,067,150	HOUSING SERVICES	1,057,715
6,004,635	5,639,423	6,669,423		4,928,747
853,173	773,182	-256,818	CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES	1,228,047
6,857,808	6,412,605	6,412,605	TOTAL NET EXPENDITURE	6,156,794

NOTES

The preparation of this budget is in compliance with the Service Reporting Code of Practice and it is presented using the mandatory division of service headings stipulated in the Code.

A further subdivision of the expenditure is analysed under discretionary headings and is shown on pages 46 to 49.

DETAIL OF NET EXPENDITURE

DETAIL OF NET EXPENDITURE

2015/16 Actual	2016/17 Original Estimate	2016/17 Revised Estimate	Division / Subdivision of Service	2017/18 Original Estimate	Line Ref
£	£	£		£	
			CENTRAL SERVICES TO THE PUBLIC		
125,819	133,740	133,740	General Grants, Bequests & Donations	116,080	1
40,847	49,590	49,590	Emergency Planning	47,360	2
			Local Tax Collection		
198,278	185,270	185,270	Local Council Tax Support Scheme	165,140	3
-5,280	-	-	Council Tax Benefits	-	4
312,793	290,810	290,810	Council Tax Collection	267,280	5
-7,238	-19,220	-19,220	Non-Domestic Rates Collection	-27,810	6
498,553	456,860	456,860	Sub Total	404,610	
			Elections		
192,379	72,690	72,690	Conducting Elections	61,520	7
129,763	126,790	126,790	Registration of Electors	118,410	8
322,142	199,480	199,480	Sub Total	179,930	
-38,969	4,440	4,440	Local Land Charges	9,250	9
948,392	844,110	844,110	Total Central Services to the Public	757,230	
			CORPORATE & DEMOCRATIC CORE		
598,798	561,580	582,110	Corporate Management	580,420	10
639,219	645,690	645,690	Democratic Representation & Management	571,080	11
1,238,017	1,207,270	1,227,800	Total Corporate & Democratic Core	1,151,500	
			NON DISTRIBUTED COSTS		
			Non Distributed Costs		
129,378	-	-	Retirement Benefits	-	12
2,228	8,410	-12,120	Costs of Unused Shares of Assets	3,749	13
131,606	8,410	-12,120	Sub Total	3,749	
131,606	8,410	-12,120	Total Non Distributed Costs	3,749	
			OTHER OPERATING INCOME & EXPENDITURE		
71,806	101,260	81,260	External Interest Payable	102,080	14
			Interest & Investment Income		
-98,401	-65,000	-85,000	Interest & Investment Income	-65,000	15
17,868	-18,480	-18,480	Investment Property	-23,450	16
-80,533	-83,480	-103,480	Sub Total	-88,450	
653,000	680,000	680,000	Pensions Interest Cost & Expected Return on Assets	650,000	17
-2,873,000	-	-	Pensions Actuarial Gains & Losses	-	18
			Other Corporate Costs & Operating Expenditure		
26,241	72,353	1,032,353	General Financial Provisions	155,743	19
-13,187	-	-	Capital Receipts Unattached to Non Current Assets	-	20
13,054	72,353	1,032,353	Sub Total	155,743	
-1,493,143	-2,272,750	-2,272,750	Non Ringfenced Government Grants	-1,904,720	21
1,551,774	23,290	23,290	Adjs between Accounting & Funding under Regulations	-672,160	22
-2,157,042	-1,479,327	-559,327	Total Other Operating Income & Expenditure	-1,757,507	

DETAIL OF NET EXPENDITURE (CONTINUED)

