



COUNCIL

Council Summons and Agenda

You are hereby summoned to attend an **Ordinary Meeting of Ryedale District Council** to be held in the **Council Chamber, Ryedale House, Malton** on **Tuesday, 25 February 2014** at **6.30 pm** in the evening for the transaction of the following business:

Agenda

1 Emergency Evacuation Procedure

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

2 Apologies for absence

3 Public Question Time

4 Urgent Business

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

5 Declarations of Interest

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

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

6 Announcements

To receive any announcements from the Chairman and/or the Head of Paid Service.

7 **Revenue and Capital Budgets and Setting of Council Tax 2014/2015** (Pages 5 - 88)
Annex A and Annex B are attached, Annex C is to follow.

With reference to Minute No. 51 (Financial Strategy 2014/2015) of the Special Policy and Resources Committee (Budget) held on 6 February 2014 (copy attached), Councillor Mrs Cowling, Chairman of the Policy and Resources Committee, will move:-

I **Budget 2014/2015**

That the revised revenue estimates for the year 2013/2014 and the revenue estimates for 2014/2015, as submitted in the Council's Financial Strategy and Revenue Budget 2014/2015 Book be approved (copy enclosed).

II **Council Tax Base**

That it be noted that, in accordance with Minute No. 363(d)/2005 of the Policy and Resources Committee held on 8 December 2005, which was subsequently approved by Council at its meeting on 12 January 2006, Ryedale District Council has (pursuant to Section 101 of the Local Government Act 1972) delegated responsibility to adopt the Council Tax base to the Chief Executive and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee. The Council calculated the amounts for the year 2014/15, in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended, as set out in Annex A.

III **District/Parish Council Tax Rates**

That the following amounts be now calculated by the Council for the year 2014/15, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992, as amended (the Act):

(a) **District/Parish Gross Expenditure**

£29,914,168.49 being the aggregate of the amounts, which the Council estimates for the items, set out in Section 31A(2) of the Act.

(b) **Income (including Government Grants and Collection Fund Surpluses)**

£25,647,862.00 being the aggregate of the amounts, which the Council estimates for the items, set out in Section 31A(3) of the Act.

(c) **District/Parish Council Tax Requirement**

£4,266,306.49 being the amount by which the aggregate at Part III(a) above exceeds the aggregate at Part III(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.

(d) **Basic amount of Tax (including Parish Precepts)**

£212.46 being the amount at Part III(c) above, all divided by the amount at Part II above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

(e) **Parish Precept and Special Expenses**

£717,708.49 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

(f) **Basic Amount of Tax (excluding Parish Precepts)**

£176.72 being the amount at Part III(d) above less the results given by dividing the amount at Part III(e) above by the amount given at Part II above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(g) **Basic Amount of Tax in Parishes/Towns**

The details for each Parish as shown in Annex B, column headed "Aggregate amount at Band D", being the amounts given by adding to the amount at Part III(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above, divided in each case by the amount at Part II above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) **District/Parish Council Tax Rates**

The details as shown in columns "A" to "H" of Annex B, being the amounts given by multiplying the amounts at Part III(f) and Part III(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

IV County Council, Police & Crime Commissioner and Fire & Rescue Authority Tax Rates (Provisional)

That it be noted that for the year 2014/15 precepting Authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, as amended, for each of the categories of dwellings shown below:-

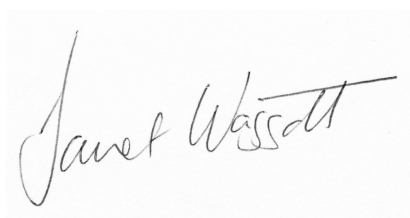
BAND	NORTH YORKSHIRE COUNTY COUNCIL	NORTH YORKSHIRE POLICE & CRIME COMMISSIONER	NORTH YORKSHIRE FIRE & RESCUE AUTHORITY
£	£	£	£
A	Subject to confirmation on 19 February 2014.	139.08	42.22
B		162.26	49.26
C		185.44	56.29
D		208.62	63.33
E		254.98	77.40
F		301.34	91.48
G		347.70	105.55

H		417.24	126.66
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V Total Council Tax Rates

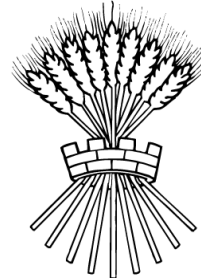
That having calculated the aggregate in each case of the amounts at Part III(h) and Part IV above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, as amended, hereby sets the amounts set out in Annex C as the amounts of Council Tax for 2014/15 for each of the categories of dwellings shown.

- 8 **Treasury Management Strategy Statement and Annual Investment Strategy 2014/2015** (Pages 89 - 114)
- 9 **To consider for Approval the Recommendations in respect of the following Part 'B' Committee Items:** (Pages 115 - 230)
Commissioning Board – 23 January 2014
Minute 35 – Leisure Procurement (page 115)
- 10 **Any other business that the Chairman decides is urgent.**



Janet Waggott
Chief Executive

RYEDALE
DISTRICT
COUNCIL



FINANCIAL STRATEGY

2014 – 2018

REVENUE BUDGET

2014 – 2015

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RYEDALE DISTRICT COUNCIL

To:

Members of Ryedale District Council

Meeting:

Tuesday, 25 February 2014

BUDGET REVIEW 2014-2015

The Financial Strategy 2014-2020, Revenue Budget for 2014-2015, 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.



PD Cresswell Corporate Director (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 2014/15 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 2014/2015 of **£7,175,650**.
- No increase in Council tax for the Ryedale District Council Tax of **£176.72** for a band D property (note the total Council Tax, including County Council, Fire and Police is covered within the separate Council Tax setting report)
- Savings / additional income / service cuts of **£400,000**
- Application of **£175,000** New Homes Bonus to the Revenue Budget.
- Unused New Homes Bonus of **£952,000**.
- A capital programme totalling **£8,958,000** over the period 2014 - 2018
- The Treasury Management Statement and Annual Investment Strategy 2014/2015
- The Prudential Indicators
- The Pay Policy 2014/2015
- Special Expenses for Street Lighting of £35,180

The following table summarises the changes:

	£000s
2013/2014 Base Budget Brought forward	7,173
Add:	
Base Budget Adjustments	161
Growth items (appendix A)	417
Total	7,751
Less:	
Efficiencies/Savings/Cuts/Additional Income (appendix A)	400
Use of New Homes Bonus	175
2014/2015 Net Revenue Budget	7,176

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

In setting the Revenue budget for 2014/15 I consider that the **proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.**

The total savings and additional income proposals are £400k. This level is significant in relation to the Authority's overall budget and therefore inherently carries a risk. The achievement of these savings will be crucial in managing within the budget. The risk of this has been mitigated in part by thoroughly reviewing all savings proposals for their robustness and effective budget monitoring procedures are in place. There inevitably remains a risk in delivering on this level of savings and there is always potential for delay in achieving savings or failure to achieve income targets. Where this occurs, compensating savings will

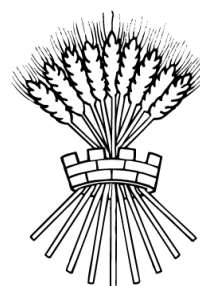
need to be identified. Assumptions are within the 2014/2015 budget that the 3 month moratorium £51k will be delivered.

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

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

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

RYEDALE
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FINANCIAL STRATEGY

2014 - 2018

FINANCIAL STRATEGY

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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 2014 – 2018
6. Development of the Financial Strategy
7. The Capital Plans 2014 – 2018
8. Balances and Reserves
9. Impact/Risk Assessment
10. Pay Policy 2014/2015
11. Conclusion

Appendix A: 2014/2015 Revenue Budget Pressures and Savings

Appendix B: Medium Term Revenue Budget Forecast

Appendix C: Prudential Indicators

Appendix D: Reserves and Balances

Appendix E: Capital Programme 2014 – 2018

Appendix F: Pay Policy 2014/2015

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

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

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

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

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

In particular it:

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

- identifies the resource issues and principles, which will shape the Council's Financial Strategy and annual budgets.

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

2. OBJECTIVES OF THE FINANCIAL STRATEGY

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

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

3. THE CURRENT FINANCIAL POSITION

The Council's net budget for 2013/14 totals £7.173m and is allocated to services as shown:

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	6,107	6,281	(174)
Cultural & Related Services	1,593	56	1,537
Environmental & Regulatory Services	5,095	1,722	3,373
Highways & Transport Services	350	795	(445)
Housing Services	13,737	12,626	1,111
Planning Services	2,206	752	1,454
General Fund Reserve			-
Other Financial Adjustments			317
Net Revenue Budget			7,173
Financed By:			
Government Grant and Retained Business Rates			3,654
Collection Fund Surplus			109
Ryedale District Council Precept			3,410
Total			7,173

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 2014/2015 budget.

Council Tax currently pays for 49% of the Council's revenue spending. With 51% of the Council's resources come from central government, the financial strategy is to some extent shaped by factors outside the Council's immediate control. However, there are many facets to an effective financial strategy, and the Council must ensure it proactively manages its resources with a view to ensuring robust financial planning that delivers Council priorities.

External Factors:

Revenue Support Grant and Retained Business Rates - In late December 2012 Government announced the draft 2 year financial settlement for Local Government covering 2013/2014 and 2014/2015. The two year announcement was welcomed. The Council will support lobbying for early announcements of future years. However, there will remain significant uncertainties in long term planning, as the level of grant is only one part of a complicated set of assumptions in long term financial planning.

The Government has also held a spending round in 2013 and announced indicative grant figures for 2015/16, again welcomed.

The Revenue Support Grant will see substantial reductions in future years. The fundamental change to the Local Government Finance Settlement for 2013/2014 saw the introduction of the 'Business Rate Retention Scheme'. Under this scheme RDC keeps a proportion of business rates collected, but must pay a fixed tariff from its share. The retained share is 40% and any above target performance will increase the retained share for Ryedale (after paying a levy of 50% of any growth). The down side risk is that any reductions in collected business rates will see a 40% reduction in RDC income. Careful monitoring of business rates collection and appeals has been required.

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

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

Efficiencies

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

These efficiencies have to be achieved through a greater focus on Value for Money (VFM) and through a culture of innovation. Responsibility for identifying opportunities for efficiency gains are left to individual Councils and it will be up to them to put in place the processes that they need to plan VFM projects, track delivery, measure achievement, and assure service quality. The Council's Corporate Efficiency Programme, which started with the One-11 programme for 2011/2012, Going for Gold for 2012/2013 and Round 3 for 2013/2014, has been an essential tool in delivering savings to meet the target

and to finance other services within the Authority. Having completed the review of the whole organisation, the scope for significant savings without more radical approaches to service delivery are not there. Careful evaluation of more radical approaches and proper consideration of risk will be vital to deliver sustainable savings.

Additional Cost Pressures

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

The significant issue for the 2013/2014 budget was the Localisation of Council Tax Support. This legislative change passes the discretion and risk of council tax support with local authorities. The Council successfully implemented this in 2013/14 and has approved the same scheme for 2014/15. This very much reduces the risks in the budget and an evaluation of the scheme can take place once a full years data is in place.

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

New Homes Bonus

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

RDC has not used this funding to supplement its revenue budget in 2011/2012, 2012/2013 and 2013/2014 budget. The 2014/15 will require some support for the Revenue budget with the proposal to drip feed the money into the budget over a number of years to protect existing services. The following table set out the received and predicted income from New Homes Bonus for RDC:

Year	£000
2011/2012 (received)	215
2012/2013 (received)	440
2013/2014 (received)	708
2014/2015 (due)	1,127
2015/2016 (estimated)	1,427
2016/2017 (estimated)	1,727

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

External Funding

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

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

Pensions

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

Significant Partnerships

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

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

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

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

4. THE FINANCIAL STRATEGY OBJECTIVES

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

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

This seeks to ensure that budgets recognise real cost pressures.

This will be achieved by ensuring:-

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

Objective 2 – Financial Plans Recognise Corporate Priorities and Objectives

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

This will be achieved by ensuring:-

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

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

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

This will be achieved by:-

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

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

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

This will be achieved by ensuring: -

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

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

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

This will be achieved by ensuring:-

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

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

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

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

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

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

This will be achieved by ensuring:-

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

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

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

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

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

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

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

This will be achieved by

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

5. THE REVENUE PLAN 2014-2020

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.

To strengthen financial stability and promote medium term financial planning this external funding has been announced for 2014/15 and indicative figures for 2015/16.

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

Localised Business Rates

As previously stated the Council retains a proportion of business rates out of which it must pay a fixed tariff (subject to RPI uplift). The revenue plan takes

the estimated business rates income for 2014/2015 as part of the business rates pool and assumes no growth in business rates base over the plan period.

Council Tax

In accordance with Objective 6 of this Financial Strategy, the plan makes a clear assumption that future Council Tax increases will be restricted to below Government upper limits. The Government has not yet announced the limit above which increases in Council Tax must be subject to referendum for 2014/2015. With a District wide referendum likely to cost in excess of £70k, the authority must look to manage increases below the threshold and future forecasts assume the referendum limit will be 2%.

The recommended Council Tax increase for 2014/15 is 0% and the Council will benefit by grant equivalent to 1% of 2012/2013 Council Tax in its baseline funding. Future years Council Tax rises are provisionally predicted at 1.99%.

Inflation rates and pay increases

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

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

Pay awards: an estimated increase of 1% has been included for 2014/15. Future years are based on a 1% increase.

The ongoing effect of existing policies and priorities

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

Spending Pressures Contingency

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

2015/16 - £150,000

2016/17 - £150,000

2017/18 - £340,000

Provision is included for years 2015 onwards to recognise the likelihood of additional burdens/pressures upon the Council. 2017/18 includes provision for the next pension fund revaluation which also will need to consider national pension changes as well as additional replacement vehicles previously funded via grant.

Efficiency savings

The Council no longer has efficiency targets set by Government. Following review of all services over the years 2011/12, 2012/13 and 2013/14, further

efficiencies will be sought, however significant sums are not expected without a fundamental review of the management structure involving external partners.

The Budget for 2014/2015 includes estimated efficiency savings of £169k. These have been primarily delivered through the Budget Review Process.

Risks, contingencies and balances

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

6. DEVELOPMENT OF THE FINANCIAL STRATEGY

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

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

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

The budget process

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

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

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

Consultation and Communication

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

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

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

Budget Monitoring arrangements

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

The monitoring process focuses on high risk budgets and involves:

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

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

7. THE CAPITAL PLANS 2014 - 2018

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

a) Prioritisation methodology

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

b) Engagement with partners of the community

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

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

c) Affordability of funding

Financing the Capital Programme for the Future

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

(d) Integration of Capital and Revenue Decision-Making

The Prudential Code

Under the Prudential Regime, which has operated since April 2004, the Council has the responsibility to demonstrate that its capital investment programme is affordable, prudent and sustainable. The Prudential Code requires that this is done by calculating specific indicators for capital expenditure and financing and by setting borrowing limits. The indicators and borrowing limits for the current and next two years are set out at Appendix 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 Corporate Director (s151) has overall responsibility for the preparation and monitoring of the Council's capital programme and for reporting the outcome to Members. The process involves:

- Reviewing the capital programme annually.

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

Full details of the programme together with funding streams are attached at Appendix E. 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 Corporate Director (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 Corporate Director (s151) must be satisfied that the decisions taken on the level of balances and reserves represent the proper stewardship of funds.

In assessing the adequacy of the contingencies, balances and reserves, the Corporate Director (s151) takes account of the key financial assumptions underpinning the budget, together with an assessment of the Council's financial management arrangements. This assessment will include a review of

past performance and external influences on the financial plan, and full consideration of the risks and uncertainties associated with the plan, their likelihood and potential impact.

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

Appendix D details the position on the Councils Reserves.

9. IMPACT/RISK ASSESSMENT

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

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

The key risks identified for 2014/15 and in the medium term are listed below, together with comments on how they will be managed:

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

Changes in demand/usage levels affecting income from fees and charges	Unplanned use of reserves with potential to impact on future Council Tax levels or requiring cuts to services or service levels	Very Likely	Major	Ensure regular monitoring Review trends Take appropriate action Ensure base income budgets are realistic.	Likely	Medium
Business Rate Pool does not generate savings through significant appeals success across the pool area.	NNDR deficit to be carried forward to future years, possibly leading to service reductions elsewhere being required/use of NHB.	Likely	Medium	Significant risk management work undertaken before pool formed reviewing pool membership and rates risk. All members ahead of targets, further improved by inclusion of SBRR in calculations. 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 CD(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 2014/2015

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 2014/2015 is incorporated within this Financial Strategy at Annex 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

2014/2015 Budget Pressures

		£'000
Additional Costs		
- Pension Fund revaluation	Triennial review	64
- Recycling Contract	Reduced Income	60
- Recycling Credits	NYCC Credits ended	51
- Benefits Support	Additional capacity matched by New Burdens Funding	26
- Planning Support	Additional Service Capacity	51
- Community Grants	Commissioning Board recommendation	26
- Rental Income	Budget realignment	21
Specific Grants		
- Efficiency Grant	One off in 2013/14	62
- Transition Grant (LCTS)	One off in 2013/14	11
- NHB Surplus Grant	One off in 2013/14	11
- Benefits Admin Subsidy	Cut to grant	34
Total		417

2014/2015 Efficiencies/Savings/Additional Income Proposals

Proposal	Savings £'000	Risk L/M/H
- Budget Review Efficiencies	169	L
- Additional New Burdens Funding (LCTS)	26	L
- Green Waste Charging	119	M
- TIC Rationalisation	54	L
- Parish Grant	32	L
Total of Savings	400	

APPENDIX B

Medium Term Revenue Forecast 2014/15 - 2019/20

	2014/15 Actual £'000	2015/16 Projection £'000	2016/17 Projection £'000	2017/18 Projection £'000	2018/19 Projection £'000	2019/20 Projection £'000	Note
Base Budget and Inflation							
Base Budget	7,173	7,175	6,765	6,556	6,463	6,477	
Pay Increase & General Inflation	141	165	165	165	165	165	1
	7,314	7,340	6,930	6,721	6,628	6,642	
Add Future Cost Increases							
Budget Pressures	417	150	150	340	150	150	2
Capital Programme Borrowing	20	0	0	0	0	0	3
Deduct Future Savings							
Efficiency Savings	-170	-100	-100	-100	-100	-100	4
Service Cuts	-205	-193	-150	-150	-100	-100	5
NHB Applied to Revenue	-175	-432	-274	-348	-101	-39	6
New Burdens Funding	-26						
Net Revenue Budget	7,175	6,765	6,556	6,463	6,477	6,553	
Financing							
RSG	1,745	1,225	860	604	424	298	7
Business Rates	1,739	1,774	1,809	1,845	1,882	1,920	8
Collection Fund Surplus	142	75	50	25	25	25	
Council Taxpayers	3,549	3,620	3,765	3,914	4,068	4,229	9
CT Base Growth		71	72	75	78	81	10
Budget Requirement	7,175	6,765	6,556	6,463	6,477	6,553	
NHB Note							
2011/12 Earned	215	215	215				
2012/13 Earned	225	225	225	225			
2013/14 Earned	268	268	268	268	268		
2014/15 Earned	419	419	419	419	419	419	
2015/16 Estimate		300	300	300	300	300	
2016/17 Estimate			300	300	300	300	
2017/18 Estimate				300	300	300	
2018/19 Estimate					300	300	
2019/20 Estimate						300	
NHB Earned	1,127	1,427	1,727	1,812	1,887	1,919	
Applied to Revenue cumulative	175	607	881	1,229	1,330	1,369	
Applied to Capital		300	300	300	300	300	
To be allocated	952	520	546	283	257	250	2,808

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

**Medium Term Revenue Budget Forecast
NOTES**

1. The base budget is updated each year to take account of inflation and growth factors in the previous year. The budget for 2014/15 includes a pay award provision of 1%. An increase of 1% has also been used for the following five years. A provision is included for annual increments to cover the progress up the salary grade of new starters. General Inflation of 3% is included for increases of expenditure for 2014/15 and 3% for subsequent years. It is netted off with anticipated increases in income at the inflation level.
2. Provision is included for the likelihood of additional spending pressures. In 2017/2018 there will be the triennial North Yorkshire Pension Fund revaluation and additional vehicle requirements.
3. Members have agreed that borrowing is required to finance the A64 upgrade at the Brambling Fields junction.
4. It is anticipated that new budget pressures and likely reductions in the government grant settlement will mean further efficiency and other savings will be required in future years. The lower estimates for efficiency savings reflects the fact that the entire organisation has now been reviewed. Significant efficiencies will only be possible through consideration of alternative operating models for the Council.
5. Service cuts have been made for the 2014/2015 budget. Further service cuts are likely to be required in future years.
6. The plan as presented assumes the use of New Homes Bonus funding to meet the predicted shortfall in the budget.
7. The Revenue Support Grant has been announced for 2014/2015 with a provisional figure for 2015/2016. The remaining four years are estimates based on existing announcements.
8. The Business Rates figure is the expected retained element for RDC under the Business Rate Retention Scheme. The figures in the projection assume no growth in business rates, the increases reflecting indexation of the retained element and tariff.
9. The RDC Council Tax is assumed not to increase for 2014/15, an increase of 2% is predicted for future years.
10. An adjustment has been made for a small increase in the council tax base.

Prudential Indicators**Capital Expenditure**

The actual capital expenditure that was incurred in 2012/13 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2012-13 Actual £'000	2013-14 Forecast £'000	2014-15 Estimate £'000	2015-16 Estimate £'000	2016-17 Estimate £'000
Total Capital Programme	1,968	5,068	1,375	984	782

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 2012/13 are:

	2012-13 Actual	2013-14 Forecast	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate
Estimate of ratio of financing costs to net revenue stream	1.29%	1.78%	2.79%	2.74%	2.13%

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 2013 are:

2012-13 Actual £'000	2013-14 Forecast £'000	2014-15 Estimate £'000	2015-16 Estimate £'000	2016-17 Estimate £'000
295	1,092	2,616	2,570	2,410

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 Corporate Director (s151) reports that the authority had no difficulty meeting this requirement in 2012/13, 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 Corporate Director (s151), within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Borrowing	20,000	20,000	20,000	20,000
Other Long Term Liabilities	500	1,000	1,000	1,000
Authorised Limit	20,500	21,000	21,000	21,000

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

Operational Boundary for external debt

The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Corporate Director's (s151) estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the Corporate Director (s151). Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also asked to delegate authority to the Corporate Director (s151); within the total operational boundary for any individual year; to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	300	700	900	800
Operational Boundary	5,300	5,700	5,900	5,800

The Council's actual external debt at 31 March 2013 was nil. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.

In taking its decisions on this budget report, the Council is asked to note that the Authorised Limit determined for 2014/15 (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	2014/15	2015/16	2016/17
	£1.18	£1.17	£1.88

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.

Key Reserves and Balances

	General Reserve	Capital Fund	Capital Receipts	Capital Grants & Conts	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2013	596	883	142	-	1,621
Add					
Estimated Income During Year:					
Contribution from General Fund	-	783	-	-	783
Interest on Investment of Balances	-	70	-	-	70
Capital Receipts	-	-	340	-	340
Capital Grants & Contributions	-	-	-	2,155	2,155
	596	1,736	482	2,155	4,969
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-50	-	-	-	-50
Capital Expenditure	-	-1,735	-340	-2,155	-4,230
Estimated Balance 31 March 2014	546	1	142	-	689
Add					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	58	-	-	58
Capital Receipts	-	-	690	-	690
Capital Grants & Contributions	-	-	-	650	650
	546	134	832	650	2,162
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-133	-10	-	-143
Estimated Balance 31 March 2015	546	1	822	650	2,019*
Add					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	84	-	-	84
Capital Receipts	-	-	30	-	30
Capital Grants & Contributions	-	-	-	200	200
	546	160	852	850	2,408
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-159	-395	-430	-984
Estimated Balance 31 March 2016	546	1	457	420	1,424
Add					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	100	-	-	100
Capital Receipts	-	-	30	-	30
Capital Grants & Contributions	-	-	-	200	200
	546	176	487	620	1,829
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-156	-6	-620	-782
Estimated Balance 31 March 2017	546	20	481	-	1,047

APPENDIX E

RYEDALE DISTRICT COUNCIL - PROPOSED CAPITAL PROGRAMME 2013/14 TO 2017/18

Cttee	Category / Scheme	2013/14 Rev Est £'000	2013/14	2014/15	2015/16	2016/17	2017/18	Total	External	Net RDC	Net Cumulative £'000	Comments	External Funding Assumptions		Revenue Implications					
			Forecast £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Cost £'000	Funding £'000	Cost £'000			£'000	Comments	13/14 £'000	14/15 £'000	15/16 £'000	16/17 £'000	17/18 £'000	Comments
ASSET MANAGEMENT																				
CB	Car Parks Major Repairs	51	51	0	0	0	0	51	0	51	51	In accordance with Asset Mgt Plan, Hlth & Safety risk	0		0	0	0	0	0	
CB	Vehicle Replacement Programme	17	17	27	60	50	50	204	0	204	255	Replacement for recycling, street cleansing and grass cutting services	0		0	0	0	0	0	
CB	Public Conveniences Refurbishment	30	30	0	0	0	0	30	0	30	285	Refurbishment of sites	0		0	0	0	0	0	
CB	Wall Repairs Land Castlegate Malton	42	42	0	0	0	0	42	0	42	327	Repairs to boundary walls	0		0	0	0	0	0	
CB	Derwent Pool Major Repairs	205	205	100	25	0	0	330	0	330	657	Necessary works over the life of this capital programme	0		0	0	0	0	0	
CB	Ryedale Pool Major Repairs	0	0	35	0	0	0	35	0	35	692	Necessary works over the life of this capital programme	0		0	0	0	0	0	
CB	Equipment for Plastics and Cardboard Recycling	29	29	0	0	0	0	29	0	29	721	Rollout of fortnightly plastics and cardboard kerbside collection	0		0	0	0	0	0	
CB	Trade Waste Equipment	15	15	0	0	0	0	15	0	15	736	Replacement of trade waste bulk bins	0		0	0	0	0	0	
P&R	Property Condition Survey	294	294	125	125	125	125	794	0	794	1,530	Programme of minor capital works to property portfolio	0		0	0	0	0	0	
P&R	IT Infrastructure Strategy	0	0	15	224	57	24	320	0	320	1,850	Programme of minor capital works to property portfolio	0		0	0	0	0	0	
		683	683	302	434	232	199	1,850	0	1,850			0		0	0	0	0	0	
PRIORITY AIMS - HOUSING																				
CB	Aff Hsg Init - Home Repair Loans	5	5	0	0	0	0	5	0	5	1,855	Equity loans to applicants	0		0	0	0	0	0	
CB	Aff Hsg Init - Exception Sites Land Purchase	100	100	0	0	0	0	100	0	100	1,955	Contribution to RSL land acquisitions	0		0	0	0	0	0	
CB	Aff Hsg Init - Property Improvement Loans	102	102	95	95	95	95	482	0	482	2,437	Recoverable Loans to ensure properties are to the decent home standard	0		0	0	0	0	0	
CB	Aff Hsg Init - Landlord Improvement Loans/Grants	125	125	80	80	80	80	445	0	445	2,882	Recoverable Loans or Grants to Landlords	0		0	0	0	0	0	
CB	Aff Hsg Init - New Supported Accomodation Facility	658	658	0	0	0	0	658	658	0	2,882	Derwent Court	658	HCA/Developer Contrib	0	0	0	0	0	
CB	Property Purchase - Support for Local Housing Needs	0	430	0	0	0	0	430	280	150	3,032	Buckrose Court	280	HCA/Developer Contrib	0	0	0	0	0	
CB	Private Sector Energy Efficiency Grants	46	46	50	50	50	50	246	0	246	3,278	Provide insulation improvements	0		0	0	0	0	0	
CB	Private Sector Renewal - Disabled Facilities Grants	465	465	325	325	325	325	1,765	1,005	760	4,038	Improve access to and within properties for people	1,005	DCLG	0	0	0	0	0	
CB	Mortgage Rescue Scheme	21	21	0	0	0	0	21	0	21	4,059	Scheme in partnership with Registered Social Landlord	0		0	0	0	0	0	
CB	Malton Travellers Site	889	889	0	0	0	0	889	889	0	4,059	Scheme to create 7 new pitches and upgrade the current pitches at Tara Park	889	HCA/Developer Contrib	0	-10	-10	-10	-10	
		2,411	2,841	550	550	550	550	5,041	2,832	2,209			2,832		0	-10	-10	-10	-10	
P&R	Provision for Managed Workspace Facilities	550	0	0	0	0	0	0	0	0	4,059	Provision for contribution to external scheme	0		0	0	0	0	0	
		550	0	0	0	0	0	0	0	0			0		0	0	0	0	0	
MAJOR SCHEMES																				
P&R	A64 Brambling Fields Junction Upgrade	105	455	0	0	0	0	455	573	-118	3,941	Contribute to upgrade for improvement to traffic managem't in Malton	573	Developer Contributions	0	20	48	48	48	Borrowing
P&R	Refurbishment of Stanley Harrison House	309	309	0	0	0	0	309	0	309	4,250	Accommodation for RCVA and CAB plus additional letting space	0		0	0	0	0	0	
		414	764	0	0	0	0	764	573	191			573		0	20	48	48	48	
OTHER SCHEMES																				
CB	Helmsley Sports	130	130	0	0	0	0	130	0	130	4,380	Grant for the redevelopment of existing sports facilities in Helmsley	0		0	0	0	0	0	
CB	Pickering Flood Defence	950	650	300	0	0	0	950	0	950	5,330	Major grant contribution to Environment Agency Scheme	0		0	0	0	0	0	
P&R	Assembly and Milton Rooms - Preservation Works	223	0	223	0	0	0	223	0	223	5,553	Work required under terms of lease to prevent further deterioration of building	0		0	0	0	0	0	
		1,303	780	523	0	0	0	1,303	0	1,303			0		0	0	0	0	0	
TOTAL OF PROPOSED CAPITAL PROGRAMME		5,361	5,068	1,375	984	782	749	8,958	3,405	5,553			TOTAL	3,405	TOTAL	0	10	38	38	38

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES

£58K

CAPITAL PROGRAMME 2013/14 TO 2017/18 - SUMMARY OF FUNDING

Source of Funding	2013/14 Rev Est Funding £'000	2013/14 Forecast Funding £'000	2014/15 Estimate Funding £'000	2015/16 Estimate Funding £'000	2016/17 Estimate Funding £'000	2017/18 Estimate Funding £'000	Total Estimate Funding £'000	Scheme
External Grants and Contributions								
Department Communities & Local Government (DCLG)	205	205	200	200	200	200	1,005	Private Sector Renewal - Disabled Facilities Grant
Developers Contributions	283	283	450	0	0	0	733	Malton Travellers Site, A64 Brambling Fields and Supported Accommodation Facility
Homes and Communities Agency	1487	1,667	0	0	0	0	1,667	Malton Travellers Site and Supported Accommodation Facility
Total External Grants and Contributions	1,975	2,155	650	200	200	200	3,405	
Ryedale DC Funding of Schemes	3,386	2,913	725	784	582	549	5,553	
TOTAL FUNDING OF CAPITAL PROGRAMME	5,361	5,068	1,375	984	782	749	8,958	

CAPITAL INVESTMENT PLAN - RESERVE LIST

	Estimated Year	Max Cost £'000	Net Cost RDC £'000	
Development of Applied Innovation Campus, Sand Hutton - Access Infrastructure	2017-2020	9,000	900	
Targetted A64 Improvements	2018-2021	50,000	2,500	
Livestock Market Relocation	2015/16	3,500	1,000	
Employment Land, Pickering	2016-2018	1,500	500	
Access imp's to enable expansion of high-tech engineering Kirkbymoorside	2015/16	1,000	0	
Malton & Norton Transport Improvements Package	2016-2019	1,900	650	Possible funding from Community Infrastructure Levy
Milton Rooms Redevelopment	2017	4,500	1,000	
Redevelopment of Malton Public Transport Interchange	2017-2019	1,000	200	Possible funding from Community Infrastructure Levy
High speed broadband to Ryedale Business Parks	2015/16	200	n/k	
Expansion of Derwent Training	2015/16	160	50	
Replacement of Derwent Pool	2018+	4,000	2,000	



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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 (2011). It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex A to this policy statement.

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. Statutory Chief Officers (as defined under the Localism Act) which in this authority is the post of Corporate Director (Section 151 Officer).
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:
 - Head of Economy and Infrastructure
 - Head of Planning and Housing
5. Deputy Chief Officers (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
 - Head of Corporate Services
 - Head of Health and Environment

POLICY ON REMUNERATING CHIEF OFFICERS

The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Annex B. The Chief Executive's and Corporate Director's (Section 151 Officer) remuneration packages are set by Elected Members. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skill level, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time. The Chief Executive and the Corporate Director (Section 151 Officer) are the only employees appointed by Elected Members.

POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment. The lowest pay point in this authority is spinal column point five of Grade one, this relates to an annual salary of £12,435 (2013/14 £12,145) which expressed as an hourly rate of pay is £6.4454 (2013/14 £6.2951). This pay point and salary was determined by the authority as part of a pay scale for employees employed on Local Government Services Terms and Conditions in April 2004 and has been applied since that date. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.

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

The highest paid salary in this authority is £104,460 (2013/2014 £104,460) which is paid to the Chief Executive. The average median salary in this authority is £19,317 (2013/20104 £19,126). The ratio between the two salaries, the 'pay multiple' is 5.41:1 (2013/2014 5.46:1). 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.

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.

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.

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 (S151).

AMENDMENTS TO THE POLICY

It is anticipated that this policy will not need to be amended during the period it covers (1 April 2013 to 31 March 2014), 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.

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.

ANNEX A

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

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

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

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

For the above remuneration is to include:

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

For the above pension contributions to include:

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

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.

<p>Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment</p>	<p>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.</p>
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ANNEX C

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£104,460	Paid through normal authority procedures	None	None	None	None	None	Election duty fees are paid in accordance with normal authority and national procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2014/15.
Corporate Director (Section 151 Officer)	£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 2014/15.

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Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Head of Planning and Housing	£55,104	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 2014/15
Head of Corporate Services	£55,104									
Head of Economy & Infrastructure	£55,104									
Head of Health & Environment	£55,104									
Council Solicitor/ Monitoring Officer	£55,104									

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REVENUE BUDGET

2014-15

COUNCILLOR LINDA COWLING
Chairman of the Policy & Resources Committee

P D CRESSWELL
Corporate Director (s151)

REVENUE BUDGET 2014-15

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GENERAL FUND SUMMARY

GENERAL FUND SUMMARY

2012/13 Actual £	2013/14 Original Estimate £	2013/14 Revised Estimate £	Service	2014/15 Original Estimate £
			CENTRAL SERVICES	
929,696	843,590	889,760	Central Services to the Public	925,770
1,247,411	1,279,960	1,279,960	Corporate & Democratic Core	1,253,320
286,832	57,690	57,690	Non Distributed Costs	55,770
170,769	-2,355,410	-833,880	Other Operating Income & Expenditure	-1,455,310
2,634,708	-174,170	1,393,530	Total	779,550
1,390,761	1,507,460	1,413,860	CULTURAL & RELATED SERVICES	1,405,610
2,674,295	3,484,870	3,256,040	ENVIRONMENTAL & REGULATORY SERVICES	2,882,000
-353,851	-445,180	-455,180	HIGHWAYS & TRANSPORT SERVICES	-469,020
817,923	1,111,330	1,173,200	HOUSING SERVICES	1,001,960
1,761,268	1,454,020	1,545,460	PLANNING SERVICES	821,210
8,925,104	6,938,330	8,326,910		6,421,310
-1,280,575	235,070	-1,153,510	CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES	754,340
7,644,529	7,173,400	7,173,400	TOTAL NET EXPENDITURE	7,175,650

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

2012/13 Actual	2013/14 Original Estimate	2013/14 Revised Estimate	Division / Subdivision of Service	2014/15 Original Estimate	Line Ref
£	£	£		£	
			CENTRAL SERVICES TO THE PUBLIC		
			Local Tax Collection		
376,014	340,960	340,960	Local Tax Collection	339,100	1
-40,256	-	-	Council Tax Benefits Payments	-	2
200,142	-	-	Council Tax Benefits Administration	-	3
-	115,780	120,780	Local Council Tax Support Scheme	192,420	4
80,206	-	-	Rate Relief	-	5
616,106	456,740	461,740	Sub Total	531,520	
			Elections		
88,943	70,650	70,650	Conducting Elections	71,050	6
91,628	123,060	123,060	Registration of Electors	121,120	7
180,571	193,710	193,710	Sub Total	192,170	
			Emergency Planning		
45,530	49,590	49,590	Emergency Relief Work	49,230	8
-12,251	-8,320	-17,150	Local Land Charges	-13,110	9
			General Grants Bequests & Donations		
99,740	151,870	201,870	Grants	165,960	10
929,696	843,590	889,760	Total Central Services to the Public	925,770	
			CORPORATE & DEMOCRATIC CORE		
679,312	689,970	689,970	Democratic Representation & Management	660,000	11
568,099	589,990	589,990	Corporate Management	593,320	12
1,247,411	1,279,960	1,279,960	Total Corporate & Democratic Core	1,253,320	
			NON DISTRIBUTED COSTS		
			Non Distributed Costs		
276,284	26,000	26,000	Retirement Benefits	26,000	13
10,548	31,690	31,690	Costs of Unused Shares of Assets	29,770	14
286,832	57,690	57,690	Sub Total	55,770	
286,832	57,690	57,690	Total Non Distributed Costs	55,770	
			OTHER OPERATING INCOME & EXPENDITURE		
31,726	109,290	16,030	External Interest Payable	99,490	15
			Interest & Investment Income		
-111,437	-90,000	-70,000	Interest & Investment Income	-68,000	16
-102,882	-83,530	-103,830	Investment Property	-37,850	17
-214,319	-173,530	-173,830	Sub Total	-105,850	
893,000	800,000	900,000	Pensions Interest Cost & Expected Return on Assets	900,000	18
3,251,000	-	-	Pensions Actuarial Gains & Losses	-	19
292,499	-	-	Surplus or Deficit on Revaluation of PP&E Assets	-	20
			Other Corporate Costs & Operating Expenditure		
27,314	-775,230	-723,800	General Financial Provisions	-1,171,070	21
3,050	-	-	Gains or Losses on Disposal of Non Current Assets	-	22
-13,407	-	-	Capital Receipts Unattached to Non Current Assets	-	23
16,957	-775,230	-723,800	Sub Total	-1,171,070	
-4,100,094	-2,315,940	-852,280	Adjs between Accounting & Funding under Regulations	-1,177,880	24
170,769	-2,355,410	-833,880	Total Other Operating Income & Expenditure	-1,455,310	

DETAIL OF NET EXPENDITURE (CONTINUED)

2012/13 Actual	2013/14 Original Estimate	2013/14 Revised Estimate	Division / Subdivision of Service	2014/15 Original Estimate	Line Ref
£	£	£		£	
			CULTURAL & RELATED SERVICES		
181,850	133,620	133,620	Culture & Heritage	120,550	25
812,581	994,910	901,310	Recreation & Sport	969,130	26
108,519	114,770	114,770	Open Spaces	115,940	27
			Tourism		
116,163	123,760	123,760	Tourism	127,110	28
171,648	140,400	140,400	Tourist Information Centres	72,880	29
287,811	264,160	264,160	Sub Total	199,990	
1,390,761	1,507,460	1,413,860	Total Cultural & Related Services	1,405,610	
			ENVIRONMENTAL & REGULATORY SERVICES		
			Cemetery Cremation & Mortuary Services		
-	30,000	30,000	Closed Churchyards	30,900	30
50,901	53,690	53,860	Community Safety (Crime Reduction)	59,270	31
8,016	24,450	24,450	Community Safety (CCTV)	25,190	32
			Flood Defence & Land Drainage		
64,071	957,490	657,490	Flood Defence & Land Drainage	316,340	33
81,969	84,460	84,460	Drainage Boards Levies	86,990	34
146,040	1,041,950	741,950	Sub Total	403,330	
			Regulatory Services		
171,679	187,800	187,800	Pollution Reduction	190,280	35
39,963	32,710	32,710	Pest Control	38,560	36
63,859	65,400	65,400	Dog Control	65,290	37
132,853	154,910	154,910	Food Safety	151,880	38
155,740	122,320	122,320	Public Health	112,300	39
279,457	273,650	273,650	Public Conveniences	272,450	40
-2,496	3,160	3,160	Cesspool Emptying	3,920	41
-3,044	-9,420	-9,420	Hackney Carriage & Private Hire Vehicles Licensing	110	42
-10,015	12,860	12,860	Licences	13,850	43
827,996	843,390	843,390	Sub Total	848,640	
329,380	354,840	354,840	Street Cleansing	340,160	44
594,836	540,500	540,500	Waste Collection	576,190	45
-53,927	-52,020	-52,020	Trade Waste	-65,130	46
771,053	648,070	719,070	Recycling	663,450	47
2,674,295	3,484,870	3,256,040	Total Environmental & Regulatory Services	2,882,000	
			HIGHWAYS & TRANSPORT SERVICES		
			Parking Services		
-422,109	-507,060	-517,060	Car Parks	-524,340	48
			Public Transport		
68,258	61,880	61,880	Transport Support	55,320	49
-353,851	-445,180	-455,180	Total Highways & Transport Services	-469,020	

DETAIL OF NET EXPENDITURE (CONTINUED)

2012/13 Actual	2013/14 Original Estimate	2013/14 Revised Estimate	Division / Subdivision of Service	2014/15 Original Estimate	Line Ref
£	£	£		£	
			HOUSING SERVICES		
107,384	99,810	99,810	Housing Strategy	93,710	50
25,122	23,860	123,860	Housing Enabling	25,140	51
52,223	53,960	53,960	Housing Advice	52,700	52
318,265	465,410	426,410	Private Sector Housing Renewal	274,720	53
70,471	240,640	241,510	Homelessness	287,980	54
-3,780	23,000	23,000	Housing Benefits Payments	23,000	55
298,306	197,990	197,990	Housing Benefits Administration	221,330	56
			Other Council Property		
-40,465	22,490	22,490	Travellers Site, Malton	30,620	57
			Welfare Services		
-9,603	-15,830	-15,830	Ryecare Lifeline Service	-7,240	58
817,923	1,111,330	1,173,200	Total Housing Services	1,001,960	
			PLANNING SERVICES		
			Building Control		
-26,592	69,610	69,610	Building Control	58,240	59
3,433	-2,420	-2,420	Street Naming	-3,040	60
-23,159	67,190	67,190	Sub Total	55,200	
506,290	224,270	224,270	Development Control	269,500	61
847,175	392,500	724,500	Planning Policy	-110,480	62
169,406	163,580	163,580	Environmental Initiatives	161,700	63
			Business Support		
170,135	557,320	277,080	Economic Development Support	349,240	64
			Economic Development		
-47,150	-49,220	-49,220	Markets	-47,300	65
-	-	10,000	Ryedale Business & Skills Project	10,000	66
-	-	29,680	Ryedale Apprenticeship Scheme	42,660	67
-47,150	-49,220	-9,540	Sub Total	5,360	
138,571	98,380	98,380	Community Development	90,690	68
1,761,268	1,454,020	1,545,460	Total Planning Services	821,210	
-1,280,575	235,070	-1,153,510	CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES	754,340	69
7,644,529	7,173,400	7,173,400	NET EXPENDITURE	7,175,650	

BUDGET VARIATIONS

BUDGET VARIATIONS

PAGE 53/54 LINE REF	DETAIL				NOTES
	Original 2013/14 to Probable Outturn 2013/14				
		£'000	£'000	£'000	
	Original Estimate 2013/14 Net Expenditure			7173	
	Additional Costs:				
47	Recycling Income	71			1
21	Provision for savings from 3 month Moratoria	58			2
26	Leisure contract re-tender	40			3
10	Community Grants	50			3
16	Interest on Investments	<u>20</u>			4,10
			239		
	Cost Reductions, Savings and Additional Income:				
48	Car Park Income	-10			5
9	Land Charges Income	-9			5
64	Ryedale Development Fund Expenditure	-240			6,10
17	Early Loan repayment	-20			7
15	Interest on Borrowing	<u>-90</u>			4
			-369		
	Capital Financing Adjustments:				
26,33,51,53,62	Revenue Exp Funded from Capital Under Statute (REFCUS)	74			8
53,62	Grant Income for REFCUS	-128			8
24	Capital Adjustment Account (net)	54			8
24	Revenue Contributions to Capital Outlay	<u>1509</u>			9
			1509		
	Financial Adjustments:				
	Contribution to / (from) Balances:				
69	Increased Contribution from General Reserve	-50			10
69	Increased Contribution from Operational Reserve	-40			10
69	Net Increased Contribution from Capital Fund	-1509			10
69	Reduced contribution from Ryedale Development Fund	240			6,10
69	Reduction in contribution to Capital Fund	<u>-20</u>			4,10
			-1379		
	Net Movement of Expenditure			0	
	Revised Estimate 2013/14 Net Expenditure			<u>7173</u>	