2015/16 Actual £	2016/17 Original Estimate £	2016/17 Revised Estimate £	Division / Subdivision of Service	2017/18 Original Estimate £	Line Ref
			CULTURAL & RELATED SERVICES		
			Culture & Heritage		
49,118	45,230	45,230	Museums & Galleries	39,210	23
72,988	72,930	72,930	Arts Development & Support	66,800	24
122,106	118,160	118,160	Sub Total	106,010	
			Open Spaces		
115,234	101,390	101,390	Community Parks & Open Spaces	102,510	25
			Recreation & Sport		
25,977	26,860	26,860	Community Centres & Public Halls	25,270	26
642,854	639,270	639,270	Indoor Sports & Recreation Facilities	544,990	27
8,691	8,960	8,960	Outdoor Sports & Recreation Facilities	8,500	28
51,012	8,560	8,560	Sports Development & Community Recreation	8,100	29
728,534	683,650	683,650	Sub Total	586,860	
			Tourism		
143,776	111,890	111,890	Tourism Policy, Marketing & Development	97,890	30
59,877	-	-	Visitors Centres	-	31
203,653	111,890	111,890	Sub Total	97,890	
1,169,527	1,015,090	1,015,090	Total Cultural & Related Services	893,270	
			ENVIRONMENTAL & REGULATORY SERVICES		
			Cemetery, Cremation & Mortuary Services		
17,183	32,780	32,780	Closed Churchyards	32,780	32
57,244	57,030	57,030	Community Safety (Crime Reduction)	58,970	33
3,998	-	-	Community Safety (Safety Services)	-	34
			Flood Defence & Land Drainage		
222,149	16,220	16,220	Defences Against Flooding	77,330	35
92,839	95,630	95,630	Land Drainage & Related Work	99,630	36
314,988	111,850	111,850	Sub Total	176,960	
			Recycling		
608,265	580,470	580,470	Recycling Collection	512,520	37
			Regulatory Services		
2,038	19,230	19,230	Alcohol & Entertainment Licensing	4,230	38
140,492	140,540	140,540	Animal & Public Health	120,560	39
89,055	83,390	83,390	Environmental Protection	66,200	40
146,356	142,130	142,130	Food Safety	118,110	41
43,769	42,260	42,260	Health & Safety	33,880	42
10,257	10,660	10,660	Infectious Disease Control	8,610	43
43,766	39,090	39,090	Pest Control	50,730	44
251,791	259,120	259,120	Public Conveniences	243,280	45
-2,712	-1,330	-1,330	Taxi Licensing	3,780	46
59,550	40,840	40,840	Water Safety	32,270	47
49,887	43,910	43,910	Noise & Nuisance	35,260	48
834,249	819,840	819,840	Sub Total	716,910	
322,824	326,270	326,270	Street Cleansing	355,560	49
			Trade Waste		
-6,014	-64,260	-64,260	Trade Waste Collection	-60,470	50
			Waste Collection		
756,872	537,910	537,910	Household Waste Collection	555,700	51
2,909,609	2,401,890	2,401,890	Total Environmental & Regulatory Services	2,348,930	

DETAIL OF NET EXPENDITURE (CONTINUED)

2015/16 Actual	2016/17 Original Estimate	2016/17 Revised Estimate	Division / Subdivision of Service	2017/18 Original Estimate	Line Ref
£	£	£		£	
			PLANNING SERVICES		
			Building Control		
2,532	60,000	60,000	Building Regulations	61,200	52
-4,673	-3,200	-3,200	Other Building Control Work	-4,060	53
-2,141	56,800	56,800	Sub Total	57,140	
			Business Support		
9,500	12,000	12,000	Grants/Loans & Guarantees	30,000	54
60,316	25,000	25,000	Premises Development	65,000	55
50,522	49,450	49,450	Support to Business & Enterprise	39,000	56
120,338	86,450	86,450	Sub Total	134,000	
87,147	84,800	84,800	Community Development	81,490	57
			Development Control		
212,458	204,320	204,320	Advice	163,650	58
12,512	-61,630	48,370	Dealing with Applications	-62,390	59
143,226	167,610	167,610	Enforcement	136,090	60
368,196	310,300	420,300	Sub Total	237,350	
			Economic Development		
-32,261	-50,260	-50,260	Market Undertakings	-50,570	61
42,782	-	-	Training & Employment	-	62
124,331	181,890	181,890	Promotion & Marketing of the Area	151,410	63
134,852	131,630	131,630	Sub Total	100,840	
130,880	108,040	108,040	Environmental Initiatives	88,170	64
			Environmental Initiatives General		
			Planning Policy		
7,585	7,200	7,200	Conservation & Listed Buildings Policy	5,680	65
58,763	83,900	83,900	Local Development Framework	129,050	66
304,951	244,150	244,150	Local Plans General	193,900	67
371,299	335,250	335,250	Sub Total	328,630	
1,210,571	1,113,270	1,223,270	Total Planning Services	1,027,620	
			HIGHWAYS & TRANSPORT SERVICES		
			Parking Services		
-543,701	-593,690	-593,690	Off-Street Parking	-605,510	68
			Public Transport		
57,982	55,250	55,250	Support to Operators	51,750	69
-485,719	-538,440	-538,440	Total Highways & Transport Services	-553,760	

DETAIL OF NET EXPENDITURE (CONTINUED)

2015/16 Actual	2016/17 Original Estimate	2016/17 Revised Estimate	Division / Subdivision of Service	2017/18 Original Estimate	Line Ref
£	£	£		£	
			HOUSING SERVICES		
29,769	53,380	53,380	Enabling	44,050	70
			Homelessness		
199,378	159,330	159,330	Homelessness Administration	138,160	71
105,676	72,580	72,580	Hostels (Non-RHA Support)	73,040	72
5,513	4,420	4,420	Leased Private Managed Accommodation	2,410	73
310,567	236,330	236,330	Sub Total	213,610	
57,661	75,530	75,530	Housing Advice	64,200	74
218,752	274,190	274,190	Housing Benefits Administration	261,030	75
			Housing Benefits Payments		
10,305	16,000	16,000	Non-HRA Rent Rebates	16,000	76
-47,707	7,000	7,000	Rent Allowances	47,000	77
-37,402	23,000	23,000	Sub Total	63,000	
81,872	90,380	90,380	Housing Strategy	114,215	78
			Other Council Property		
14,774	12,400	12,400	Travellers Sites	19,030	79
54,947	19,560	19,560	Other Welfare Services	790	80
			Private Sector Housing Renewal		
308,734	282,380	282,380	Administration of PSHR Grants	277,790	81
1,039,674	1,067,150	1,067,150	Total Housing Services	1,057,715	
853,173	773,182	-256,818	CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES	1,228,047	82
6,857,808	6,412,605	6,412,605	NET EXPENDITURE	6,156,794	

BUDGET VARIATIONS

BUDGET VARIATIONS

PAGE 46-49 LINE REF	DETAIL	£'000	£'000	£'000	NOTES
	Original 2016/2017 to Probable Outturn 2016/2017				
		£'000	£'000	£'000	
	Original Estimate 2016/2017 Net Expenditure			6413	
	Additional Costs:				
59	Planning Consultancy / Legal Fees	110			1
10,13,19	Cost of Transformation	400			2
19	Cost of Voluntary Redundancy	<u>560</u>			3
			1070		
	Cost Reductions, Savings and Additional Income:				
14	Cost of Borrowing	-20			
15	Return on Investments	<u>-20</u>			
			-40		
	Financial Adjustments:				
	Contribution to / (from) Balances:				
82	Increased Contribution to Capital Fund	20			9
82	Increased Contribution from General Reserve	-90			9
82	Increased Contribution from ICE Fund	-400			2,9
82	Increased Contribution from Restructure Reserve	<u>-560</u>			3,9
			-1030		
	Net Movement of Expenditure			<u>0</u>	
	Revised Estimate 2016/2017 Net Expenditure			<u>6413</u>	

BUDGET VARIATIONS

PAGE 46-49 LINE REF	DETAIL				NOTES
	Original 2016/2017 to Original 2017/2018				
		£'000	£'000	£'000	
	Original Estimate 2016/17 Net Expenditure			6413	
	Inflation:				
	Provision for Pay Increase & General Inflation (net)		93		
	Additional Costs:				
	Budget Pressures:				
See Financial (	Reduced Income	106			4
Strategy (	Reduced Grant	55			4
Appendix A (	Employers NI Contributions	29			4
(	Vehicle Leases	98			4
(	Apprenticeship Levy	10			4
(	Other Budget Pressures	<u>30</u>			4
			328		
	Cost Reductions and Savings:				
See Financial (	Towards 2020 Net Efficiencies	-894			5
Strategy (	Increase in Income from Recycling and Ryecare	-55			5
Appendix A(	Reduction in the cost of the Leisure Contract	-100			5
(	Reduction in Grant Payments	-13			5
(	Other Savings	<u>-19</u>			5
			-1,081		
21	Reduction in Rural Services Delivery Grant		110		6
21	Other Movements in Costs and Savings		129		9
21	Reduction in New Homes Bonus Grant		256		7
	Capital Financing Adjustments:				
All	Capital Charges	-46			8
22	Capital Charges – Recharge	46			8
All	Revenue Exp Funded from Capital Under Statute (net)	-62			8
22	Capital Adjustment Account - REFCUS (net)	62			8
22	Revenue Contributions to Capital Outlay	<u>-546</u>			8
			-546		
	Financial Adjustments:				
82	Increased Contribution to Capital Investment	546			9
82	Increased Contribution to Capital Fund	50			9
82	NHB Contribution from Reserves	-23			9,7
82	Increased Contribution from Operational Reserve	-10			9
82	Increased Contribution from Ryedale Development Fund	-58			9
82	Increased Contribution from Local Development Fund	<u>-50</u>			9
			455		
	Net Movement in Expenditure			-256	
	Original Estimate 2017/18 Net Expenditure			<u>6157</u>	