BUDGET VARIATIONS

PAGE 53/54 LINE REF	DETAIL				NOTES
	Original 2013/14 to 2014/15	£'000	£'000	£'000	
	Original Estimate 2013/14 Net Expenditure			7173	
24	Base Budget Adjustments:		20		11
	Inflation:				
	Provision for Pay Increase & General Inflation (net)		141		
	Additional Costs:				
	Budget Pressures:				
(	Pension Fund Revaluation Increase	64			12
See Financial (	Reduced Income	132			12
Strategy (	Reduced Grant	118			12
Appendix A (	Service Investment	77			12
(	Other Budget Pressures	<u>26</u>			12
			417		
	Cost Reductions and Savings:				
See Financial (	Budget Review Efficiencies	-169			13
Strategy (	Additional New Burdens Funding (LCTS)	-26			13
Appendix A(	Green Waste Charging	-119			13
(	TIC Rationalisation	-54			13
(	Parish Grant	<u>-32</u>			13
			-400		
	Other Movements in Costs and Savings		-182		6,10
21,69	Increase in New Homes Bonus		-419		14
	Capital Financing Adjustments:				
All	Capital Charges	-31			15
24	Capital Charges – Recharge	31			15
All	Revenue Exp Funded from Capital Under Statute (net)	-1329			8
24	Capital Adjustment Account - REFCUS (net)	1329			8
24	Revenue Contributions to Capital Outlay	<u>-93</u>			9
			-93		
	Financial Adjustments:				
69	Increased Contribution to General Fund	1			10
69	Reduced Contribution to Capital Investment	93			10
69	Reduced Contribution to Capital Fund	-22			10
69	NHB Contribution to Reserves	952			10
69	Contribution to Operational Reserve	-708			10,13
69	Net Contribution from Grants Reserve	13			10
69	Contribution from Ryedale Development Fund	157			6,10
69	Other Minor Movement on Funds	<u>33</u>			10
			519		
	Net Movement of Expenditure			<u>3</u>	
	Original Estimate 2014/15 Net Expenditure			<u>7176</u>	

BUDGET VARIATION NOTES

1. Recycling Income is underachieving in 2013/14. This is due to reduced volumes of recyclates and reduced prices in the recycling market.
2. The Council is experiencing a low turnover of posts and service pressures prevent the application of the moratoria. As a result the budgeted savings from the 3 month moratoria on the filling of vacant posts has not been achieved.
3. Members have approved 2 additional items of expenditure in 2013/14. On 7th March 2013 Council approved an allocation of up to £60k, to undertake the procurement of the leisure services contract, to be financed from the Operational Reserve. The forecast level of expenditure in the current financial year is £40k, with the remainder rolling into 2014/15. On 5th September 2013 Council approved the implementation of a new £50k Community Grant Scheme, to be financed from the General Reserve in 2013/14 only.
4. Investment Income is below estimate, this has no impact on the revenue budget as this income is applied to the capital programme. Slippage on capital schemes has delayed the need to drawdown any of the £2.070m of borrowing required to finance the current 4 year capital programme. As a result the £90k revenue budget provision for repayment of interest on long term and short term borrowing will not be required in 2013/14.
5. Income from Car Parking and Land Charges is forecast to be slightly above budget in 2013/14.
6. Members agreed to use £370k of New Homes Bonus to create the Ryedale Development Fund, expenditure has now been profiled over a number of years. The £240k movement between original and probable outturn in 2013/14 represents expenditure profiled over future years. Other Movements in Costs and Savings between 2013/14 and 2014/15 largely reflect this re-profiling of expenditure. Adjustments have been made to reserve contributions to mirror this re-profiling.
7. It is anticipated that North Yorkshire County Council will repay in full an outstanding loan in respect of infrastructure works at Kirkby Mills industrial estate, this is subject to proceeds being forthcoming from the sale of the industrial unit on the site.
8. There is a reduction in grant related schemes in the Capital Programme, which has reduced the Revenue Expenditure Funded from Capital Under Statute (REFCUS) charged to the service accounts. A contra entry in the heading Adjustments between Accounting & Funding under Regulations (line 24) negates the bottom line impact on the Council's Budget Requirement and Council Tax
9. The continuing forecast low level of investment interest rates has led to a reduction in the amount of capital receipts available to finance the capital programme.
10. The heading Contributions to / (from) Earmarked Reserves (line 69) shows movements on the Council's funds and reserves. Details of the movement in the Council's key reserves are shown in Appendix D of the Financial Strategy.

BUDGET VARIATION NOTES

11. The Base Budget Adjustment relates to the additional cost of borrowing for the capital programme.
12. New Budget Pressures identified within the 2014/15 budget are highlighted in detail within Appendix A of the Financial Strategy.
13. Further details relating to cost reductions and savings can be found within paragraphs 6.22 and 6.23 of the Financial Strategy report and also within Appendix A of the Financial Strategy.
14. The year on year increase in New Homes Bonus is partly offset by an increased contribution to the Reserves, leaving £175k to balance the revenue budget.
15. 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 24)

SERVICE UNITS

SERVICE UNITS HOLDING ACCOUNTS

SUMMARY OF NET EXPENDITURE

Service Units	Employees £	Running Expenses £	Support Services £	Income £	2014/15 Original Estimate £
SUPPORT SERVICE UNITS					
Corporate Management Team & Support	290,660	115,600	25,350	-	431,610
Legal & Democratic Services	293,400	68,560	31,000	-11,170	381,790
ICT Services	203,590	710	-	-	204,300
Business Support	1,606,420	274,510	163,350	-26,430	2,017,850
Finance	197,640	46,790	26,440	-1,820	269,050
Corporate Services	195,990	30,250	25,180	-1,750	249,670
Total	2,787,700	536,420	271,320	-41,170	3,554,270
DIRECT SERVICE UNITS					
Facilities	204,000	45,150	47,660	-	296,810
Economy & Infrastructure	378,370	48,910	54,090	-	481,370
Housing	644,920	81,530	63,080	-	789,530
Development Management	352,550	55,070	55,790	-1,170	462,240
Forward Planning	291,300	42,790	43,950	-	378,040
Streetscene - Admin	566,590	105,800	76,720	-	749,110
Streetscene - Operational	1,266,560	56,620	16,600	-	1,339,780
Environmental Health	473,730	58,780	67,140	-	599,650
Total	4,178,020	494,650	425,030	-1,170	5,096,530
NET EXPENDITURE	6,965,720	1,031,070	696,350	-42,340	8,650,800

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).

SERVICE UNITS HOLDING ACCOUNTS

SUMMARY OF CHARGES TO SERVICE USERS

Service Units	General Fund Services	Holding Accounts	Service Units	Other Accounts	2014/15 Total
	£	£	£	£	£
SUPPORT SERVICE UNITS					
Corporate Management Team & Support	316,970	-	114,640	-	431,610
Legal & Democratic Services	147,570	-	234,220	-	381,790
ICT Services	-	176,570	27,730	-	204,300
Business Support	1,558,160	129,730	326,650	3,310	2,017,850
Finance	120,380	10,440	138,230	-	269,050
Corporate Services	74,100	30,990	144,580	-	249,670
Total	2,217,180	347,730	986,050	3,310	3,554,270
DIRECT SERVICE UNITS					
Facilities	197,480	51,330	-	48,000	296,810
Economy & Infrastructure	463,590	-	-	17,780	481,370
Housing	789,530	-	-	-	789,530
Development Management	462,240	-	-	-	462,240
Forward Planning	378,040	-	-	-	378,040
Streetscene - Admin	534,560	214,550	-	-	749,110
Streetscene - Operational	1,237,390	102,390	-	-	1,339,780
Environmental Health	584,330	15,320	-	-	599,650
Total	4,647,160	383,590	0	65,780	5,096,530
NET EXPENDITURE	6,864,340	731,320	986,050	69,090	8,650,800

**PARISH & TOWN
COUNCILS
PRECEPT REQUIREMENTS**

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2014/15

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Acklam	66.51	1,939.99	29.17
Aislaby, Middleton & Wrelton	303.52	2,320.00	7.64
Allerston & Wilton	186.01	1,955.13	10.51
Amotherby	140.45	3,150.00	22.43
Ampleforth	348.43	16,000.00	45.92
Appleton-le-Moors	93.10	2,471.54	26.55
Appleton-le-Street	52.22	-	-
Barton-le-Street	76.84	659.34	8.58
Barton-le-Willows	86.88	750.00	8.63
Barughs Ambo	89.39	-	-
Beadlam	97.60	1,650.32	16.91
Birdsall	77.27	100.00	1.29
Bransdale	26.15	-	-
Brawby	63.34	-	-
Broughton	80.69	1,500.00	18.59
Bulmer	93.02	1,500.00	16.13
Burythorpe	107.67	1,821.13	16.91
Buttercrambe	40.05	-	-
Byland with Wass & Oldstead	117.34	900.00	7.67
Cawton, Coulton & Grimstone	100.02	618.00	6.18
Claxton & Sand Hutton	203.71	4,565.00	22.41
Cold Kirby	49.12	-	-
Coneysthorpe	41.89	-	-
Cropton	113.32	827.48	7.30
Ebberston & Yedingham	246.88	4,100.00	16.61
Edstone	60.94	-	-
Fadmoor	56.11	-	-
Farndale East	47.02	339.62	7.22
Farndale West	43.25	-	-
Flaxton	144.66	2,575.00	17.80
Foston & Thornton-le-Clay	122.93	2,500.00	20.34
Foxholes with Butterwick	91.12	2,670.00	29.30
Ganton with Potter Brompton	82.33	2,439.09	29.63
Gate Helmsley & Upper Helmsley	139.79	1,855.97	13.28
Gillamoor	66.64	494.69	7.42
Gilling East	104.03	1,236.95	11.89
Habton	126.56	510.00	4.03
Harome	121.35	4,000.00	32.96
Hartoft	32.77	-	-
Harton	39.44	-	-
Hawnby	88.16	775.34	8.79
Helmsley	675.78	53,500.00	79.17

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2014/15 (CONTINUED)

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Henderskelfe	26.21	-	-
Heslerton	139.48	2,857.29	20.49
Hovingham & Scackleton	243.74	6,017.00	24.69
Howsham	58.62	-	-
Hutton-le-Hole	89.30	4,905.80	54.94
Huttons Ambo	127.33	2,731.63	21.45
Kirbygrindalythe	112.86	1,461.20	12.95
Kirby Misperton	127.46	1,178.98	9.25
Kirkbymoorside	1,134.98	72,502.94	63.88
Langton	36.10	-	-
Lastingham	63.37	1,770.00	27.93
Leavening	131.43	1,200.00	9.13
Levisham	48.80	-	-
Lillings Ambo	75.76	216.91	2.86
Lockton	117.03	2,450.00	20.93
Luttons	157.50	1,150.00	7.30
Malton	1,790.39	93,566.00	52.26
Marishes	55.87	-	-
Marton	92.49	404.24	4.37
Nawton	256.00	5,393.33	21.07
Newton-on-Rawcliffe & Stape	123.52	2,076.21	16.81
Normanby	65.99	400.00	6.06
Norton	2,360.87	106,116.45	44.95
Nunnington	118.36	922.59	7.79
Old Byland & Scawton	69.83	-	-
Oswaldkirk	123.99	1,440.00	11.61
Pickering	2,532.22	142,000.00	56.08
Pockley	41.85	-	-
Rievaulx	40.28	250.00	6.21
Rillington	367.87	11,430.00	31.07
Rosedale East & West	165.42	4,500.00	27.20
Salton	34.28	-	-
Scagglethorpe	94.63	1,485.00	15.69
Scampston with East & West Knapton	121.96	1,657.40	13.59
Scrayingham with Leppington	77.93	1,400.00	17.96
Settrington	132.06	3,479.90	26.35
Sherburn	256.56	16,000.00	62.36
Sheriff Hutton with Cornborough	443.20	15,207.03	34.31
Sinnington	134.29	1,144.38	8.52

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2014/15 (CONTINUED)

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Slingsby	229.01	6,000.00	26.20
Southolme & Fryton	37.75	660.00	17.48
Spaunton	35.93	-	-
Sproxton	54.38	172.84	3.18
Stonegrave	50.56	-	-
Swinton	203.86	2,913.00	14.29
Terrington	239.27	3,070.33	12.83
Thixendale	78.92	680.04	8.62
Thornton-le-Dale	785.97	21,521.82	27.38
Thorpe Bassett	46.62	193.76	4.16
Warthill	113.47	720.00	6.35
Weaverthorpe	110.04	3,500.00	31.81
Welburn (Kirkbymoorside)	33.32	-	-
Welburn (Malton)	206.61	4,000.00	19.36
Westow	139.95	2,093.14	14.96
Wharram	42.45	-	-
Whitwell-on-the-Hill & Crambe	94.95	474.69	5.00
Willerby & Staxton	220.27	4,000.00	18.16
Wintringham	77.03	1,500.00	19.47
Wombledon	145.90	3,990.00	27.35
Council Tax Base	20,080.39		
Aggregate of Parish Requirements		682,528.49	

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**RYEDALE DISTRICT COUNCIL
COUNCIL TAX BASE FOR THE YEAR 2014-2015**

BAND 'D' EQUIVALENT TOTALS FOR TOWN AND PARISH AREAS

Parish / Town	Band D Equivalent
ACKLAM	66.51
AISLABY MIDDLETON & WRELTON	303.52
ALLERSTON & WILTON	186.01
AMOTHERBY	140.45
AMPLEFORTH	348.43
APPLETON-LE-MOORS	93.10
APPLETON-LE-STREET	52.22
BARTON-LE-STREET	76.84
BARTON-LE-WILLOWS	86.88
BARUGHS AMBO	89.39
BEADLAM	97.60
BIRDSALL	77.27
BRANSDALE	26.15
BRAWBY	63.34
BROUGHTON	80.69
BULMER	93.02
BURYTHORPE	107.67
BUTTERCRAMBE	40.05
BYLAND WITH WASS & OLDSTEAD	117.34
CAWTON COULTON & GRIMSTONE	100.02
CLAXTON & SAND HUTTON	203.71
COLD KIRBY	49.12
CONEYSTHORPE	41.89
CROPTON	113.32
EBBERSTON & YEDINGHAM	246.88
EDSTONE	60.94
FADMOOR	56.11
FARNDALE EAST	47.02
FARNDALE WEST	43.25
FLAXTON	144.66
FOSTON & THORNTON-LE-CLAY	122.93
FOXHOLES with BUTTERWICK	91.12
GANTON with POTTER BROMPTON	82.33
GATE HELMSLEY & UPPER HELMSLEY	139.79
GILLAMOOR	66.64
GILLING EAST	104.03
HABTON	126.56
HAROME	121.35
HARTOFT	32.77
HARTON	39.44
HAWNBY	88.16
HELMSLEY	675.78
HENDERSKELFE	26.21
HESLERTON	139.48
HOVINGHAM & SCACKLETON	243.74
HOWSHAM	58.62
HUTTON-LE-HOLE	89.30
HUTTONS AMBO	127.33
KIRBYGRINDALYTHE	112.86

Parish / Town	Band D Equivalent
KIRBY MISPERTON	127.46
KIRKBYMOORSIDE	1134.98
LANGTON	36.10
LASTINGHAM	63.37
LEAVENING	131.43
LEVISHAM	48.80
LILLINGS AMBO	75.76
LOCKTON	117.03
LUTTONS	157.50
MALTON	1790.39
MARISHES	55.87
MARTON	92.49
NAWTON	256.00
NEWTON-ON-RAWCLIFFE & STAPE	123.52
NORMANBY	65.99
NORTON	2360.87
NUNNINGTON	118.36
OLD BYLAND & SCAWTON	69.83
OSWALDKIRK	123.99
PICKERING	2532.22
POCKLEY	41.85
RIEVAULX	40.28
RILLINGTON	367.87
ROSEDALE EAST & WEST	165.42
SALTON	34.28
SCAGGLETHORPE	94.63
SCAMPSTON with E & W KNAPTON	121.96
SCRAYINGHAM with LEPPINGTON	77.93
SETTRINGTON	132.06
SHERBURN	256.56
SHERIFF HUTTON with CORNBOROUGH	443.20
SINNINGTON	134.29
SLINGSBY	229.01
SOUTHOLME & FRYTON	37.75
SPAUNTON	35.93
SPROXTON	54.38
STONEGRAVE	50.56
SWINTON	203.86
TERRINGTON	239.27
THIXENDALE	78.92
THORNTON-LE-DALE	785.97
THORPE BASSETT	46.62
WARTHILL	113.47
WEAVERTHORPE	110.04
WELBURN (KIRKBYMOORSIDE)	33.32
WELBURN (MALTON)	206.61
WESTOW	139.95
WHARRAM	42.45
WHITWELL-ON-THE-HILL & CRAMBE	94.95
WILLERBY & STAXTON	220.27
WINTRINGHAM	77.03
WOMBLETON	145.90
COUNCIL TAX BASE	20080.39
(aggregate of band "D" equivalents)	

Parish / Town	RDC Band D £	Parish Band D £	Special Expenses £	Aggregate of Band D £	Council Tax at Band							
					A £	B £	C £	D £	E £	F £	G £	H £
Acklam	176.72	29.17	0.00	205.89	137.26	160.14	183.02	205.89	251.64	297.39	343.15	411.78
Aislaby, Middleton & Wrelton	176.72	7.64	7.88	192.24	128.15	149.52	170.88	192.24	234.96	277.68	320.39	384.48
Allerston & Wilton	176.72	10.51	7.88	195.11	130.07	151.75	173.43	195.11	238.47	281.82	325.18	390.22
Amotherby	176.72	22.43	0.00	199.15	132.76	154.90	177.03	199.15	243.40	287.66	331.91	398.30
Ampleforth	176.72	45.92	0.00	222.64	148.42	173.17	197.91	222.64	272.11	321.59	371.06	445.28
Appleton le Moors	176.72	26.55	0.00	203.27	135.51	158.10	180.69	203.27	248.44	293.61	338.78	406.54
Appleton le Street	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Barton le Street	176.72	8.58	0.00	185.30	123.53	144.12	164.72	185.30	226.48	267.65	308.83	370.60
Barton le Willows	176.72	8.63	0.00	185.35	123.56	144.16	164.76	185.35	226.54	267.73	308.91	370.70
Barughs Ambo	176.72	0.00	7.88	184.60	123.06	143.58	164.09	184.60	225.62	266.64	307.66	369.20
Beadlam	176.72	16.91	0.00	193.63	129.08	150.60	172.12	193.63	236.66	279.69	322.71	387.26
Birdsall	176.72	1.29	0.00	178.01	118.67	138.45	158.24	178.01	217.57	257.12	296.68	356.02
Bransdale	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Brawby	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Broughton	176.72	18.59	0.00	195.31	130.20	151.91	173.61	195.31	238.71	282.11	325.51	390.62
Bulmer	176.72	16.13	0.00	192.85	128.56	150.00	171.43	192.85	235.70	278.56	321.41	385.70
Burythorpe	176.72	16.91	0.00	193.63	129.08	150.60	172.12	193.63	236.66	279.69	322.71	387.26
Buttercrambe	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Byland with Wass & Oldstead	176.72	7.67	0.00	184.39	122.92	143.42	163.91	184.39	225.36	266.34	307.31	368.78
Cawton, Coulton & Grimstone	176.72	6.18	0.00	182.90	121.93	142.26	162.58	182.90	223.54	264.19	304.83	365.80
Claxton & Sand Hutton	176.72	22.41	0.00	199.13	132.75	154.88	177.01	199.13	243.38	287.63	331.88	398.26
Cold Kirby	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Coneysthorpe	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Cropton	176.72	7.30	7.88	191.90	127.93	149.26	170.58	191.90	234.54	277.18	319.83	383.80
Ebberston and Yedingham	176.72	16.61	7.88	201.21	134.13	156.50	178.85	201.21	245.92	290.63	335.34	402.42
Edstone	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Fadmoor	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Farndale East	176.72	7.22	0.00	183.94	122.62	143.07	163.51	183.94	224.81	265.69	306.56	367.88
Farndale West	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Flaxton	176.72	17.80	0.00	194.52	129.68	151.29	172.91	194.52	237.75	280.97	324.20	389.04
Foston & Thornton le Clay	176.72	20.34	0.00	197.06	131.37	153.27	175.17	197.06	240.85	284.64	328.43	394.12
Foxholes and Butterwick	176.72	29.30	0.00	206.02	137.34	160.24	183.13	206.02	251.80	297.58	343.36	412.04
Ganton and Potter Brompton	176.72	29.63	0.00	206.35	137.56	160.50	183.43	206.35	252.20	298.06	343.91	412.70
Gate Helmsley & Upper Helmsley	176.72	13.28	0.00	190.00	126.66	147.78	168.89	190.00	232.22	274.44	316.66	380.00
Gillamoore	176.72	7.42	0.00	184.14	122.76	143.22	163.69	184.14	225.06	265.98	306.90	368.28