BUDGET VARIATION NOTES

1. Expenditure relating to planning consultancy and associated legal costs is forecast to exceed budget, this is mainly as a result of defending a number of appeals, officers have calculated an estimate of the associated costs.
2. Costs associated with transforming the Council have been met from the Improvement, Contingency and Emergency Fund.
3. Estimated redundancy and pension strain costs incurred by the Council as a result of the recent voluntary redundancy process have been funded from the Restructure reserve.
4. New Budget Pressures identified within the 2017/18 budget are highlighted in detail within Appendix A of the Financial Strategy.
5. Further details relating to cost reductions and savings can be found within Appendix A of the Financial Strategy.
6. Rural Services Delivery funding has reduced in line with the 4 year funding settlement
7. Income and expenditure relating to New Homes Bonus is now base lined into the revenue budget and is being used, in part, to fund both the revenue and capital budgets, the remaining balance of funding (£1.2m) has been transferred into the New Home Bonus Reserve.
8. The capital charges for the write-down of depreciation for fixed assets and the amortisation of intangible assets are notional. A contra entry is included under the heading Adjustments between Accounting and Funding under Regulations (line 22)
9. The heading Contributions to/(from) Earmarked Reserves (line 82) shows movements on the Council's funds and reserves. Details on the movement in the Council's key reserves are shown in Appendix D of the Financial Strategy.

SERVICE UNITS

SERVICE UNITS HOLDING ACCOUNTS

SUMMARY OF NET EXPENDITURE

Service Units	Employees £	Running Expenses £	Support Services £	Income £	2017/18 Original Estimate £
SUPPORT SERVICE UNITS					
Management Team & Support	659,969	130,160	24,170	-	814,299
Resources & Enabling Services	709,228	118,920	37,040	-9,430	855,758
Legal & Human Resources	276,625	93,690	53,900	-14,100	410,115
Customer Services	1,287,754	335,660	185,900	-11,280	1,798,034
Total	2,933,576	678,430	301,010	-34,810	3,878,206
DIRECT SERVICE UNITS					
Delivery & Frontline Services - People	449,491	99,920	57,010	-	606,421
Specialist Services - Place	404,052	93,740	98,800	-1,290	595,302
Delivery & Frontline Services - Environment	244,644	58,570	61,250	-	364,464
Delivery & Frontline Services - Operations	1,477,270	151,410	73,290	-	1,701,970
Resources & Enabling Services - Business Development	440,706	108,440	71,390	-	620,536
Total	3,016,163	512,080	361,740	-1,290	3,888,693
NET EXPENDITURE	5,949,739	1,190,510	662,750	-36,100	7,766,899

NOTES

These estimates provide for the cost of employees, office equipment and accommodation and other technical and support service costs for all Service Units (SUs). Costs directly associated with Council Services are charged straight to the appropriate service head. SUs are categorised as either those that include a support service role (Support Service Units) or those that provide direct services only (Direct Service Units).