Parish / Town	RDC Band D £	Parish Band D £	Special Expenses £	Aggregate of Band D £	Council Tax at Band							
					A £	B £	C £	D £	E £	F £	G £	H £
Gilling East	176.72	11.89	0.00	188.61	125.74	146.70	167.66	188.61	230.52	272.43	314.35	377.22
Habton	176.72	4.03	0.00	180.75	120.50	140.58	160.67	180.75	220.92	261.08	301.25	361.50
Harome	176.72	32.96	0.00	209.68	139.78	163.09	186.39	209.68	256.27	302.87	349.46	419.36
Hartoft	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Harton	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Hawnby	176.72	8.79	0.00	185.51	123.67	144.29	164.90	185.51	226.73	267.96	309.18	371.02
Helmsley	176.72	79.17	0.00	255.89	170.59	199.03	227.46	255.89	312.75	369.62	426.48	511.78
Henderskelfe	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Heslerton	176.72	20.49	0.00	197.21	131.47	153.39	175.30	197.21	241.03	284.86	328.68	394.42
Hovingham & Scackleton	176.72	24.69	0.00	201.41	134.27	156.65	179.04	201.41	246.17	290.92	335.68	402.82
Howsham	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Hutton le Hole	176.72	54.94	0.00	231.66	154.44	180.18	205.93	231.66	283.14	334.62	386.10	463.32
Huttons Ambo	176.72	21.45	0.00	198.17	132.11	154.13	176.16	198.17	242.21	286.24	330.28	396.34
Kirbygrindalythe	176.72	12.95	0.00	189.67	126.44	147.52	168.60	189.67	231.82	273.97	316.11	379.34
Kirbymisperton	176.72	9.25	7.88	193.85	129.23	150.77	172.31	193.85	236.93	280.00	323.08	387.70
Kirkbymoorside	176.72	63.88	0.00	240.60	160.40	187.13	213.87	240.60	294.07	347.53	401.00	481.20
Langton	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Lastingham	176.72	27.93	0.00	204.65	136.43	159.17	181.92	204.65	250.13	295.60	341.08	409.30
Leavening	176.72	9.13	0.00	185.85	123.90	144.55	165.21	185.85	227.15	268.45	309.75	371.70
Levisham	176.72	0.00	7.88	184.60	123.06	143.58	164.09	184.60	225.62	266.64	307.66	369.20
Lillings Ambo	176.72	2.86	0.00	179.58	119.72	139.67	159.63	179.58	219.49	259.39	299.30	359.16
Lockton	176.72	20.93	7.88	205.53	137.01	159.86	182.69	205.53	251.20	296.87	342.54	411.06
Luttons	176.72	7.30	0.00	184.02	122.68	143.13	163.58	184.02	224.91	265.80	306.70	368.04
Malton	176.72	52.26	2.73	231.71	154.47	180.22	205.97	231.71	283.20	334.69	386.18	463.42
Marishes	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Marton	176.72	4.37	7.88	188.97	125.97	146.98	167.97	188.97	230.96	272.95	314.94	377.94
Nawton	176.72	21.07	0.00	197.79	131.86	153.84	175.82	197.79	241.74	285.69	329.65	395.58
Newton on Rawcliffe & Stape	176.72	16.81	7.88	201.41	134.27	156.65	179.03	201.41	246.17	290.92	335.68	402.82
Normanby	176.72	6.06	7.88	190.66	127.10	148.29	169.48	190.66	233.03	275.39	317.76	381.32
Norton	176.72	44.95	4.15	225.82	150.55	175.64	200.74	225.82	276.00	326.18	376.37	451.64
Nunnington	176.72	7.79	0.00	184.51	123.00	143.51	164.01	184.51	225.51	266.51	307.51	369.02
Old Byland & Scawton	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Oswaldkirk	176.72	11.61	0.00	188.33	125.55	146.48	167.41	188.33	230.18	272.03	313.88	376.66
Pickering	176.72	56.08	0.00	232.80	155.20	181.07	206.94	232.80	284.53	336.26	388.00	465.60
Pockley	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44

Parish / Town	RDC Band D £	Parish Band D £	Special Expenses £	Aggregate of Band D £	Council Tax at Band							
					A £	B £	C £	D £	E £	F £	G £	H £
Rievaulx	176.72	6.21	0.00	182.93	121.95	142.28	162.61	182.93	223.58	264.23	304.88	365.86
Rillington	176.72	31.07	0.00	207.79	138.52	161.62	184.71	207.79	253.96	300.14	346.31	415.58
Rosedale East & West	176.72	27.20	7.88	211.80	141.19	164.74	188.27	211.80	258.86	305.93	352.99	423.60
Salton	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Scagglethorpe	176.72	15.69	0.00	192.41	128.27	149.65	171.04	192.41	235.17	277.92	320.68	384.82
Scampston & East and West Knaptons	176.72	13.59	0.00	190.31	126.87	148.02	169.17	190.31	232.60	274.89	317.18	380.62
Scrayingham and Leppington	176.72	17.96	0.00	194.68	129.78	151.42	173.05	194.68	237.94	281.20	324.46	389.36
Settrington	176.72	26.35	0.00	203.07	135.38	157.94	180.51	203.07	248.20	293.32	338.45	406.14
Sherburn	176.72	62.36	0.00	239.08	159.38	185.95	212.52	239.08	292.21	345.34	398.46	478.16
Sheriff Hutton with Cornborough	176.72	34.31	0.00	211.03	140.68	164.14	187.59	211.03	257.92	304.82	351.71	422.06
Sinnington	176.72	8.52	7.88	193.12	128.74	150.21	171.66	193.12	236.03	278.95	321.86	386.24
Slingsby	176.72	26.20	0.00	202.92	135.28	157.83	180.38	202.92	248.01	293.10	338.20	405.84
Southolme & Fryton	176.72	17.48	0.00	194.20	129.46	151.05	172.63	194.20	237.35	280.51	323.66	388.40
Spaunton	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Sproxton	176.72	3.18	0.00	179.90	119.93	139.92	159.92	179.90	219.88	259.85	299.83	359.80
Stonegrave	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Swinton	176.72	14.29	0.00	191.01	127.34	148.56	169.79	191.01	233.46	275.90	318.35	382.02
Terrington	176.72	12.83	0.00	189.55	126.36	147.43	168.49	189.55	231.67	273.79	315.91	379.10
Thixendale	176.72	8.62	0.00	185.34	123.56	144.15	164.75	185.34	226.53	267.71	308.90	370.68
Thornton le Dale	176.72	27.38	7.88	211.98	141.31	164.88	188.43	211.98	259.08	306.19	353.29	423.96
Thorpe Bassett	176.72	4.16	0.00	180.88	120.58	140.69	160.79	180.88	221.07	261.27	301.46	361.76
Warthill	176.72	6.35	0.00	183.07	122.04	142.39	162.73	183.07	223.75	264.43	305.11	366.14
Weaverthorpe	176.72	31.81	0.00	208.53	139.02	162.19	185.37	208.53	254.87	301.21	347.55	417.06
Welburn (Kirkbymoorside)	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Welburn (Malton)	176.72	19.36	0.00	196.08	130.72	152.51	174.30	196.08	239.65	283.22	326.80	392.16
Westow	176.72	14.96	0.00	191.68	127.78	149.09	170.39	191.68	234.27	276.87	319.46	383.36
Wharram	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Whitwell on the Hill & Crambe	176.72	5.00	0.00	181.72	121.14	141.34	161.53	181.72	222.10	262.48	302.86	363.44
Willerby and Staxton	176.72	18.16	0.00	194.88	129.92	151.57	173.23	194.88	238.19	281.49	324.80	389.76
Wintringham	176.72	19.47	0.00	196.19	130.79	152.59	174.40	196.19	239.79	283.38	326.98	392.38
Wombledon	176.72	27.35	0.00	204.07	136.04	158.72	181.40	204.07	249.42	294.77	340.11	408.14

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	6 FEBRUARY 2014
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	FINANCIAL STRATEGY 2014/2015
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report sets out the budget for 2014/15, a proposed Council Tax level, the Financial Strategy, details of balances and reserves, the indicators under the Prudential Code for capital finance as required by the Local Government Act 2003 and the Pay Policy for 2014/2015.
- 1.2 Members should note that this report is prepared on the basis of the provisional Local Government Finance Settlement with incomplete information and a number of announcements outstanding. Further updates will be provided to the meeting.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended:
- (i) To approve the Council's Financial Strategy (Annex A) which includes:
 - a. Savings/additional income totalling £401k (Financial Strategy Appendix A)
 - b. Growth Pressures totalling £417k (Financial Strategy Appendix A)
 - c. The Prudential Indicators (Financial Strategy Appendix B)
 - d. The revised capital programme (Financial Strategy Appendix D)
 - e. The Pay Policy 2014/2015 (Financial Strategy Appendix E)
 - (ii) a Revenue Budget for 2014/2015 of £7,175,230 which represents no increase in the Ryedale District Council Tax of £176.72 for a Band D property (note that total Council Tax, Including the County Council, Fire and Police is covered within the separate Council Tax setting report to Full Council);
 - (iii) to approve the special expenses amounting to £35,180;
 - (iv) to note the financial projection for 2015/16 – 2019/20 (Annex B).

3.0 REASON FOR RECOMMENDATIONS

3.1 To agree a balanced revenue budget for submission to Council for the financial year 2014/2015 and prepare the Council to deliver the same in future years.

4.0 SIGNIFICANT RISKS

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

5.0 POLICY CONTEXT CONSULTATION

5.1 The Financial Strategy is a key strategy document that affects all service delivery. It links to the Corporate Plan and all other strategic plans as well as providing the means for attaining the Council's objectives and priorities.

5.2 The Policy and Resources Committee is the Committee designated to make recommendations to the Council relating to the budget and levels of Council Tax. Consequently, recommendations from this Committee will inform the Council and subsequently the Council Tax resolution.

5.3 Budget consultation with the public took place last year through focus groups drawn from the Council's Citizen's Panel. This work was to inform the 2013/14 and 2014/15 budgets.

5.4 Member consultation has been through the Resources Working Party and Member Briefing.

REPORT

6.0 BACKGROUND AND INTRODUCTION

6.1 The Financial Strategy sets out the Council's financial position in the medium term in detail, including issues around the Local Government Finance Settlement and efficiencies as well as the principles and procedures adopted by the Council to manage its finances to a high standard.

6.2 Monitoring of the 2013/2014 budget has taken place through the Group Leaders, Resources Working Party and this Committee who receive Revenue Budget Monitoring reports. There are no material issues arising from the current year's revenue budget other than a potential deficit on business rates arising mainly from the significant successful appeal by RAF Fylingdales which was backdated to 2005.

KEY ASSUMPTIONS

6.3 In preparing the draft budget for consideration a number of pieces of key information are not yet known and government announcements are awaited. Key assumptions therefore are:

- The Council will be receiving grant to reflect the extension of small business rate relief (SBRR) in 2014/15 and that this grant will form part of the rate retention scheme and part of the business rates pool.
- The announcement on referenda limits for Council tax will not be made before the budget is set by Council on the 25 February and even if an announcement is made the limit will be 1.5% or less for District Councils.
- The final settlement will not vary significantly from the draft announcement.

- The Council will choose to provide for outstanding appeals on an accruals basis in 2013/14 and not spread payments over 5 years.
- The figures in this report are based on the draft NNDR1 plus pooling agreement, the deadline for the NNDR1 is the 31 January and further guidance around the form is expected.
- Capital receipts assumed in the capital programme for the sale of properties in Kirkbymoorside and Norton will be received.

Budget and Council Tax for 2014/15

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

- General Inflation 3%
- Pay Inflation 1%
- Council Tax 0% (based on accepting the Council Tax Freeze grant)
- Fees and Charges 3.5% to 4.5% (with exceptions considered by the Commissioning Board, the Policy and Resources Committee and their recommendations are incorporated in to the budget as presented)

6.5 Council resolved on the 31 October 2013 that the budget be prepared on the assumption of a 1.99% rise in Council Tax. Part of this decision was consideration of the referenda limit for Council tax for 2013/14 which was 2%.

6.6 Unexpectedly the referenda limit for 2014/15 has not yet been announced and it may not be announced prior to the budget setting process. With a referenda costing c£70k to undertake and with 2% on Council Tax equating to c£70k it is clear that the Council should not approve a position which requires a referenda.

6.7 Leaked documents show that there is debate within Government about the limit with many senior politicians, including the Secretary of State for Communities and Local Government Eric Pickles, pushing for a limit of 1.5%.

6.8 If a Council chooses to freeze Council Tax it receives a grant equivalent to just over 1% of Council Tax, in RDC's case £38k. It is slightly over 1% as it is based on the Council Tax Base excluding the impact of Localised Council Tax Support.

6.9 Should the Council set Council Tax at 1.49% against a referenda limit of 1.5% the financial benefit, after taking into account the reduction in LCTS payments as Council Tax would be lower, would be c£10k to Ryedale in 2014/15 and each year thereafter.

6.10 Eric Pickles has also stated that Authorities 'dodging democracy' would be penalised in future years, and this has been seen with retrospective changes to previous years Council Tax freeze grants affecting those that did not accept the grants offered.

6.11 The budget as presented with this report therefore assumes no increased in the RDC part of the Council Tax (for the 5th consecutive year). Should members wish to revert to an increase, the adjustment to the figures is relatively straightforward, with the benefit being seen through a £32k reduction in the New Homes Bonus required to support the revenue budget.

Grant Settlement and specific grants

6.12 The Draft Local Government Finance Settlement was announced on the 18 December 2013, with the information arriving sporadically over the subsequent days.

As already stated at the time of writing this report some information and the final announcement had not been received.

- 6.13 The Council already had an indicative announcement of Revenue Support Grant (RSG) for 2014/15 provided last year. The draft announcement on the 18 December was better than expected mainly through the inclusion of a grant for rural and sparse authorities of £67k. In 2013/14 the Council received a similar grant of £62k but were told at the time that it would be a one off grant. The new grant is welcomed and included in the baseline funding, although is still far from compensating for lost grant for rural areas through the formula damping system.
- 6.14 There were a number of announcements and changes to business rates announced in the autumn statement. Councils have been assured that they will not lose financially from the announcements, but the details of the s31 grant to compensate have not yet been received.
- 6.15 In addition to the above there are the following specific grant movements for RDC:

Grant	£k
Loss of one-off 2013/14 efficiency grant	(62)
Loss of Localised Council Tax Support Transition Grant	(11)
Loss of Benefits Administration Subsidy	(34)
Loss of NHB Surplus Grant	(11)
Add New Burdens Funding LCTS	26

Retained Business Rates

- 6.16 Members will be aware that from 2013/14 the Council retains a percentage of business rates. The Council retains 40% of the rate income it collects; it then pays a fixed tariff to the Government (£5.035m in 14/15). If it then has income above a pre determined target the Council keeps 50% of this sum with the remainder paid as a levy to the Government.
- 6.17 Members are also aware that the Council applied to form a business rates pool with North Yorkshire County Council (NYCC), Richmondshire District Council, Scarborough Borough Council, Hambleton District Council and Craven District Council. The application was approved and the pool will commence on the 1 April 2014. The benefit of forming the pool is that the levy rate on growth above target is reduced to zero. This benefit is shared between the pool members in accordance with the agreement.
- 6.18 The total estimated business rate income for the pool is included in the budget with the benefit of being in a pool enhanced by the assumed inclusion of SBRR within the calculations. Clearly though the receipt of this income is dependent not only Ryedale's business rate income but that of the other pool members (excluding NYCC).

Council Tax Income

- 6.19 Council Tax income, including the projected surplus on the collection fund is estimated at £3.691m. Due to a lower than expected cost of the Localised Council Tax Support Scheme, improved collection rates, further reductions in discounts approved by Council and new property development, the Council Tax Base has increased by 4% for 2014/15. This is significantly above trend and provides additional income to assist the Council's financial position.

Base Budget Adjustments

6.20 These are as follows:

Issue	£k	Comments
Pay and Price Inflation	141	3% Price and 1% Pay
Cost of Borrowing	20	Brambling Fields Junction Improvements
Total	161	

Growth Items

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

Savings/Cuts/Additional Income

6.22 Over the three budget years 2011/12, 2012/13 and 2013/14 the Council undertook a fundamental review of all services resulting in significant efficiency savings. Whilst the scope for large efficiencies is limited through budget review efficiencies of £170k have been identified, as well as offsetting small growth items with savings elsewhere.

6.23 At Council in October members approved the following cuts/additional income. Work is underway and costs being incurred in implementing these proposals:

- Charging for Garden Waste Collection. Estimated savings of £119k in 2014/15 and a further £160k in 2015/16.
- Rationalisation of the TIC service. This saves £54k in 2014/15.
- Reduction in the parish grant (relating to the implementation of LCTS), saving £32k in 2014/15 and a further £32k in 2015/16.

New Homes Bonus

6.24 As reported to members the Council has earned £1.127m New Homes Bonus for 2014/15. To date the Council has not used this to support the revenue budget but the plans approved last year identified the gradual use of this revenue funding to protect services. The autumn statement confirmed that there would be no top slicing of NHB to finance LEP activities from 15/16 as proposed in the consultation. It is therefore predicted that NHB will rise to a total of around £1.7m by 2016/17 before it plateaus (this being the maximum six years on which the payments are based).

6.25 The budget as proposed uses £175k of the 2014/15 NHB and there is therefore £952k NHB unallocated in the budget and this will be put into reserves. Members can allocate this funding as they see fit at any time in the future. In producing the MTFS last year it was estimated that £495k of New Homes Bonus would be required this year.

6.26 Members need to be aware of risks around the capital programme later in this report which may need to be financed from this remaining sum.

Summary Revenue Budget Position

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

Issue	£k
Base Budget Brought forward	7,173
Add:	
Base Budget Adjustments	161
Growth items	417
Total 'Cost'	7,751
Less:	
Retained Business Rates	1,739
Council Tax Income	3,691
Revenue Support Grant	1,745
Efficiencies/Savings/Additional Income	401
Use of New Homes Bonus	175
Balance	0

6.28 Given the significant efficiencies already within the proposed budget and Financial Strategy it will be difficult to identify additional robust deliverable efficiency savings for the 2014/2015 budget. Therefore any Member proposals for additional expenditure will necessitate allocation of more of the 2014/2015 New Homes Bonus or cuts to existing services.

MTFS projections to 2019/20

6.29 Members will note the financial projections to 2019/20 (Annex B). This shows the NHB being drip fed into the budget to enable the Council to survive the austerity years with the vast majority of its services maintained. Notwithstanding the decisions already taken and being implemented the forecasts show the continued choice between use of NHB to support revenue and service cuts being required. The forecast identifies £500k of cuts being required in the four year period 2016/17 to 2019/2020. This would provide an estimated cumulative £2.8m of New Homes Bonus available over the 6 years for members to consider.

6.30 Annually when updating the capital programme a further year is added which equates to around £500k. At present there is around £300k shortfall in funding this and the MTFS therefore taken an allocation from 2015/16 New Homes Bonus to meet this shortfall. Without this action and in the absence of significant capital receipts Members would either have to remove existing schemes from the programme or considering borrowing with the associate revenue cost and affordability test under the prudential code.

Capital Programme

6.31 The Financial Strategy provides a detailed breakdown of the Council's Capital Programme (appendix D) up to 2017/2018 totalling £8.958m. External funding of £3.405m is included, leaving a balance of £5.553m to be financed by the Council's funds and reserves as follows:

Funding Source	£
Capital Fund	2,363K
Capital Receipts	1,120K
Borrowing	2,070K
	5,553K

6.32 The principle of the capital plan is that only those schemes which are fully worked up, evaluated and approved by Members and as such would not require further Member approval to proceed (other than in meeting constitutional requirements) are within the

Capital Programme. The Capital Programme, as profiled above, necessitates borrowing to be undertaken in 2014/2015.

- 6.33 Members should note that there are £58k unallocated capital resources available for investment in new schemes based on existing assumptions of capital receipts. The capital programme reserve list has also been updated to reflect expectations over future years. Schemes on the reserve list are for information and the inclusion of any of the schemes will be a Council decision based on evaluation of the detailed proposals.
- 6.34 There are two areas of concern in the capital programme which may necessitate additional funding being identified:
- Sale of Property at Dove Way at Kirkbymoorside. Members approved this sale and the capital programme currently assumes a capital receipt of £320k. There are ongoing discussions around the treatment of VAT on this sale and external advice is being sought. The outcome of these discussions may result in the purchaser not proceeding.
 - Sale of Norton Bowls Club. This is assumed within the capital programme with a value of £400k.
- 6.35 The capital programme as proposed also includes the predicted final cost of the Brambling Fields junction improvements. The final cost is estimated to be £350k over the budget provided and the unprecedented weather was the major factor in creating this cost. Assumptions about developer contributions have been increased to cover this cost. The position on the receipt of these will need consideration over time and may necessitate other funding to be identified if they are not received.

Pay Policy 2014/2015

- 6.36 The Pay Policy for RDC for 2014/2015, as required under the Localism Act is attached at appendix E to the Financial Strategy (Annex A). Members will note that there are few changes to the policy as presented to Council in February 2013.

Special Expenses

- 6.37 As in previous years, the Council undertakes the management of street lighting in the areas of the former Malton and Norton Urban District Councils and Pickering Rural District Council. The special expenses are a specific charge to the residents of the Parishes concerned and are estimated as follows:-

<u>Town/Parish</u>	£
Malton	4,880
Norton	9,800
Pickering Rural	20,500
TOTAL SPECIAL EXPENSES	35,180

National Non-Domestic Rates (NNDR)

- 6.38 For 2013/14 the NNDR multipliers are: a small business non-domestic rate multiplier of 46.2p and a non-domestic rate multiplier of 47.1p. For 2014/15 the draft multipliers are 47.1p and 48.2p respectively.

Prudential Code

- 6.39 Under the Local Government Act 2003 it is necessary for the Council to agree a series of prudential indicators mainly related to capital but taking account of

affordability of the revenue consequences. Appendix B of the Financial Strategy lists the various indicators.

- 6.40 These indicators can be amended during the year if they are found to be inadequate.

Funds & Reserves

- 6.41 As part of the budget setting process, it is necessary to give Members an indication of the levels of reserves and balances and comment thereon. Appendix C in the Financial Strategy sets out the projected major Funds and Reserve balances. The Council's revenue budget for 2014/2015 assumes no draw on the General Reserve to support the budget.

Local Government Act 2003 – Section 25 Report

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

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

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

Section 25 requires the report to be made to the Authority when the decisions on the calculations are formally being made (i.e. Council). However, those decisions are the conclusion of a process involving consideration of the draft budget by various parts of the organisation, including the member committees and officers. During this process appropriate information and advice has been given at the earlier stages on what would be required to enable a positive opinion to be given in the formal report.

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

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

In setting the Revenue budget for 2014/15 I consider that the proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.

The total savings and additional income proposals are £401k. This level is significant in relation to the Authority's overall budget and therefore inherently carries a risk. The achievement of these savings will be crucial in managing within the budget. The risk of this has been mitigated in part by thoroughly reviewing all savings proposals for their robustness and effective budget monitoring procedures are in place. There inevitably remains a risk in delivering on this level of savings and there is always potential for delay in achieving savings or failure to achieve income targets. Where

this occurs, compensating savings will need to be identified. Assumptions are within the 2014/2015 budget that the 3 month moratorium £51k will be delivered.