**PARISH & TOWN
COUNCILS
PRECEPT REQUIREMENTS**

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2017/18

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Acklam	70.96	2,000	28.18
Aislaby, Middleton & Wrelton	316.21	2,400	7.59
Allerston & Wilton	197.62	4,500	22.77
Amotherby	147.64	4,700	31.83
Ampleforth	382.99	16,000	41.78
Appleton-le-Moors	96.38	1,020	10.58
Appleton-le-Street	51.36	-	-
Barton-le-Street	84.78	500	5.90
Barton-le-Willows	91.09	1,150	12.62
Barughs Ambo	93.61	293	3.13
Beadlam	99.27	2,240	22.56
Birdsall	73.98	140	1.89
Bransdale	28.61	-	-
Brawby	65.50	-	-
Broughton	79.19	1,500	18.94
Bulmer	94.68	1,769	18.68
Burythorpe	107.42	1,700	15.83
Buttercrambe	42.02	-	-
Byland with Wass & Oldstead	121.03	810	6.69
Cawton, Coulton & Grimstone	99.46	700	7.04
Claxton & Sand Hutton	203.96	4,789	23.48
Cold Kirby	53.43	-	-
Coneysthorpe	43.38	-	-
Cropton	122.16	800	6.55
Ebberston & Yedingham	260.17	6,000	23.06
Edstone	66.58	-	-
Fadmoor	57.21	-	-
Farndale East	50.03	340	6.80
Farndale West	55.09	-	-
Flaxton	150.47	3,041	20.21
Foston & Thornton-le-Clay	130.20	2,500	19.20
Foxholes with Butterwick	93.97	3,240	34.48
Ganton with Potter Brompton	85.29	2,000	23.45
Gate Helmsley & Upper Helmsley	142.15	1,900	13.37
Gillamoor	68.36	430	6.29
Gilling East	104.93	1,800	17.15
Habton	129.88	550	4.23
Harome	130.91	6,000	45.83
Hartoft	36.14	-	-
Harton	41.49	-	-
Hawnby	91.99	800	8.70
Helmsley	737.09	85,000	115.32

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2017/18 (CONTINUED)

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Henderskelfe	25.56	-	-
Heslerton	147.07	3,488	23.72
Hovingham & Scackleton	254.25	6,017	23.67
Howsham	60.78	-	-
Hutton-le-Hole	100.51	4,906	48.81
Huttons Ambo	126.94	2,800	22.06
Kirbygrindalythe	116.20	1,500	12.91
Kirby Misperton	122.89	1,650	13.43
Kirkbymoorside	1,154.63	73,500	63.66
Langton	39.25	-	-
Lastingham	72.45	1,770	24.43
Leavening	137.76	1,600	11.61
Levisham	50.89	-	-
Lillings Ambo	82.23	220	2.68
Lockton	136.36	3,500	25.67
Luttons	159.24	4,200	26.38
Malton	1,976.93	141,000	71.32
Marishes	59.51	-	-
Marton	100.27	420	4.19
Nawton	279.11	5,393	19.32
Newton-on-Rawcliffe & Stape	131.87	2,200	16.68
Normanby	71.50	1,800	25.17
Norton	2,519.36	142,000	56.36
Nunnington	124.73	1,500	12.03
Old Byland & Scawton	74.89	-	-
Oswaldkirk	121.60	2,040	16.78
Pickering	2,744.54	181,000	65.95
Pockley	43.85	-	-
Rievaulx	42.14	-	-
Rillington	378.10	18,300	48.40
Rosedale East & West	196.28	5,500	28.02
Salton	36.40	-	-
Scagglethorpe	93.18	2,101	22.55
Scampston with East & West Knapton	126.73	2,250	17.75
Scrayingham with Leppington	89.77	1,800	20.05
Settrington	138.71	3,650	26.31
Sherburn	268.28	23,000	85.73
Sheriff Hutton with Cornborough	453.52	16,126	35.56
Sinnington	139.86	2,000	14.30

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2017/18 (CONTINUED)

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Slingsby	247.64	6,562	26.50
Southolme & Fryton	37.70	687	18.22
Spaunton	34.76	-	-
Sproxton	59.19	180	3.04
Stonegrave	49.77	-	-
Swinton	211.67	3,669	17.33
Terrington	251.03	3,085	12.29
Thixendale	79.04	1,000	12.65
Thornton-le-Dale	825.83	27,000	32.69
Thorpe Bassett	48.78	200	4.10
Warthill	114.22	1,250	10.94
Weaverthorpe	114.22	3,500	30.64
Welburn (Kirkbymoorside)	31.76	-	-
Welburn (Malton)	214.40	4,000	18.66
Westow	146.35	2,300	15.72
Wharram	43.37	-	-
Whitwell-on-the-Hill & Crambe	103.67	750	7.23
Willerby & Staxton	232.68	8,600	36.96
Wintringham	80.38	2,250	27.99
Wombledon	153.84	4,300	27.95
Council Tax Base	21,277.12		
Aggregate of Parish Requirements		887,176	