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

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

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

7.0 IMPLICATIONS

7.1 The following implications have been identified:

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

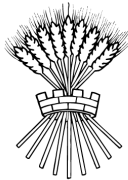
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Corporate Director (s151)

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Background Papers:
None

Background Papers are available for inspection at:
N/a

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REPORT TO:	COUNCIL
DATE:	25 FEBRUARY 2014
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2014/15
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To consider the Treasury Management and Annual Investment Strategies, the Minimum Revenue Provision Policy and set the Prudential Indicators for 2014/15.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to approve:
- (i) Members receive this report;
 - (ii) The Treasury Management and Investment Strategies be noted and approved by the Council;
 - (iii) The Minimum Revenue Provision Policy Statement be approved by the Council and;
 - (iii) That the Prudential Indicators in the report be approved by the Council.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Treasury Management in Local Authorities (The Code) was adopted by the Council.
- 3.2 The Local Government Act 2003 and supporting regulations requires the Council to have regard to specified codes of practice, namely the CIPFA publications *Prudential Code for Capital Finance in Local Authorities* and *Treasury Management in the Public Services; Code of Practice and Cross Sectoral Guidance Notes*.

4.0 SIGNIFICANT RISKS

- 4.1 There are significant risks when investing public funds especially with unknown

institutions. However, by the adoption of the CIPFA Code and a prudent investment policy, these are minimised. The employment of Treasury Advisors also helps reduce the risk.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities and this report complies with the requirements under this code and the relevant requirements of the Local Government Act 2003.
- 5.2 The Council use the services of Capita Asset Services to provide treasury management information and advice.

REPORT

6.0 REPORT DETAILS

- 6.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 6.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 6.3 CIPFA defines treasury management as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Reporting Requirements

- 6.4 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role will be undertaken by the Audit Committee.

Prudential and Treasury Indicators and Treasury Strategy (this report) – The first and most important report covers:

- The capital plans (including prudential indicators);
- A Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- The Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- An investment strategy (the parameters on how investments are to be managed).

A Mid Year Treasury Management Report. This will update members with the progress of the capital position, amending prudential indicators as necessary, and

whether the treasury strategy or whether any policies require revision.

An Annual Treasury Report. This provides details of a selection of actual prudential treasury indicators and actual treasury operations compared to the estimates within the strategy.

Treasury Management Strategy for 2014/15

6.5 The strategy for 2014/15 covers two main areas

Capital Issues

- The capital plans and prudential indicators
- The MRP strategy

Treasury Management Issues

- The current treasury position;
- Treasury indicators which will limit the treasury risk and activities of the Council;
- Prospects for interest rates;
- The borrowing strategy;
- Policy on borrowing in advance of need;
- The investment strategy; and
- Creditworthiness policy.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

THE CAPITAL PRUDENTIAL INDICATORS 2014/15 – 2016/17

6.6 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans.

6.7 **Capital Expenditure.** This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. **Members are asked to approve the capital expenditure forecasts:**

Capital Expenditure	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Capital Programme	1.968	5.068	1.375	0.984	0.782

The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already included borrowing instruments.

6.8 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing):

Capital Expenditure	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Total	1.968	5.068	1.375	0.984	0.782
Financed by:					
Capital receipts	0	-0.340	0	-0.395	-0.016
Capital grants	-0.532	-2.155	0	-0.430	-0.620
Revenue	-1.436	-1.735	-0.143	-0.159	0.146
Net financing need for the year	0	0.838	1.232	0	0

6.9 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

- 6.10 Following accounting changes the CFR includes any other long term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £0.295m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Capital Financing Requirement					
CFR – non Housing	0.295	1.092	2.616	2.570	2.410
Total CFR	0.295	1.092	2.616	2.570	2.410
Movement in CFR	-0.178	0.797	1.524	-0.046	-0.160

Movement in CFR represented by					
Net financing need for the capital programme	0	0.838	1.232	0	0
Net financing need – other long term liabilities	0	0.152	0.474	0.158	0
Less MRP and other financing movements	-0.178	-0.193	-0.182	-0.204	-0.160
Movement in CFR	-0.178	0.797	1.524	-0.046	-0.160

MRP Policy Statement

- 6.11 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP).
- 6.12 CLG Regulations have been issued which require the full Council to approve an MRP Policy Statement in advance of each year. A variety of options are provided to councils so long as there is a prudent provision. **The Council is recommended to approve the following MRP Statement.**

Certain expenditure reflected within the actual debt liability at 31 March 2013 will

under delegated powers be subject to MRP under option 3 of the guidance; this relates to the acquisition through finance lease of refuse and recycling vehicles and will be charged over a period which is commensurate with the life of the lease, using the annuity method.

For future borrowing, estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will be divided up in cases where there are two or more major components with substantially different useful economic lives.

The Use of the Council's Resources and the Investment Position

- 6.13 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an on-going impact on investments unless resources are supplemented each year from new sources (asset sales etc). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Fund balances / reserves	2.969	1.816	1.618	1.668	1.737
Capital receipts	0.142	0.142	0.822	0.457	0.481
Provisions	0	0	0	0	0
Other	0	0	0	0	0
Total core funds	3.111	1.958	2.440	2.125	2.218
Working capital*	2.595	2.500	2.500	2.500	2.500
Under/over borrowing	0	(0.838)	0	0	0
Expected Investments	5.706	3.620	4.940	4.625	4.718

*working capital balances shown are estimated year end; these may be higher mid year

Affordability Prudential Indicators

- 6.14 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. **The Council is asked to approve the following indicators:**

Actual and estimates of the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Non HRA	1.29%	1.78%	2.79%	2.74%	2.13%

The estimates of financing costs include current commitments and the proposals in this budget report.

Estimates of the incremental impact of capital investment decisions on council tax. This indicator identifies the revenue costs associated with proposed changes to the capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Incremental impact of capital investment decisions on the band D council tax

£	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Council tax – band D	£1.18	£1.17	£1.88

TREASURY MANAGEMENT STRATEGY

- 6.15 The capital expenditure plans provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current Portfolio Position

- 6.16 The Council's treasury portfolio position at 31 March 2013, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
External Debt					
Debt at 1 April	0	0	0	2.053	2.012
Expected change in debt	0	0	2.053	-0.041	-0.042
Other long term liabilities (OLTL)	0.473	0.295	0.254	0.563	0.558
Expected change in OLTL	-0.178	-0.041	0.309	-0.005	-0.118
Actual gross debt at 31 March	0.295	0.254	2.616	2.570	2.410
Capital financing Requirement	0.295	1.092	2.616	2.570	2.410
Under / (over) borrowing	0	0.838	0	0	0

- 6.17 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its total debt net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and the following two financial years (shown as net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

- 6.18 The Corporate Director (s151) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: Limits to Borrowing Activity

- 6.19 **The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational Boundary	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Debt	5.000	5.000	5.000	5.000
Other long term liabilities	0.300	0.700	0.900	0.800
Total	5.300	5.700	5.900	5.800

- 6.20 **The Authorised Limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans or those of a specified council, although this power has not been exercised.

The Council is asked to approve the following Authorised Limit:

Authorised Limit	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Debt	20.000	20.000	20.000	20.000
Other long term liabilities	0.500	1.000	1.000	1.000
Total	21.000	21.000	22.000	22.000

Prospects for Interest Rates

- 6.21 The Council has appointed Capita as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Annex G draws together a number of current city forecasts for short term (bank rate) and longer fixed interest rates. The following table gives the Capita central view

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20

Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

6.22 The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history. However, growth rebounded in quarter 1 and 2 of 2013 to surpass all expectations. Growth prospects remain strong looking forward, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have offset this to some extent.

A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do much damage to growth.

6.23 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Although Eurozone concerns have subsided in 2013, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of government debt, in some countries, continue to rise to levels that compound already existing concerns. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2014/15 and beyond;
- Borrowing interest rates are on a rising trend;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

Borrowing Strategy

6.24 The Council has resolved to borrow £2.070m as funding towards the 4 year capital programme. Although specifically earmarked as funding towards the A64 Brambling Fields upgrade, the council has delayed borrowing until internal capital funds reach the point where they are insufficient to meet capital expenditure. . It is anticipated that the council will reach this position towards the end of 2013/14, at which point internal borrowing of £0.838m is scheduled to take place This is presently the cheapest method of borrowing and involves running down cash balances and forgoing interest earned at historically low rates. However, in view of the overall forecast for increases in long term borrowing rates over the next few years, this will be a short term measure and the Council will look to borrow the full £2.070m externally from the PWLB during 2014/15 in order to avoid the potential long term costs of taking loans at rates which will be higher in future years.

The Chief Financial Officer will monitor interest rates in conjunction with Treasury Advisors and seek to borrow at the most advantageous point in time. Any decisions will be reported to the Policy and Resources Committee.

Treasury Management Limits on Activity

6.25 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

%	2014/15 £'000	2015/16 £'000	2016/17 £'000
Interest Rates Exposure	Upper	Upper	Upper
Borrowing:			
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	5%	5%	5%
Investments:			
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	50%	50%	50%
Maturity Structure of fixed interest rate borrowing 2014/15		Lower	Upper
		N/a	N/a

Policy on Borrowing in Advance of Need

6.26 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

ANNUAL INVESTMENT STRATEGY

Investment Policy

6.27 The Council's investment policy has regard to the CLGs Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code") The Council's investment priorities will be security first, liquidity second, and then return.

6.28 In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Sector ratings service banks ratings are monitored on a real time basis with knowledge of

any changes notified electronically as the agencies notify modifications.

- 6.29 Further the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Sector in producing its colour coding which show the varying degrees of creditworthiness.
- 6.30 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.
- 6.31 Investment securities identified for use in the financial year are listed in Annex B under the Specified and Non-Specified Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – schedules. The Council's current bankers, National Westminster Bank are excluded from these limits.

Creditworthiness Policy

- 6.32 This Council applies the creditworthiness service provided by Sector. This service employs a sophisticated modelling approach utilising credit ratings from all three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:
- Credit watches and credit outlooks from credit rating agencies;
 - CDS spreads to give early warning of likely changes in credit ratings;
 - Sovereign ratings to select counterparties from only the most creditworthy countries.
- 6.33 This modelling approach combines credit ratings, credit watches, and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands, which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments. The Council will therefore use the counterparties within the following durational bands:
- Yellow 5 years *
 - Dark Pink 5 years for enhanced money market funds with a credit score of 1.25
 - Light Pink 5 years for enhanced money market funds with a credit score of 1.5
 - Purple 2 years
 - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
 - Orange 1 year
 - Red 6 months
 - Green 100 days
 - No colour not to be used

* This category has been added for AAA rated Government debt or its equivalent.

- 6.34 The Sector creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency ratings.
- 6.35 Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of Short Term rating F1 , Long Term rating A-. Viability ratings of BB+, and a Support rating of 3. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these, instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 6.36 All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.
- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be with drawn immediately;
 - In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the lending list.
- 6.37 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support

Country Limits

- 6.38 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies). The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex C. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment Strategy to be followed with cash flow derived balances

- 6.39 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates i.e. rates for investments up to 12 months.
- 6.40 **Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:
- 2013/2014 0.50%
 - 2014/2015 0.50%
 - 2015/2016 0.50%
 - 2016/2017 1.25%

There are upside risks to these forecasts (i.e. start of increases in bank rate occurs sooner) if economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth fall back there could be downside risk, particularly if Bank of England inflation forecasts for the rate of fall of unemployment were to prove to be too optimistic.

- 6.41 **Investment Treasury Indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements

and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit:

Maximum principal sums invested > 364 days			
	2014/15	2015/16	2016/17
Principal sums invested > 364 days	£1.0m	£1.0m	£1.0m

- 6.42 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts, notice accounts, and short dated deposits (overnight to three months) in order to benefit from the compounding of interest.

End of Year Investment Report

- 6.43 At the end of the financial year the Council will report on its investment activity as part of the Annual Treasury Report.

Policy on the use of external service providers

- 6.44 The Council currently uses Sector as its external treasury management advisors.
- 6.45 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 6.46 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Scheme of Delegation

- 6.47 Please see Annex D.

Role of the section 151 officer

- 6.48 Please see Annex E.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
The results of the investment strategy affect the funding of the Capital Programme.
 - b) Legal
There are no legal implications regarding this report.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
There are no legal implications regarding this report.

Paul Cresswell
Corporate Director (s151)

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Background Papers:
None

Background Papers are available for inspection at:
None

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TREASURY MANAGEMENT STATEMENT AND INVESTMENT STRATEGY REPORT- RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Credit risk - associated with investing with financial institutions that do not meet the credit rating criteria.	Could mean loss of principal sum and interest accrued.	2	D	Although the economic climate is improving, counterparty risk is still a big issue. As a result the Council have adopted a stringent credit rating methodology.	1	D
Market risk - Selection of wrong type of investment for higher return.	The poor performance of the chosen investment.	2	B	The number of investment options is kept to a minimum. Investments are normally restricted to short term fixed rate deposits or instant access accounts.	2	B
Liquidity risk - Use of fixed term deposits and / or instruments / investments with low marketability may mean a lack of liquidity	Unable to take advantage of better investment options. Funds are unavailable to cover capital spend.	1	B	This Strategy specifies the type of instrument the authority is prepared to invest in and maximum terms for those investments, after taking advice from Treasury Advisors.	1	B

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

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SPECIFIED AND NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS:

All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Investment	Minimum Credit Criteria / Colour Band	£ limit per institution	Max maturity period
Debt Management Agency Deposit Facility	N/A	£2.5m	6 months
Term deposits – local authorities	N/A	£2.5m	1 year
Term deposits - UK part nationalised banks	Blue **	£3.0m	1 year
Term deposits – banks and building societies	Orange Red Green No colour	£2.5m	Up to 1 year Up to 6 months Up to 100 days Not for use
Money Market Funds	AAA	£2.5m	Liquid

**only applies to nationalised or semi nationalised UK Banks

NON-SPECIFIED INVESTMENTS

A maximum of £1.0m will be held in aggregate in non-specified investment

1. Maturities of ANY period

Investment	Minimum Credit Criteria / Colour Band	Maximum Investment	Maximum maturity period
Certificates of deposits issued by banks and building societies	Green	£1.0m	Up to 2 years
UK Government Gilts	Sovereign rating	£1.0m	Up to 2 years
Bonds issued by multilateral development banks	AAA	£1.0m	Up to 2 years
Bonds issued by a financial institution which is explicitly guaranteed by the UK government	Sovereign rating	£1.0m	Up to 2 years
Fixed term deposits with variable rate and variable maturities:			
Structured deposits	Green	£1.0m	Up to 2 years
Commercial paper issuance by UK banks covered by UK Government guarantee	Green	£1.0m	Up to 2 years
Other debt issuance by UK banks covered by UK Government guarantee	Green	£1.0m	Up to 2 years

2. Maturities in excess of 1 year

Investment	Minimum Credit Criteria	Maximum Investment	Maximum maturity period
Term deposits – local authorities	N/A	£1.0m	Up to 2 Years
Term deposits – banks and building societies	Purple	£1.0m	Up to 2 Years

APPROVED COUNTRIES FOR INVESTMENT

Based on lowest available rating

AAA Rating

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+ Rating

- France
- Hong Kong
- U.K.
- U.S.A.

AA Rating

- Abu Dhabi (UAE)

AA- Rating

- Belgium
- Saudi Arabia

TREASURY MANAGEMENT SCHEME OF DELEGATION

1. Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

2. Policy and Resources Committee

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

3. Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

THE GLOBAL ECONOMY

The Eurozone. The sovereign debt crisis has eased during 2013 which has been a year of comparative calm after the hiatus of the Cyprus bailout in the spring. The EZ finally escaped from seven quarters of recession in quarter 2 of 2013 but growth is likely to remain weak and so will dampen UK growth. The ECB's pledge to buy unlimited amounts of bonds of countries which ask for a bail out, has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2012 figures) of 176% Greece, Italy 131%, Portugal 124%, Ireland 123% and Cyprus 110%, remain a cause of concern, especially as many of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are continuing to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US. Greece remains particularly vulnerable and continues to struggle to meet EZ targets for fiscal correction. Many commentators still view a Greek exit from the Euro as inevitable and there are concerns that austerity measures in Cyprus could also end up in forcing an exit. The question remains as to how much damage an exit by one country would do and whether contagion would spread to other countries. However, the longer a Greek exit is delayed, the less are likely to be the repercussions beyond Greece on other countries and on EU banks.

Sentiment in financial markets has improved considerably during 2013 as a result of firm Eurozone commitment to support struggling countries and to keep the Eurozone intact. However, the foundations to this current "solution" to the Eurozone debt crisis are still weak and events could easily conspire to put this into reverse. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries like Greece and Spain which have unemployment rates of over 26% and unemployment among younger people of over 50%. The Italian political situation is also fraught with difficulties in getting a viable coalition which will implement an EZ imposed austerity programme and undertake overdue reforms to government and the economy.

USA. The economy has managed to return to reasonable growth in Q2 2013 of 2.5% y/y in spite of the fiscal cliff induced sharp cuts in federal expenditure that kicked in on 1 March, and increases in taxation. The Federal Reserve has continued to provide huge stimulus to the economy through its \$85bn per month asset purchases programme of quantitative easing. However, it is expected that this level of support will start to be tapered down by the end of 2013. It has also pledged not to increase the central rate until unemployment falls to 6.5%; this is probably unlikely to happen until early 2015. Consumer, investor and business confidence levels have improved markedly in 2013. The housing market has turned a corner and house sales and increases in house prices have returned to healthy levels. Many house owners have therefore been helped to escape from negative equity and banks have also largely repaired their damaged balance sheets so that they can resume healthy levels of lending. All this portends well for a reasonable growth rate looking forward.

China. Concerns that Chinese growth could be heading downwards have been allayed by recent stronger statistics. There are still concerns around an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also increasing concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of

credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan. The initial euphoria generated by “Abenomics”, the huge QE operation instituted by the Japanese government to buy Japanese debt, has tempered as the follow through of measures to reform the financial system and introduce other economic reforms, appears to have stalled. However, at long last, Japan has seen strong growth of 4% in the first two quarters of 2013 which portends well for the hopes that Japan can escape from the bog of stagnation and help support world growth. The fiscal challenges though are huge; the gross debt to GDP ratio is about 245% in 2013 while the government is currently running an annual fiscal deficit of around 50% of total government expenditure. Within two years, the central bank will end up purchasing about Y190 trillion (£1,200 billion) of government debt. In addition, the population is ageing due to a low birth rate and will fall from 128m to 100m by 2050.

THE UK ECONOMY

Economic growth. Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded in quarter 1 (+0.3%) and 2 (+0.7%) of 2013 to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The August 2013 Bank of England Inflation Report consequently upgraded growth forecasts for 2013 from 1.2% to 1.4% and for 2014 from 1.7% to 2.5%. However, Bank Governor Mark Carney put this into perspective by describing this welcome increase as not yet being “escape velocity” to ensure we return to strong AND sustainable growth. So very encouraging - yes, but, still a long way to go! However, growth is expected to be strong for the immediate future. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth.

Forward guidance. The Bank of England also issued forward guidance with this Inflation Report which said that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) has fallen to 7% or below. This would require the creation of about 750,000 jobs and was forecast to take three years. The UK unemployment rate currently stands at 2.5 million i.e. 7.7 % on the LFS / ILO measure. The Bank’s guidance is subject to three provisos, mainly around inflation; breaching any of them would sever the link between interest rates and unemployment levels. This actually makes forecasting Bank Rate much more complex given the lack of available reliable forecasts by economists over a three year plus horizon. The recession since 2007 was notable for how unemployment did NOT rise to the levels that would normally be expected in a major recession and the latest Inflation Report noted that productivity had sunk to 2005 levels. There has therefore been a significant level of retention of labour, which will mean that a significant amount of GDP growth can be accommodated without a major reduction in unemployment. The forecast in this report for Bank Rate not to start increasing until quarter 3 of 2016 is based on a slow reduction of unemployment, (in line with the Bank of England’s forecast), and contrary to the prevalent market view where rates are indicating that Bank Rate is expected to start going up in early 2015.

Credit conditions. While Bank Rate has remained unchanged at 0.5% and quantitative easing has remained unchanged at £375bn in 2013, the Funding for Lending Scheme (FLS), aimed at encouraging banks to expand lending to small and medium size enterprises, has been extended. The FLS certainly seems to be having a positive effect in terms of encouraging house purchases (though levels are still far below the pre-crisis level), FLS is also due to be bolstered by the second phase of Help to Buy aimed to support purchasing of

second hand properties, which is now due to start in October 2013. While there have been concerns that these schemes are creating a bubble in the housing market, the housing market remains weak outside of London and the south-east with a significant increase in house prices either being entirely absent or minimal. However, bank lending to small and medium enterprises continues to remain weak and inhibited by banks still repairing their balance sheets and anticipating tightening of regulatory requirements.

Inflation. Inflation has fallen from a peak of 3.1% in June 2013 to 2.7% in September. It is expected to fall back to reach the 2% target level within the two year horizon.

AAA rating. The UK has lost its AAA rating from Fitch and Moody's but that caused little market reaction.

Capita Asset Services forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely during the remainder of 2013/14 as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

Near-term, there is some residual risk of further QE - if there is a dip in strong growth or if the MPC takes action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest rates up to 10 years. This could cause shorter-dated gilt yields and PWLB rates over the next year or two to significantly undershoot the forecasts in the table below. The failure in the US, (at the time of writing), over passing a Federal budget for the new financial year starting on 1 October, and the expected tension over raising the debt ceiling in mid October, could also see bond yields temporarily dip until any binding agreement is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed could cause bond yields to rise.

The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

Downside risks currently include:

- The conflict in the UK between market expectations of how quickly unemployment will fall as opposed to the Bank of England's forecasts
- Prolonged political disagreement over the US Federal Budget and raising the debt ceiling
- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations.
- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.

- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- A sharp upturn in investor confidence that sustainable robust world economic growth is firmly expected, causing a surge in the flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth which could result in the ratio of total government debt to GDP to rise to levels that undermine investor confidence in the UK and UK debt.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.

UK Interest Rate Forecast

Bank Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	-	-	-	-	-
Syr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	2.52%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%
UBS	2.52%	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	2.52%	2.60%	2.60%	2.60%	2.60%	2.70%	2.80%	3.00%	3.20%	-	-	-	-	-
10yr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	3.55%	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.30%	4.40%	4.50%
UBS	3.55%	3.70%	3.80%	3.90%	4.05%	4.05%	4.30%	4.55%	4.55%	-	-	-	-	-
Capital Economics	3.55%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	4.05%	-	-	-	-	-
25yr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	4.26%	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.10%
UBS	4.26%	4.55%	4.55%	4.80%	4.80%	5.05%	5.05%	5.30%	5.30%	-	-	-	-	-
Capital Economics	4.26%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.45%	-	-	-	-	-
50yr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	4.22%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.20%
UBS	4.22%	4.45%	4.45%	4.70%	4.70%	4.90%	4.90%	5.05%	5.05%	-	-	-	-	-
Capital Economics	4.22%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.60%	-	-	-	-	-

- Please note – The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012



REPORT TO: FULL COUNCIL

DATE: 25 FEBRUARY 2014

**SUBJECT: PART 'B' REFERRALS FROM COMMISSIONING BOARD ON
23 JANUARY 2014**

35 Leisure Procurement

Considered – Report of the Head of Environment, Streetscene, Facilities, ICT and the Corporate Director (s151)

Recommendation to Council

That Council is recommended to approve the specification and agree to delegate minor amendments to the Head of Environment in consultation with the Chair of the Commissioning Board.

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	COMMISSIONING BOARD
DATE:	23 JANUARY 2014
REPORT OF THE:	HEAD OF ENVIRONMENT,STREETSCENE,FACILITIES, ICT PHIL LONG CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	LEISURE PROCUREMENT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to update Members regarding progress on procurement of the new leisure contract. In addition it outlines the key terms conditions and service standards of the Draft Leisure Specification.

2.0 RECOMMENDATION

- 2.1 That Council is recommended to approve the specification and agree to delegate minor amendments to the Head of Environment in consultation with the Chair of the Commissioning Board.

3.0 REASON FOR RECOMMENDATION

- 3.1 To enable the procurement process to be undertaken in line with the projected timetable.

4.0 SIGNIFICANT RISKS

- 4.1 Risks include delay caused by non approval of the specification. In mitigation, clear direction has been given from Members at Commissioning Board 6 June 2013 regarding the proposed Leisure specification 'non negotiables' and levels of contract flexibility. Feedback from members has been incorporated into the draft specification for management of Ryedale's leisure facilities.
- 4.2 A further significant risk is that the Council has no internal resource available to undertake detailed monitoring and management the contract. As discussed previously with members, performance measures include broad strategic objectives,

with monitoring relating to agreed performance measures which form part of the specification.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 Council Aim 2: To create the right conditions for economic success in Ryedale:

- Opportunity for people; increasing wage and skill levels.

Council Aim 4: Active Communities where everyone feels welcome and safe:

- To help all residents to achieve a healthy weight by encouraging an active lifestyle, in communities where everyone feels welcome and safe.

Council Aim 5: Transform Ryedale District Council:

- Building our capacity to deliver through collaboration and working in Partnership.

5.2 Consultation with key stakeholders, sports clubs and the general public has taken place as part of the leisure strategy.

5.3 Consultation with Members has taken place regarding the critical performance criteria to be incorporated into the specification for leisure management at Commissioning Board 6 June 2013.

6.0 REPORT DETAILS

Procurement Process

6.1 Significant progress has been made regarding procurement for the management of Ryedale's leisure facilities. The procurement process is being conducted in accordance with the Competitive Dialogue Procedure under the Public Contracts Regulations 2006.

6.2 A Notice has been published in the Official Journal of the European Union (OJEU), and on the Supplier & YORtender Contract Management System seeking expressions of interest from potential partners (Annex A).

6.3 The service specification forms the most important part of the 'Invitation to Tender'. At all stages of the process, evaluation will be on the basis of predetermined award criteria which will be provided in the tender documentation.

6.4 A Project Information Memorandum (Annex B) has been released with the initial PQQ documentation, it is anticipated that a minimum of four and maximum of six Bidders will be long listed to the Invitation to Submit Outline Proposals (ISOP) stage. Initial interest seems healthy.

6.5 Following the evaluation of initial tender responses, the organisations will be short listed down to a maximum of three; these will be invited to engage in further dialogue prior to submission of Final Tenders.

6.6 The dialogue phase will consist of two distinct stages – the ISOP and then further dialogue. However, RDC will reserve the right to include an Invitation to Continue Dialogue (ITCD) stage or other further stages where necessary during the dialogue phase.

Procurement Timetable

- 6.7 A detailed project timetable has been prepared assuming use of the 'Streamlined Competitive Dialogue' process (Annex C). To fit with the procurement timetable the specification will need to be considered on 25 February at the Budget Council. The summarised procurement timetable is as follows:

Activity	To be completed by
Advert to be placed on the Supplier & YORtender Contract Management System	Monday 23 rd December 2013
Advert to be placed in OJEU	Monday 23 rd December 2013
Return of PQQ	12noon 30 th January 2014
Initial longlist (number of bidders to be confirmed, possibly 6)	By 14 th February 2014
Longlisted Bidders day/meeting	w/c 17 th February 2014 (tbc)
Dispatch of Invitation to Submit Outline Proposals (ISOP)	26 th February 2014
ISOP Dialogue (assuming 1 meeting per bidder)	w/c 10 th / 17 th March 2014
Return of Outline Proposals	5pm 3 rd April 2014
Evaluation and Clarification of Outline Proposals (assuming 1 clarification meeting per bidder)	4 th April – 25 th April 2014
Short list to maximum of three bidders for further dialogue	By 25 th April 2014
Further dialogue with shortlisted bidders (assuming 3 meetings per bidder)	w/c 28 th April 2014 w/c 12 th May 2014 w/c 26 th May 2014
Dispatch of Invitation to Submit Final Tenders	4 th June 2014
Return of Final Tenders	5pm 20 th June 2014
Evaluation of Final Tenders and bidder clarifications	By early July 2014
Selection of successful bidder	7 th July 2014
Council sign off	End July 2014
Issue Alcatel Letters (10 day standstill period begins)	End July 2014

Issue letter of final award of contract	August 2014
OJEU Award notice	August 2014
Finalise contract documents with successful bidder	By mid-August 2014
Service commencement	1 st October 2014

Service Specification

- 6.8 A detailed Service Specification has been prepared for member's consideration (Annex D), this uses the Sport England Template which is familiar to contractors and officers have been assisted by FMG, the chosen Leisure consultants and Walker Morris, the chosen legal advisors for the project. The Specification sets out the performance standards that the contractor shall meet regarding delivery of the service and ongoing operation of the facilities.
- 6.9 It is anticipated that the contract will be for 10 years with the option of a further 5 years if it can be demonstrated that this represents value for money for the Council. However bids which propose different lengths would be considered if they would lead to a more economically advantageous offer. The specification deals with many issues some of which would not apply at the outset but may occur during the life of the contract.
- 6.10 The Specification document requires a number of service improvements by comparison with current arrangements, key amongst these are improved communication, performance monitoring and on line booking. Officers are suggesting that quarterly performance reports may be best served to be considered by the Overview and Scrutiny Committee; however this issue can be considered later. Key points of the draft specification in Annex D include:
- The Contractor must ensure that its programming, pricing, policies, development plans, marketing and training are focussed to support the Authority in achieving the desired outcomes
 - During the first Contract Year both parties shall meet and agree an "Outcomes Scorecard". The balanced scorecard will set out a series of key performance target indicators linked to the plans/targets set out in an Outcomes Documents. This will identify primary performance measures.
 - A recognised quality management certification shall be maintained by the Contractor for each of the Facilities throughout the Contract Period.
 - The Contractor will be required to participate in Sport England National Benchmarking Service for the Facilities and meeting agreed performance targets throughout the Contract Period.
 - The Contractor shall ensure that any new/replacement Equipment acquired during the Contract Period shall conform to that needed to attain the Inclusive Fitness Mark (Level 2 – 'Registered') the quality mark accreditation scheme for fitness facilities based upon the principles of the Inclusive Fitness Initiative.
 - The Contractor will be required to develop technological solutions for everyday tasks. This includes providing a system that ensures bookings can be made in person, by phone, in writing and online for both members and non-members.
 - The specification (subject to on-going dialogue) encompasses changes to maintenance responsibilities at Northern Ryedale Leisure Centre. Day to day maintenance will transfer to the Contractor. Maintenance responsibilities at all

facilities are transparently detailed within the specification, the contractor will also be responsible for utility costs.

- The Contractor will be required to operate and deliver an 'Exercise on Referral Scheme' and cardiac rehabilitation scheme and any other future schemes which promote the use of the Facilities and deliver a healthy lifestyle.
- The Contractor shall ensure that the Programmes of Use across the Facilities complement each other and provide an appropriate balance of activities throughout the district. The programmes should evolve with changing needs and aspirations of Users and the Contractor must therefore work to identify new opportunities and discuss these with the Authority.
- The Contractor shall avoid club or session bookings on the same day and time across all Facilities to ensure that the public can gain casual access to at least one Facility e.g. swimming pool at any given day or time.
- Appendices 1 and 2 to the specification provides details of the minimum service provision for the new contractor. This is in line with the previous discussion with Commissioning Board members on the 6 June 2013.
- Members will see that pricing, as now, is the contractors responsibility. Tenderers will be required to submit a charging schedule as part of their submission and future increases in charges will then be within indexed increases or with the approval of the Council. The only charge which is being proposed to be protected at the current value is the charge to the 2 swimming clubs.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

There is a risk that the greater the levels of constraints put on the contract the higher the eventual price tendered for the service. The specification as written provides flexibility for the contractor, whilst ensuring that the Council's service needs are met.

For the purposes of the OJEU advert the revenue value of the contract ranges between £7,500,000 and £15,000,000 GBP British Pound. This takes into account the potential length of the contract and the potential quantum of the business value.

b) Legal

The procurement would ensure due legal process is followed and appropriate agreements in place with the new contractor.

c) Other

The Council is striving to develop a fit for service contract. The contract will aim to provide a service for all local residents regardless of age, disability, gender, gender identity, race, religion or belief and sexual orientation.

Phil Long
Head of Environment

Paul Cresswell
Corporate Director (s151)

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Background Papers:
None.

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Ryedale District Council – OJEU advert

II.1.1) Title attributed to the contract by the contracting authority:

Leisure Facilities Management Contract

II.1.5) Short description of the contract or purchase(s):

Ryedale District Council is seeking a partner to enter into a contract to manage, operate and maintain a number of existing leisure facilities. The facilities comprise of the following: Derwent Pool and Fitness Centre, Church Street, Norton, Malton, North Yorkshire; Ryedale Pool, Mill Lane, Pickering, North Yorkshire; Northern Ryedale Leisure Centre, Swainsea Lane, Pickering, North Yorkshire.

The Council envisages awarding a contract for 10 years with a possible extension for a further 5 years. However, it is prepared to consider bids which propose different lengths if that would lead to a more economically advantageous offer.

Investment proposals are welcomed in the context of maximising service delivery and operation of the leisure facilities.

The Council's aspirations for the contract are to support:

- an increase year on year of participation in sport and active recreation in Ryedale (based on a baseline of the 2009/11 Active People Survey results)
- an increased capacity within the local community to enable the above through support of existing and creation of new sports clubs, coaches and officials and improved facilities
- the engagement of young people, adult males and hard to reach groups such as people with a disability, and older people to encourage and facilitate opportunities for them to remain healthy by being active
- the promotion, maintenance and development of quality indoor and outdoor leisure facilities and support the utilisation of village halls etc as small community sports facilities in the villages and small towns.

The key services are expected to be as set out below though this is not an exhaustive list: management and maintenance of leisure facilities including cleaning, catering, security, facilities management, hospitality services, event promotion and management and overall management of arrangements with all users and partners.

II.2) Quantity or scope of the contract

II.2.1) Total quantity or scope:

Revenue value range between £7,500,000 and £15,000,000 GBP British Pound.

II.2.2) Information about options

Options: yes

Description of these options:

1. The Council envisages awarding a contract for 10 years with a possible option to extend for a further 5 years. However, it is prepared to consider bids which propose different lengths if that would lead to a more economically advantageous offer.

2. The Council reserve the option to substitute a replacement of an existing facility or include one or more additional facilities over the contract period.

IV.1.1) Type of procedure:

Competitive Dialogue

NOTES for other aspects of the OJEU advert

The intention is to allow variant bids to be submitted.

There is no intention to split into lots.

The minimum standards in relation to financial standing, technical ability etc and the evaluation methodology will be set out in the PQQ

The award criteria, weightings and evaluation methodology which will be used to deselect bidders during the dialogue and then to select the most economically advantageous tender will be set out in the tender documentation.

The intention is to invite a minimum of 4 and maximum of 6 bidders to the ISOP stage (assuming there are at least 4 bidders passing the PQQ assessment).

**RYEDALE
DISTRICT
COUNCIL**



**Service Contract: For the Provision of
Leisure Services to Ryedale District
Council**

Contract Reference: YORE-*ref tbc*****

PROJECT INFORMATION MEMORANDUM

DECEMBER 2013

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1.0 Introduction

- 1.1 Ryedale District Council (RDC) is seeking a partner to operate, maintain and potentially invest in the Sport and Leisure Facilities within the District.
- 1.2 In pursuit of improved services and increases in participation, the Council recognises that partnerships can deliver significant benefits. It is keen to engage with the wider market to achieve the potential benefits of a strategic partnership, in order to deliver its aspirations and secure the long term delivery of sports facilities in the District. In particular, the Council wishes to explore the potential for additional capacity, innovation and service delivery that a collaborative relationship with an external partner could bring. The Council is open to exploring innovative ways of structuring any partnerships to secure maximum value and is keen to explore both the financial and non financial benefits that can be gained through this approach.
- 1.3 This Project Information Memorandum contains information about the Council and the processes, objectives and outcomes that are relevant to this procurement. Attention is drawn to the disclaimer in paragraph 11.



2.0 Procurement Process

- 2.1 The whole procurement process is being conducted in accordance with the Competitive Dialogue Procedure under the Public Contracts Regulations 2006.
- 2.2 A Notice has been published in the Official Journal of the European Union (OJEU), seeking expressions of interest from potential partners.
- 2.3 Appropriate Invitation to Tender documents will be issued at each stage, and all stages of the dialogue will be evaluated on the basis of predetermined award criteria which will be provided in the tender documentation.
- 2.4 The Council reserves the right to cancel or withdraw from the procurement process at any time and for any reason without incurring any liability or cost (howsoever arising) to bidders.
- 2.5 Bidders should carry out their own due diligence checks and make their own independent assessment of the proposed terms after making such investigation and taking such professional advice as it deems necessary to determine their interest in the project.
- 2.6 At all stages of the procurement the Council shall not be responsible for, or pay any costs or expenses which are incurred by the bidder in the preparation and submission of their tender, including (but not limited to) consultants costs, the attendance at any meetings, the preparation and delivery of any presentations, site visits, fees or charges or other negotiations.
- 2.7 The Council will specify clearly the matters which it is prepared and wishes to dialogue on and those matters which are fixed. From the initial PQQ evaluation, it is anticipated that a minimum of four and maximum of six Bidders will be long listed to the Invitation to Submit Outline Proposals (ISOP) stage. Following the evaluation of initial tender responses, the organisations will be short listed down to a maximum of three and these three organisations will be invited to engage in further dialogue prior to submission of Final Tenders. The Authority envisages that the dialogue phase will consist of two distinct stages – the ISOP and then further dialogue. However, the Authority reserves the right to include an Invitation to Continue Dialogue (ITCD) stage or other further stages where necessary during the dialogue phase.

Phase One – Pre-qualification

- 2.8 The assessment of PQQ responses will be based on the Applicants' technical and financial capability to deliver the services as initially outlined in the Memorandum of Information. Following assessment of

responses to the PQQ, the Authority intends to invite successful Applicants to participate in the dialogue phase.

Phase Two – Dialogue Phase

- 2.9 This phase of the procedure is designed to confer a significant degree of freedom on the Authority in the way it carries out the dialogue. The aim is to enable the Authority to discuss all aspects of the Project with Bidders so that a solution is reached which is capable of satisfying its needs and requirements and represents best value for money.
- 2.10 The Authority envisages that the dialogue phase will consist of two distinct stages – the ISOP and then further dialogue. However, the Authority reserves the right to include an ITCD stage or other further stages where necessary during the dialogue phase. All stages of the dialogue will be evaluated on the basis of pre-determined award criteria which will be provided in the tender documentation. The broad detail of how the dialogue phase will be conducted is set out below.

Invitation to Submit Outline Proposals (ISOP)

- 2.11 The first stage will commence with the issue of the ISOP documentation to the Applicants who have successfully pre-qualified.
- 2.12 The ISOP sub-stage will include a series of questions designed to assess the strength and suitability of the bidders' high level proposals and preferred approach. In order to reduce bidders' time and resource requirements at this stage of the process, a limit to the length of bidder responses will be identified. An evaluation matrix will be used to assess responses to the ISOP questions and this will be provided together with the rest of the ISOP documentation.
- 2.13 Clarification meetings may be held with each long-listed Bidder during this stage and, following the submission of ISOP responses, a presentation will be required from each Bidder to the Authority outlining their submission. Following the presentations, the scores previously given for the written responses will be reviewed and, where necessary, adjusted according to the ISOP evaluation criteria.
- 2.14 At the end of the ISOP sub-stage, bidders will then be assessed and those short-listed will be notified that they are being taken forward to the next, more detailed stage of the dialogue. It is intended that a maximum three bidders will be selected to participate in further dialogue.

Further dialogue

- 2.15 To ensure that bidders have interpreted the Authority's requirements correctly and to allow the Authority to engage with bidders to help develop their solutions to best meet the Authority's needs, during the further dialogue process bidders will be invited to dialogue meetings

with key Authority Officers and their advisors to discuss specific elements of the Authority's requirements and bidders submissions around the following key dialogue topics and bid criteria:

- Service issues – delivery
- Commercial issues – business plans, legal aspects and risk transfer.

2.16 Bidders will be able to refine their proposals throughout the dialogue process with a view to building up their tender submission in response to the Authority's requirements.

Invitation to Submit Final Tenders (ITSFT)

2.17 Once the Authority is confident that it will receive tenders capable of meeting its needs, it will formally close the dialogue phase and invite the remaining Bidders to submit their fully developed proposals in their Final Tender.

2.18 Once the Final Tenders are received, there may need to be a period for clarifying and fine-tuning the detail of the Final Tenders with the Bidders. Once clarification and fine-tuning has taken place, the Final Tenders will be evaluated.

2.19 The key output of the Final Tender evaluation process will be a report which provides the rationale for the scoring of each bid and recommendations for the preferred Partner. The preferred Partner will be the one submitting the most economically advantageous tender, according to the evaluation process.

Phase Three – Preferred Partner/ Award of Agreement

2.20 The final phase of the procurement process involves the formal award of Agreement and undertaking the necessary preparations for the commencement of the Agreement.

2.21 Once the preferred Partner is selected, the Authority will undertake clarification and confirmation of commitments with the preferred Partner. Once all issues are agreed, the Agreement will be awarded to the preferred Partner, subject to the Authority's formal decision making and scrutiny processes. The unsuccessful Bidders will be notified and the Authority will implement a ten-day standstill period prior to Agreement signature.

Conduct of the Process

2.22 The Council will conduct the dialogue process in such a way as to ensure :

- value for money and affordable proposals are received;
- probity and accountability in the competition process is achieved;
- compliance with the requirements of the EU Treaty and the Public Contracts Regulations 2006 (the “Regulations”) which require the competition to be carried out:
 - with transparency
 - with fairness between Bidders
 - without discrimination between Bidders
 - in accordance with the procedural requirements of the Regulations.

2.23 To comply with the above requirements, whilst there remains more than one bidder in the competition, the procurement process will be conducted in accordance with the following principles:

- all bidders should note that they may take into account only written information and instructions from those previously identified as being authorised by the Council to issue such information and instructions;
- clear records will be kept of all information requested in writing and all information and instructions issued;
- the confidentiality of commercially sensitive information divulged by bidders will be respected and protected and used only for the purpose for which it was provided.

2.24 Any information requested by an individual Bidder that is or could be material to the Council’s project objectives as opposed to individual submissions will be provided to all other bidders. To avoid the risk of prejudicing a bidder’s position by divulging commercially sensitive information to competitors, bidders should notify the Council whenever they consider that an answer to their query should not be provided to other bidders. If this occurs and if the Council considers the answer to the query should be shared then the bidder will be given the option of either withdrawing its query or sharing the response with other bidders.

3.0 Background

- 3.1 Ryedale District lies to the East of York and encompasses the southern valleys of the North Yorkshire Moors, the northern flanks of the Yorkshire Wolds and the agricultural plain with low hills between the two.
- 3.2 It is bisected by the A64 from York to Scarborough and the parallel railway line, with the A170 running east-west across the district at the foot of the North Yorkshire Moors. The A169 provides a north-south route through the principal towns of Malton/Norton and Pickering and continues on over the Moors to Whitby – the preserved North Yorks Moors Railway tracks this route.
- 3.3 The total population of the District was 52,100 in 2012. Much of the resident population is distributed through many small towns and villages, with the principal towns being Malton/Norton (12,520), Pickering (7,120), Kirbymoorside (3,020) and Helmsley (1,540).
- 3.4 While there is a low level of deprivation by national standards (IMD score of 13.91 and 233rd out of 353 districts), this is generally a low wage economy due to the large numbers employed in agriculture and associated trades. It is also an aging population (27% retired in Ryedale as against 20% in England).
- 3.5 A recreation survey carried out in 2011 determined the following key information:
- there is below average participation in swimming, gym use, football and athletics, with only cycling being above average
 - swimming was the most popular sporting activity after walking
 - there is low participation in team sports (potentially providing an opportunity for marketing leagues on the two STPs in the district)
 - females stop participating after leaving school (accessibility should be increased by programming classes in school time, potentially with provision of childcare)
 - there are few 'everyday' users of the existing pools with only 25% having swum within the last month (potential to encourage a regular clientele)
 - 50% of users considered pool provision 'good' or 'very good'
 - 35% of users travel less than 10 minutes to a pool, with 73% travelling less than 20 minutes – as only 6% travelled more than 30 minutes, it can be inferred that the present distribution is appropriate

- 3.6 Almost all of Ryedale is within 20 minutes of an indoor swimming pool if those at Ampleforth Abbey (run by the college but open to the public) and Huntington (York City Council) are included. However, there is a significant overlap in catchment areas between Derwent Pool (Norton) and Ryedale Pool (Pickering) so these should be operated to a complementary programme so as to give the maximum number of options for residents to participate in physical activity.
- 3.7 With regard to waterspace, pool provision in the District is below average for comparator authorities and lower than various recommended standards (even if the pool at Ampleforth is included). Notwithstanding this, the present operator feels that there is capacity in the present pools to increase attendances.
- 3.8 There are sports halls in the two principal settlements and another in the rural northwest at Ampleforth – only one sports hall is included in this contract (dual use at Pickering). In addition, there are many village halls used for sporting activity. It is considered that there is adequate capacity to meet demand from residents.
- 3.9 The issue regarding participation is reflected in Active People Survey data, with an overall 2011/12 participation rate of 29.1% in Ryedale as against 36.3% in Yorkshire & Humberside (Y&H) and 36.0% in England. The activities with the highest participation rates in Ryedale are swimming (9.4% as against 11.3% in Y&H and 11.6% in England), cycling (8.7% as against 8.0% in Y&H and 8.3% in England) and Gym (5.1%, 10.5% and 10.6% respectively).
- 3.10 Ryedale Health Profiles show that health in the district is generally better than the England average, with deprivation being lower. However, key issues identified in 2011 were physical activity, childhood obesity and alcohol misuse – in 2013, priorities were given as healthy aging, CV inequalities and alcohol misuse.

Facilities included within the Contract

- 3.11 The leisure management contract encompasses three sites, one in Norton and two in Pickering. The present operator also rents an administration office in Norton.
- 3.12 **Derwent Pool** in Norton-on-Derwent lies at the centre of the largest built-up area in the District but away from the principal retail centre of Malton, which lies to north of the railway and the River Derwent. However, it is located on the principal route between Malton and Norton and there is easy access to a currently free car park nearby.
- 3.13 The premises were purchased in February 1901, being 447 yards² of land to the rear of St Nicholas's Church. Originally an open air lido, it was covered over and then extended to the west in the 1950s. Access is gained by way of the Churchyard at the front of the premises over

which the Council has a right of pedestrian access – the authority is responsible for its maintenance as a result of it being a “Closed Churchyard”.

- 3.14 The building comprises the following elements:
- entrance area with reception desk at upper level – there is access to a balcony overlooking the end of the pool
 - ‘Horizon’ gym – 26 stations with small office
 - separate male and female changing rooms at lower ground level, reached by staircase and lift
 - four lane 25m pool
 - ancillary office and staff accommodation (at upper level)
 - plant rooms – no direct vehicular access for deliveries.
- 3.15 RDC has spent significant sums on the modernisation of the pool and work recently completed includes renewal of the heating & water treatment plant, new pool channels & gutters, new lighting and redecoration of the upper level public spaces. Further work to be carried out in Spring 2014 includes refurbishment of the changing rooms, replacement of the flat roof over the pool hall and new air handling units. This will ensure that the building will be in a sound condition for the commencement of the contract.
- 3.16 The pool is open to the public for 47.5 hours per week during school term (including public lessons but excluding school & swimming club use) and 53 hours per week during holidays. The facility attracted 41,500 users to the swimming pool in 2012/13 (39,000 in 2011/12) and some 10,500 to the Horizon gym in 2012/13 (9,500 in 2011/12) – of gym users, 9,000 visits were by pre-pay members.
- 3.17 The initial view of RDC is that the Derwent Pool and Gym should be operated on the following basis:
- open 7 days a week subject to the minimum provisions below
 - to provide a minimum of 5.5 hours per week term time and 6.5 hours per week holiday time available for Club Use (after 16.30)
 - to provide a minimum of 10 hours per week for school use during term times
 - to provide a minimum of 15 hours per week of swimming lessons during term time

- to provide a minimum of 25 hours per week of public swimming (including no more than 20% of that delivered through adult only sessions) during time term time and 50 hours per week public swimming (including adult only) during holidays
 - to allow private parties/hire
 - to allow the contractor to set all charges including discounted charges
 - to allow the above to be changed subject to agreement of the Council.
- 3.18 **Ryedale Pool** in Pickering is located off the principal route into the town from the south and some 500 metres from the central Market Place – there is easy access to all parts of the town and a currently free on-site car park accommodates those coming from further afield.
- 3.19 Built on land originally purchased by Pickering Urban District Council in 1965, the site is restricted to use for the purposes of a swimming pool, car park and sports ground – there are certain areas of the site beyond which specific development cannot take place. The site comprises the car park, the swimming pool building and a rear open grassed area surrounded by houses on two sides but with an open aspect to fields to the south.
- 3.20 The building is all on one level and comprises the following elements:
- an entrance foyer with reception desk, vending machines and informal seating
 - ‘village’ changing with separate male/female WC and shower areas
 - five lane 25 metre pool with raised poolside viewing area
 - waterslide with steps from the pool surround and ‘aquacatch’
 - administration and support spaces
 - plant room – walkways below the pool surround make the facility easy to maintain.
- 3.21 RDC has spent almost £1 million on refurbishment of the pool which encompassed new boilers, installation of gas-fired CHP, air source heat pumps and high efficiency domestic hot water storage, combined with appropriate amendments to the air handling equipment and the installation of a solar thermal array. Further work to be carried out includes replacement of the south-facing glazing to the pool hall (which may include measures to minimise solar gain).

- 3.22 The pool is open to the public for 56.5 hours per week during school term (including public lessons but excluding school & swimming club use) and 66.5 hours per week during holidays. The facility attracted 44,000 users to the swimming pool in 2012/13 (43,000 in 2011/12).
- 3.23 The initial view of RDC is that the Ryedale Pool should be operated on the following basis:
- open 7 days a week subject to the minimum provisions below
 - to provide a minimum of 7 hours per week term time and 8 hours per week holiday time available for Club Use
 - to provide a minimum of 10 hours per week for school use during term times
 - to provide a minimum of 15 hours per week of swimming lessons during term time
 - to provide a minimum of 25 hours per week of public swimming (including no more than 20% of that delivered through adult only sessions) during time term time and 50 hours per week public swimming (including adult only) during holidays
 - to allow private parties/hire
 - to allow the contractor to set all charges including discounted charges
 - to allow the above to be changed subject to agreement of the Council.
- 3.24 The **North Ryedale Leisure Centre** is also situated in Pickering and is a dual use facility on the campus of Lady Lumley School. It is on the northern edge of the built-up area and is approached along a number of residential streets which narrow down on reaching the campus – the leisure centre and associated outdoor facilities lie beyond the main school buildings.
- 3.25 The centre is the subject of a number of dual use agreements which reflect the phased nature of its development over a number of years – RDC has made financial contributions to some of this work and has committed to enhancements in the future (including replacing the STP carpet by 2020). Negotiations are currently taking place between RDC, North Yorkshire County Council and the school to develop a single dual use agreement and it is intended that this would be in place in advance of the contract start date.

- 3.26 Facilities at the centre include the following:
- small entrance hall with paydesk and staff office
 - six court sports hall with climbing wall
 - access to a 'traditional' school gymnasium alongside the centre (used for exercise classes, martial arts, etc)
 - 31 station Horizon gym
 - small room used for exercise classes and parties
 - associated support facilities.
- 3.27 Outdoor facilities also available for public use include 3 tennis courts, multi-use space providing 2 netball or 4 tennis courts and a full-size sand-dressed synthetic turf pitch (this has recently been refurbished). All the outdoor facilities are floodlit and, being well away from any dwellings, any use does not have any adverse effects on local residents.
- 3.28 The centre is used by the school during the day in term time, with the Council's management contractor taking over at 16.00 on Mondays and Fridays and 17.00 on Tuesdays, Wednesdays and Thursdays until closure at 22.00 – there is public use of the fitness suite on Wednesday and Friday mornings (07.00 to 09.00). The whole centre is available at weekends (09.00 to 18.00 on Saturdays and 09.00 to 21.00 on Sundays). During holidays, the whole centre is open from 09.00 to 22.00 on weekdays.
- 3.29 Total usage of the centre was 41,500 in 2012/13, a significant increase from the 34,000 in 2011/12. By activity, the key numbers for 2012/13 were 5,000 member & casual visits to the Horizon gym, 4,500 participants in fitness classes and 3,500 STP users.
- 3.30 The initial view of RDC is that the North Ryedale Leisure Centre should be operated on the following basis:
- be open in an evening on school days and all day on non-school days subject to the minimum provisions below
 - to be open 7 days a week
 - to provide not less than 21 hours per week public pay and play (school time and holiday time)
 - option to provide a Gym on site by agreement with the school (the use of the present Horizon gym is currently outside of the Council

agreement and is a direct arrangement between the current operator and the school)

- to provide the STP facility between a maximum 17.30 & 22.00 weekdays, 09.00 & 18.30 weekends (winter) and 09.00 & 22.00 weekends (summer),
- to allow private parties/hire
- to allow the contractor to set all charges including discounted charges.

3.31 Disaggregated financial data for each of the centres will be made available in due course but key overall operational data for the total contract is set out below:

INCOME		2011/12	2012/13
Swimming		£192,000	£222,500
Horizon (Derwent Pool)		£72,000	£65,500
Horizon (NRLC)		£22,000	£32,000
Dryside		£57,500	£57,000
STP		£10,500	£7,000
Hires		£70,500	£70,000
Other Miscellaneous		£20,000	£16,000
Income Recieved		£444,500	£470,000
RDC Support		£327,500	£346,000
TOTAL		£772,000	£816,000
EXPENDITURE			
Staffing		£497,500	£488,500
Energy		£93,000	£100,000
Other		£191,500	£201,500
TOTAL		£782,000	£790,000

Scope of Contract

The Council wishes to appoint a partner to operate, maintain and potentially invest in the existing leisure facilities.

4.0 Procurement Objectives

4.1 The Ryedale District Council Corporate Aims relevant to this project are:

Council Aim 2:

To create the right conditions for economic success in Ryedale:

- Opportunity for people; increasing wage and skill levels

Council Aim 4:

Active Communities where everyone feels welcome and safe:

- To help all residents to achieve a healthy weight by encouraging an active lifestyle, in communities where everyone feels welcome and safe

Council Aim 5:

Transform Ryedale District Council:

- Building our capacity to deliver through collaboration and working in Partnership

Ryedale District Council Corporate Strategy

4.2 The Council has recently adopted The Ryedale District Sport and Active Lives Strategy. This includes the aims below.

Aims:

By 2023 we want to see more people in Ryedale enjoying the benefits associated with a more active lifestyle. This means:

- *More people aspiring to take part in sport and active recreation*
- *More people actually taking part in sport and active recreation*
- *More people becoming involved as volunteers in sport and active recreation*
- *Increased participation amongst people already taking part in sport and active recreation*
- *Increased satisfaction with facilities and opportunities for sport and active recreation in the Ryedale area*
- *Increased usage across all Ryedale owned leisure facilities.*

4.3 The leisure management contract needs to directly contribute to achievement of these aims, and therefore to achievement of the Council's Sport and Active Lives Strategy.

4.4 In this context, the agreed objectives for the procurement process are to:

- deliver a fit-for-purpose, high quality leisure management service that results in improved customer satisfaction;
- increase participation in sport and active leisure;
- if possible, provide a saving on the Council's current financial operating costs and deliver value for money to local residents;
- an increase year on year of participation in sport and active recreation in Ryedale (based on a baseline of the 2009/11 Active People Survey results);
- increased capacity within the local community to enable the above through support of existing and creation of; new sports clubs, coaches and officials and improved facilities;
- engagement of young people, adult males and hard to reach groups such as people with a disability, and older people to encourage and facilitate opportunities for them to remain healthy by being active;
- to promote, maintain and develop quality indoor and outdoor leisure facilities and support the utilisation of village halls etc as small community sports facilities in the villages and small towns.

5.0 The Council's Requirements

- 5.1 The Council wishes to appoint a Leisure Operator to operate and maintain the existing Leisure Facilities. Some of the key contractual parameters are noted in the following paragraphs.

Length of Contract

- 5.2 It is anticipated that the contract to operate and maintain the Leisure Facilities will be for 10 years with the option of a further 5 years if it can be demonstrated that this represents value for money for the Council. However, it is prepared to consider bids which propose different lengths if that would lead to a more economically advantageous offer. An assumed start date of 1st October 2014 has been identified.

Repairs and Maintenance

- 5.3 With regard to repairs and maintenance of the Leisure Facilities, it is envisaged that the Operator will be responsible for all aspects of reactive and planned preventative maintenance, whilst the Council will retain responsibility for major lifecycle items, as set out in the detailed responsibility matrix as part of the service specification.

Lifecycle Maintenance

- 5.4 The Council will maintain responsibility for the major repair of the buildings and lifecycle maintenance and replacement of key items of plant and equipment.

Utilities Risk

- 5.5 The Council intends to accept the risk of major price change for utilities via a 'cap and collar' mechanism, with the Leisure Operator taking the full risk on consumption.

Excess Profit / Surplus Share

- 5.6 The Council will be looking for a share of any excess surplus achieved over and above projected levels.

Council Affordability

- 5.7 Historic third party income levels from operating the Leisure Facilities are set out in Section 3. This may not be an accurate reflection of future projections as income levels achievable will be determined based on each bidder's individual proposals. Further financial details will be provided in the Invitation to Tender.

Approach to the contract

- 5.8 The competitive dialogue procurement process provides the opportunity for both Ryedale District Council and Bidders to work together to develop the most appropriate solution taking into account the needs and expertise of both parties.
- 5.9 From an operational perspective, Ryedale District Council is keen to develop an Agreement that is outcome driven, with the onus on the use of the Partners' own experience and preferred methods and a focus on self-monitoring. As a baseline, the Council intends to use the Sport England leisure procurement toolkit contract documents as a framework for this contract.
- 5.10 A partnership-working approach to the Agreement is seen as pivotal to the success of the relationship between both parties and the exemplary delivery and future management of the Council's facilities. Ryedale District Council is looking forward to the opportunities associated with both the procurement process and approach to the Contract. It is intended that such an approach will allow the process for managing the existing leisure facilities to evolve and adapt to new developments, interests, technologies and innovative ideas.
- 5.11 It is expected that the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") will apply to the award of this contract and that staff may transfer to an incoming provider. Bidders are expected to seek independent legal advice on the application of TUPE in these arrangements. Further details will be provided in the Descriptive Document and Invitation to Submit Outline Proposals (ISOP) documentation.

6.0 Procurement timetable

6.1 The Project team has developed a detailed project management plan and procurement timetable, summarised in the table below. It should be noted that all dates in the timetable are indicative (except where a key stage has already been completed) and it is anticipated that the outcomes of the ISOP stage will shape the timetable for the remainder of the procurement process. As such the Council reserves the right to vary this timetable and will notify interested parties if it does so – in particular, there may be a need to include an Invitation to Participate in Dialogue stage, depending on the outcome of the ISOP stage.

<i>Leisure operator</i>	
Activity	To be completed by
Advert to be placed on the Supplier & YORtender Contract Management System	Monday 23 rd December 2013
Advert to be placed in OJEU	Monday 23 rd December 2013
Return of PQQ	12noon 30 th January 2014
Initial longlist (number of bidders to be confirmed, possibly 6)	By 14 th February 2014
Longlisted Bidders day/meeting	w/c 17 th February 2014 (tbc)
Dispatch of Invitation to Submit Outline Proposals (ISOP)	26 th February 2014
ISOP Dialogue (assuming 1 meeting per bidder)	w/c 10 th / 17 th March 2014
Return of Outline Proposals	5pm 3 rd April 2014
Evaluation and Clarification of Outline Proposals (assuming 1 clarification meeting per bidder)	4 th April – 25 th April 2014
Short list to maximum of three bidders for further dialogue	By 25 th April 2014
Further dialogue with shortlisted bidders (assuming 3 meetings per bidder)	w/c 28 th April 2014 w/c 12 th May 2014 w/c 26 th May 2014

Dispatch of Invitation to Submit Final Tenders	4 th June 2014
Return of Final Tenders	5pm 20 th June 2014
Evaluation of Final Tenders and bidder clarifications	By early July 2014
Selection of successful bidder	7 th July 2014
Council sign off	End July 2014
Issue Alcatel Letters (10 day standstill period begins)	End July 2014
Issue letter of final award of contract	August 2014
OJEU Award notice	August 2014
Finalise contract documents with successful bidder	By mid-August 2014
Service commencement	1 st October 2014

7.0 PQQ Evaluation Criteria

- 7.1 This questionnaire will be assessed using a combination of pass/fail criteria and a weighted scoring system. Companies failing any Section will be excluded.
- 7.2 Companies achieving the minimum standards are scored and ranked for invitation to tender. The highest score will rank first.

8.0 Confidentiality

- 8.1 All information provided to bidders in this and subsequent documents, and orally or in writing throughout the dialogue process, is provided on a strictly confidential basis and should not be disclosed by bidders to any other person. Such information shall only be passed by bidders to employees, agents, subcontractors, or advisers if either this is done for the sole purpose of enabling a bidder to participate in the dialogue phase or if the bidder has received the prior written consent of the Council to disclose the information.
- 8.2 Bidders should note that the Council is subject to the Freedom of Information Act 2000 and may be required to disclose information provided by bidders as part of the procurement process.
- 8.3 In order to preserve the integrity of the tendering process and to respect the commercial and competitive positions of bidders, the Council will endeavour to treat details of tenders identified as confidential and commercially sensitive as such at least until the contract has been awarded to the successful bidder. In the event that the Council receives an FOIA request following the contract award and the Council considers that the information is not covered by an exemption, then the Council, following consultation with the Tenderer, shall be entitled to refer the matter for determination by the Information Commissioner prior to any disclosure.

9.0 Canvassing and Non-Collusion

- 9.1 All bidders will be strictly prohibited from discussing or colluding with other bidders in any way. This includes, but is not limited to:
- organisations advising on the Project for other bidders;
 - other organisations or parties associated with the Project or other bidders;
 - any of the other bidders' subsidiary companies or organisations.
- 9.2 In particular, but without limitation, bidders must not collude on the following matters:
- any aspect or part of the Project in its entirety;
 - any aspect or part of the information associated with it or provided for it; and
 - any aspect of ISOS or ISDS submissions, the dialogue or of the fully developed Final Tender responses.
- 9.3 Any bidder who directly or indirectly canvasses any member or officer or employee of the Council concerning the project or who directly or indirectly obtains or attempts to obtain information from any such person mentioned above concerning any other bidder, is liable to be disqualified.
- 9.4 If a bidder does not observe this paragraph, the Council may reject the bidder's submission. Similarly, if the Council considers that there has been any co-operation, collusion or canvassing at any time during the dialogue process or Tender stage that actually or potentially undermines competition, it may reject the compromised submission or Tender without notice. Any action taken by the Council pursuant to this paragraph shall be without prejudice to any remedies (howsoever arising) available to the Council.
- 9.5 At the ISOP stage bidders will be asked to submit a Certificate of Non-Collusion.
- 9.6 The Council will seek to ensure that fair and open competition is undertaken at all times. Accordingly, any action by any bidder compromising this process will give the Council the right to discontinue the process with regard to such a bidder.

10.0 Guidance Notes

- 10.1 As part of the Council's e-procurement policy the full selection process is only being conducted on the regional YORtender Contract Management System at the following website:
<http://www.yortender.co.uk>

Any potential Bidders not registered with YORtender should follow the steps on the website 'Suppliers Area' – registration is free.

The deadline for submission of Pre-Qualification Questionnaires is **12 noon on 30th January 2014**. Submissions made after this time will not be considered.

Any queries you may have regarding this procedure or the information required should be raised using the discussions function on the Tendering System (YORtender) or to the officer named below in sufficient time to allow the Council to formulate and distribute a response at least 5 working days before the due date for return of expressions of interest. If relevant, answers to queries will be anonymised and circulated to all potential bidders.

Name: **Dale Casson**
Email: **dale.casson@ryedale.gov.uk**

11.0 Disclaimer

- 11.1 This document does not constitute any part of any offer or contract. It is supplied entirely without prejudice and neither the Council nor its advisors accept any responsibility as to its accuracy or otherwise. No liability is accepted for any error, omission or miss-statement contained or implied in this document or any reliance being placed on it.
- 11.2 Any measurements referring to any site or facility or other areas are approximate and given for guidance purposes only. Interested parties are requested to rely on their own inspection and measurement of properties.
- 11.3 All interested parties must satisfy themselves by inspection or otherwise the suitability or correctness of any statement and to the suitability or otherwise of the facilities for their own purpose. The Council does not make or give, nor does any person in the employment of the Council have, any authority to make or give, any representations or warranty in relation to the facilities or have any particulars of information supplied in respect thereof.

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Ryedale District Council

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Introduction

This Services Specification sets out the Performance Standards that the Contractor shall meet in the delivery of the Services during the Contract Period. It details the requirements that the Contractor shall meet for the ongoing operation of the Facilities, associated buildings, grounds, pitches, courts and any other leisure amenities as specified within this Schedule 1 (Services Specification) throughout the Contract Period.

The structure of this Services Specification directly relates to how the Performance Standards will be assessed for the purpose of Schedule 6 (Payment and Performance Monitoring System) and is set out as follows:

Part 1A – General

- Specified Facilities
- Property Database

Part 1B – Annual Performance Requirements

- Authority's Outcomes
- Quality Management Accreditation
- Sport England National Benchmarking Service (SENBS)
- Inclusive Fitness Initiative (IFI) Mark

Part 1C - Service Performance Requirements

- Cleaning
- Environmental and Energy Management
- Customer Service
- Catering and Vending
- IT Systems
- Maintenance of Buildings, Plant and Equipment
- Grounds Maintenance
- Reporting
 - Sports & Activity Development Plan
 - Marketing and Publicity
 - Major Incident Reporting
 - Other Reporting

Part 1D – Facility Performance Requirements

- Pricing Requirements
- Opening Hours
- Activity Programming
 - Programmes of Use
 - Booking Systems
- Health and Safety Management
- Equipment
- Access
- Legislation and Policy
- Water (Hot and Cold Installations)
- Drainage
- Ventilation
- Heating (Thermal Comfort)
- Lighting
- Pool Water Quality (Swimming Pool Installations)
- CCTV and Security
- Staffing

The terms and expressions used in this Schedule shall bear the same meaning as set out in Clause 1 (Definitions and Interpretation) and Schedule 6 (Payment and Performance Monitoring System).

This Service Specification uses the following structure to provide the Contractor with the requirements and Performance Standards of the Authority.

Required Outcome Provides the Contractor with a high level view of the outcome and context of the requirements of the Authority which the Contractor shall meet.

Performance Standards A list of standards that relate to the output that the Contractor shall meet but which are covered by regulations, Legislation, British Standards, etc and standards that set out the level of performance that the Contractor shall meet and will determine whether the Contractor is meeting the requirements of the Authority. These must be met by the Contractor if the Services Specification is deemed to be achieved.

Reporting Requirements This details the reporting requirements which the Contractor shall meet in relation to the specified Performance Standard.

1.1 Measurement

1.1.1 The monitoring of the Contractor's achievement of the Performance Standards shall be measured in accordance with Clause 18 (Performance Monitoring) of this Agreement. Monitoring of the Services and categorisation and reporting of Performance Failures shall be carried out in accordance with Schedule 6 (Payment and Performance Monitoring System).

1.2 Reporting

1.2.1 The Contractor is obliged to report on its own performance in accordance with this Agreement and in particular with Clause 15 (Condition of the Facilities), Clause 18 (Performance Monitoring), Clause 28 (Payment), Clause 29 (Continuous Improvement) and Schedule 6 (Payment and Performance Monitoring System) in order to meet the Performance Standards set out in this Schedule.

Part 1A – General

1.3 Specified Facilities

1.3.1 For information purposes only, the table below outlines the facilities at each of the Facilities that are to be provided during the Contract Period.

1.3.2 The Facilities are abbreviated as follows:

- Derwent Pool, Norton – DP
- Ryedale Pool, Pickering – RP
- North Ryedale Leisure Centre, Pickering (dual use) – NRLC.

Zone	DP	RP	NRLC
Entrance Area and Reception			
Pool Hall and Swimming Pools			£
Viewing Area (Pool Hall)			£
Wet Changing Facilities			£
Sports Hall Multi-Use	£	£	
Viewing Area (Sports Hall)	£	£	
Multi-purpose Zone and Dance Studio	£	£	
Fitness Suite		£	
Health Suite - Sauna		£	£
Dry Changing for Non-Pool Activities	£	£	
Toilets (outside of Changing Facilities)			
Staff Room and Changing Facilities			
Staff Offices			
All Weather Synthetic Turf Pitch	£	£	
Outdoor Hard Courts	£	£	
Public Support Accommodation			
Non-Public Support Accommodation			
Vending Facilities			
Car Park, Access and Other External Areas			

1.3.3 The Facilities shall allow full community access to and participation in the facilities and activities therein. The Contractor shall comply with the requirements of the Equality Act 2010 and other Legislation.

1.4 Property Database

- 1.4.1 The Contractor must maintain the Authority's existing Pre Planned Maintenance (**PPM**) database (the "**Property Database**"), which is a record of all new and existing structures, plant, materials, components, and fittings over the Contract Period.
- 1.4.2 This shall be achieved by developing the following:
- Asset registers for each of the Facilities, to be updated as and when alterations or any new works are carried out (as applicable)
 - An Equipment inventory which shall be updated as and when equipment is removed, updated and/ or introduced
 - Development of an energy management and monitoring programme
 - Updated Equality Act 2010 audits
 - Asbestos register updated (see paragraph 1.4.6)
 - Updated legionella monitoring and control record (see paragraph 1.4.7)
 - Periodic electrical test certificates.
 - Water quality and water hygiene records.
- 1.4.3 The minimum requirements for each item logged on the Property Database are as follows:
- Manufacturer/model/serial number and date of installation
 - Contact information of the manufacturer/importer/agent/supplier
 - A unique identification barcoded asset label (if appropriate)
 - The inspection/service interval required (including statutory inspections)
 - Record(s) of inspections
 - Information on any modifications/specification changes/refurbishment/ replacement of items
 - Information on buildings, energy and utilities usage
 - Condition and lifecycle of the plant/equipment.
- 1.4.4 The Property Database shall be easily interrogated by 'key word entry' to find, for example, the life history of a 'component'. A copy shall be submitted to the Authority for approval one month before the Commencement Date and three months prior to the beginning of each subsequent Contract Year. This must be an electronic database and the Authority shall have remote read-only access to the database.
- 1.4.5 The Authority has been updating its plans and information on all the Facilities and, to ensure these records are kept up to date, any alterations to the Facilities shall be reported to the Authority for inclusion on its own database.
- 1.4.6 The Authority currently has its Asbestos Register on a hosted website and this shall be maintained by the Contractor keeping the Authority fully advised of reports so that it can instruct the host. The Register is a read only facility to which the Contractor will be given access.
- 1.4.7 The Authority is required to keep all legionella information in its premises and all records shall be passed to the Authority immediately on receipt.

Part 1B – Annual Performance Requirements

The following items shall be assessed annually:

- Authority's Outcomes
- Quality Management Accreditation
- Sport England National Benchmarking Service
- Inclusive Fitness Initiative (IFI) Mark (if applicable)

1.5 Authority's Outcomes

Required Outcome

- 1.5.1 The Authority wishes to see the Contractor working towards and adhering to key national, regional and local strategic policy. It also wishes to be able to demonstrate that investment and action is making a difference to people's lives; to be able to demonstrate the impact the delivery of the leisure service is having on local individuals and communities within the district. The Authority requires the Contractor to work in partnership to demonstrate the outcomes being achieved through the delivery of the leisure service.
- 1.5.2 The Contractor shall ensure that the Services contribute towards and shall evidence the Services' contribution towards the following documents (or the future equivalent/ replacement strategies/documents):
- Ryedale District Council Corporate Plan
 - Ryedale District Sport and Active Lives Strategy 2013-23
 - North Yorkshire Joint Health and Wellbeing Strategy 2013-18
 - North Yorkshire Community Plan
- (the "**Authority's Outcomes Documents**").
- 1.5.3 The Contractor must ensure that its programming, pricing, policies, marketing and training are focused to support the Authority in achieving the desired outcomes or targets set out in the Authority's Outcomes Documents and address the gaps in provision. In particular, the Contractor must support the achievement of the plans in the Authority's Outcomes Documents by working with key partners within the sport and physical landscape of the district. It shall support and work in partnership with North Yorkshire Sport and any other relevant sport/ physical activity alliance group by agreement.
- 1.5.4 The Contractor must also work to support the Authority to help deliver improvements in areas of public concern, for example, healthier communities, reducing obesity and narrowing health inequalities, increasing levels of activity, promoting community cohesion, equality of access, activities as a diversion from anti-social behaviour, raising educational standards, reducing crime and the fear of crime, sustainability and tackling climate change
- 1.5.5 The Contractor shall seek to improve participation rates and User satisfaction ratios for a wide range of groups and facilities which may be identified in the annual Physical Activity Development Plan. It therefore requires the Contractor to encourage these groups to use the Facilities and demonstrate a contribution towards the Authority's Outcomes.

Performance Standards

- 1.5.6 The Contractor must ensure that its programming, pricing, policies, development plans, marketing and training are focussed to support the Authority in achieving the desired outcomes or targets set out in the Authority's Outcomes Documents.

1.5.7 Examples of potential indicators to evidence achievement of the Authority's Outcomes and the plans/targets set out in the Authority's Outcomes Documents are provided below (to be used as a minimum). However, the Contractor shall submit proposals to the Authority for the Authority's approval detailing how it will measure the delivery of the Authority's Outcomes and the plans/targets set out in the Authority's Outcomes Documents that have been based on the Authority's strategic objectives. The proposals shall be in the form of an Authority's Outcomes Method Statement.

Authority Outcome	Target Indicator
A more active district	<ul style="list-style-type: none"> • Increased levels of activity
Promoting community cohesion/benefiting target groups	<ul style="list-style-type: none"> • Increase in participation by target group members • Increase in overall participation • Reduction in average weight of participants taking part on targeted programmes
Improving health and wellbeing	<ul style="list-style-type: none"> • Increase in number participants completing any exercise referral programme • Increase in number of participants completing weight management courses • Increase in participation by local people of over 3 x 30 minutes per week • Increase in engagement and co-ordination with the Authority's public health team • Increase in perceived levels of wellbeing of participants taking part in targeted programmes.
Partner engagement	<ul style="list-style-type: none"> • Increase in participation by target group members.
Quality of Services	<ul style="list-style-type: none"> • Improving Quest scores • Increased User satisfaction levels in NBS (or equivalent) survey • Increasing member and regular user numbers and retention rate.
Providing local economic benefit	<ul style="list-style-type: none"> • Increasing workforce development opportunities such as coach education courses, apprenticeship schemes • Increase in use of local suppliers for catering provision and maintenance sub-contracts
Sustainability/Environmental improvements	<ul style="list-style-type: none"> • Reduction in annual CO₂ emissions • Reduction in annual energy use • Increase in recycling rate • Decrease in waste.

1.5.8 During the first Contract Year, both parties shall meet and agree an "Outcomes Scorecard". The balanced scorecard shall set out a series of key performance target indicators linked to the Authority's Outcomes and the plans/targets set out in the Authority's Outcomes Documents and shall identify primary performance measures, score banding based on a RAG (Red, Amber, Green) rating system, scores, supporting commentary and action plan points.

1.5.9 The Outcomes Scorecard shall cover the following categories:

- User Perspective (UP)
- Internal Business Process (IBP)
- Continuous Improvement (CI); and
- Financial (F).

- 1.5.10 The proposed structure of the Outcomes Scorecard and examples of potential target indicators, performance measures and score banding has been provided below. As a minimum annual user and non-user surveys and performance against development action plans should be used to evidence achievement of the target indicator. It is recognised that some target indicators may cut across a number of the Authority's Outcomes.

Target Indicator	Outcome	Scorecard Category	Primary Performance Measure	Score Banding G=Green A= Amber R= Red	Current Status		Look Ahead (Action Plan)
					Score	Comment	
Increase in perceived levels of wellbeing of participants taking part in targeted programmes	Improving health and wellbeing	UP	Implementation of agreed plans	Percentage of actions completed on time; G = 95% A = 85-95% R = <85%			
			Measurement of number of participants on targeted programmes	G = on or above target A = within 10% of target R = more than 10% below target			
			User feedback	Satisfaction levels; G = 95% good or excellent A = 85-95% good or excellent R = <85% good or excellent			

- 1.5.11 Where appropriate the Contractor shall develop a series of development action plans in order to demonstrate how it proposes to meet the required performance standard and contribute to the achievement of the Authority's Outcomes. The development plans should be provided alongside the annual Outcomes Report.

- 1.5.12 The Contractor must provide qualitative and quantitative evidence, on an annual basis, that it has successfully contributed to the achievement of the Authority's Outcomes based on its performance against the agreed Outcomes Scorecard.

Reporting Requirements

- 1.5.13 The Contractor must provide an annual "Outcomes Report" that provides qualitative and quantitative evidence of how the Contractor and Facilities have contributed to the achievement of the Authority's Outcomes and the plans/targets set out in the Authority's Outcomes Documents, supported by the completed Outcomes Scorecard and any relevant development action plans. The Authority's Outcomes Report and associated development plans must be provided within one month of the start of the second Contract Year and annually thereafter.

- 1.5.14 The annual Outcomes Report should highlight any outcomes which the Contractor has not contributed towards and provide an annual action plan for the following year of how this will

be addressed and how the other Authority Outcomes will continue to be delivered. It should also identify any beneficial outcomes that the Contractor has achieved in addition to those required by the Authority.

- 1.5.15 The completed Outcomes Scorecard will enable both parties to effectively monitor performance against achievement of the Authority's Outcomes and the plans/targets set out in the Authority's Outcomes Documents.

1.6 Quality Management Accreditation

Required Outcome

- 1.6.1 Quest accreditation shall be maintained by the Contractor for each of the Facilities throughout the Contract Period.

Performance Standards

- 1.6.2 The Contractor shall maintain the accreditation for each of the Facilities throughout the Contract Period and aim to achieve scores in the top 25% of all facilities assessed nationally.
- 1.6.3 The Contractor shall maintain Quest Accreditation throughout the Contract Period at the current banded score for the Facilities following transfer and then achieve an 'Excellent' banded score after two years of the Contract Period.
- 1.6.4 From year 2 onwards, the Authority expects the Contractor to undertake Quest Plus at all the Facilities. The Contractor shall achieve a Quest Plus accreditation within 3 years of the Commencement Date.
- 1.6.5 Accreditation shall be undertaken by independent assessors nominated by the Quest management company through the Quest process.

Reporting Requirements

- 1.6.6 The Contractor shall provide the Authority with a copy of the results of its Quest assessment and maintenance visits within five Business Days of receiving them.

1.7 Sport England National Benchmarking Service

Required Outcome

- 1.7.1 The Contractor shall participate in the Sport England National Benchmarking Service for the Facilities throughout the Contract Period on a biennial basis following the Commencement Date. The Contractor must produce an annual action plan. Dates and format for the survey to be undertaken every other Contract Year to be agreed with the Authority.

Performance Standards

- 1.7.2 The Contractor must achieve:
- either the following percent quartile targets for the relevant Facility in the previous Contract Year:
 - within the top twenty five percent quartile for 80% of the indicators from the NBS survey
 - within the top twenty five percent quartile for 80% of all satisfaction indicators

- within the top twenty five percent quartile for specific agreed key indicators
- no indicators to be within the bottom twenty five percent quartile
- overall, no more than 15% of all indicators to be within the bottom fifty percent quartile.
- or have implemented the appropriate, previously agreed Marketing Plan and National Benchmarking Service Action Plan.

1.7.3 The percentage quartile targets that the Contractor must achieve will be set for the relevant Facilities on a year on year basis following the previous year's survey results.

1.7.4 National Benchmarking Service assessment shall be undertaken by independent trained, competent assessors (the survey element to be undertaken by external consultants and not the Contractor's staff).

Reporting Requirements

1.7.5 The Contractor shall inform the Authority of the results of its National Benchmarking Service assessment within seven Business Days of receiving notification and shall provide full copies of the reports to the Authority's Representative within five Business Days of receipt.

1.7.6 The Contractor shall establish an action plan ("**National Benchmarking Service Action Plan**") or updated National Benchmarking Service Action Plan within 1 month of receipt of the National Benchmarking Service report and following discussion with the Authority's Representative.

1.8 Inclusive Fitness Initiative (IFI) Mark

Required Outcome

1.8.1 The Contractor shall ensure that any new/replacement Equipment acquired during the Contract Period shall conform to that needed to attain the Inclusive Fitness Mark (Level 2 – 'Registered') the quality mark accreditation scheme for fitness facilities based upon the principles of the Inclusive Fitness Initiative.

Performance Standards

1.8.2 The Contractor shall seek to achieve and maintain the Level 2 ('Registered')] IFI Mark for any new/replacement Equipment in each of the Facilities throughout the Contract Period.

1.8.3 IFI Mark accreditation assessment shall be undertaken by an accredited IFI assessor.

Reporting Requirements

1.8.4 The Contractor shall inform the Authority of the results of its IFI Mark Assessment within five Business Days of receiving notification of the result.

Part 1C – Service Performance Requirements

There are nine elements to the Service Performance Requirements:

- Cleaning
- Environmental and Energy Management
- Customer Service
- Catering and Vending
- IT Systems
- Maintenance of Buildings, Plant and Equipment
- Grounds Maintenance
- Event Management
- Reporting
 - Sports & Activities Development Plan
 - Marketing and Publicity
 - Major Incident Reporting
 - Other Reporting.

1.9 Cleaning

Required Outcome

1.9.1 Cleaning of the Facilities in such a way as to maintain a healthy and safe environment for all Users; allowing for efficient and effective operational use of the facilities and promoting a positive image of the Facilities at all times. The Facilities must be 'visibly clean' at all times.

1.9.2 This includes, without limitation, the following:

- To keep the entrance (internal and external) to the Facilities safe, tidy and clean
- To clean glazing inside and outside to maintain its transparency and appearance
- To keep toilets odour free, sanitary and clean for use
- To keep all other sanitary equipment and other sinks and fittings in a clean, hygienic condition for use
- Hard and soft floors (including stairs and landings) to be kept clean, tidy and safe
- To ensure that there are no areas of standing water within the Wet Changing Facilities/ Dry Changing for Non Pool Activities Zones
- To maintain the appearance of hard and soft floors (including stairs and landings)
- To provide continuous consumable supplies when the facilities are in use
- To keep all other surfaces clean, including all painted surfaces, walls, ceilings, vertical tiled surfaces and doors
- To keep all furniture, equipment, fixtures and fittings clean, including blinds and curtains, light fittings and diffusers, and telephone handsets
- To avoid overflowing of waste receptacles internally, and to keep their exteriors clean
- To dispose of waste hygienically and safely
- To perform emergency cleaning
- To remove graffiti (internal and external)

- To ensure outdoor areas and car parks are litter free and bins are emptied on a regular basis
- To clean external signage and signage totems
- Periodical deep clean of kitchen areas
- Surrounding grassed areas to be kept litter free.

1.9.3 Specific outcomes are required for the NRLC dual-use facility and these are set out in an agreement between Ryedale District Council, North Yorkshire County Council and Lady Lumley School. The agreement is presently subject to revision and will be provided to contractors once finalised.

Performance Standards

1.9.4 The Contractor shall provide a cleaning service in accordance with an agreed Cleaning Schedule that has been approved by the Authority. The Contractor shall provide the Cleaning Schedule to the Authority, for the Authority's approval, prior to the Commencement Date.

1.9.5 The Contractor shall provide cleaning services over the full calendar year. The Contractor shall be aware, and factor into its Cleaning Method Statement and Cleaning Schedule, that some cleaning requirements may, of necessity, require to be undertaken outside the public opening hours or need to be more intensive when events dictate eg on open days.

1.9.6 The Contractor shall ensure that the Facilities are consistently maintained to the standard of cleanliness set out above. The Contractor shall determine the precise nature of cleaning required in each Zone depending upon the design, interior fitment and decoration of the building and usage made.

1.9.7 The Contractor shall determine the cleaning frequency for each Zone and shall ensure that the Cleaning Method Statement and Cleaning Schedule includes specific plans and programmes for each area.

1.9.8 The following standards are required to be met by the Contractor:

a) Routine Cleaning

1.9.9 The Contractor shall provide a cleaning service in accordance with the agreed Cleaning Schedule relating to their proposed cleaning programme, which must be approved by the Authority. A Cleaning Schedule must be provided to the Authority at least three months prior to the Commencement Date.

1.9.10 The Contractor shall carry out routine (planned) cleaning as set out in the Cleaning Method Statement and Cleaning Schedule at times that causes minimal or no disruption to the use of the areas being cleaned. The Contractor shall supplement routine cleaning with continuous and spot cleaning to achieve a high quality of cleanliness / finish at all times. The Contractor shall carry out other non-routine cleaning (eg litter pick, hose down pool surrounds, periodic 'deep clean' of kitchen areas, vents etc) in order to achieve the required Performance Standards.

1.9.11 For clarification, the routine cleaning Performance Standard will be deemed to have been met in a particular Zone, where the Contractor has carried out the cleaning tasks at the required frequency in accordance with the previously agreed Cleaning Method Statement and Cleaning Schedule.

b) Reactive Cleaning

- 1.9.12 The Contractor shall provide non-routine (reactive) cleaning requirements on a continual basis. The Contractor shall ensure that the Facilities are comprehensively monitored for non-routine cleaning and this cleaning is undertaken as and when necessary and in accordance with the agreed procedures for reactive cleaning as set out in the Cleaning Method Statement.
- 1.9.13 Any cleaning requirements notified to the Help Desk (provided by the Contractor pursuant to paragraph 1.11 of this Services Specification), creating any risk to health and safety, risk of immediate damage to the Facilities, risk of personal injury or contrary to the reasonable expectations of Users in accordance with Good Industry Practice shall be treated as a Performance Failure and shall be rectified by the Contractor within the relevant Rectification Period as set out in Schedule 6 (Payment and Performance Monitoring System).
- 1.9.14 The Contractor shall ensure that all cleaning materials and equipment are appropriate for the job required, compatible with the surfaces/Equipment to be cleaned and are used in accordance with the manufacturer's instructions, British Standards and relevant health and safety requirements.

Reporting Requirements

- 1.9.15 The Contractor shall produce quarterly cleaning reports on the frequency and completion of any reactive cleaning tasks and the time period for containment/Rectification from initial notification. A summary of the cleaning report should be included within the Quarterly Performance Monitoring Report (the "**Cleaning Summary**").
- 1.9.16 A Cleaning Schedule must be provided to the Authority for its approval one month prior to the Commencement Date and annually thereafter, by 31st December for implementation the following Contract Year.

1.10 Environmental and Energy Management

Required Outcome

- 1.10.1 The Contractor shall operate the Facilities in an environmentally sensitive and sustainable manner, to reduce energy consumption, minimise chemical usage, recycle appropriate non-hazardous wastes and contribute to the delivery of the Authority's wider policies for safeguarding the environment and promoting sustainability.
- 1.10.2 The Contractor shall have a clear policy and implement effective operational practices that demonstrably have a positive effect on the environment. This shall be set out in an Environmental Management Method Statement and shall cover as a minimum:
- Reduction in the use of environmentally harmful chemicals
 - Proposed approach to energy management (including as appropriate reducing energy consumption, energy conservation and use of renewable energy)
 - Targets for reducing CO₂ emissions
 - Increasing water efficiency and maximising water recycling opportunities
 - Maximising recycling and reducing waste
 - Green transport plan/s (for staff and Users)
 - A training and awareness raising programme for staff and Users

- Demonstrating how existing sustainable practices are to be continued, extended and energetically promoted to staff and Users.

Performance Standards

- 1.10.3 The Contractor shall establish an "Environmental and Energy Management Plan" within the first six months following the Commencement Date that sets clear targets for achievement against its policy and Environmental Management Method Statement. This Environmental and Energy Management Plan shall then be updated with new targets, which will be submitted to the Authority for approval on an annual basis by 31st December and the Contractor's implementation during the next Contract Year.
- 1.10.4 The Contractor shall implement an environmental management system which complies with the requirements of ISO 14001.
- 1.10.5 The Contractor shall actively seek to reduce CO₂ emissions from the Facilities.
- 1.10.6 When disposing of waste refuse the Contractor shall conform to the requirements of the Authority's policies.
- 1.10.7 The Contractor shall ensure that Display Energy Certificates are obtained on an annual basis and are clearly displayed and visible to the public at all times.
- 1.10.8 The Contractor shall operate the Facilities in accordance with the Environmental Management Method Statement and the agreed annual Environmental and Energy Management Plan.

Reporting Requirement

- 1.10.9 The Contractor shall ensure that a quarterly report detailing achievements against the Environmental and Energy Management Plan and how these contribute to the Authority's wider policies for safeguarding the environment and promoting sustainability is submitted as part of the Quarterly Performance Monitoring Report (the "**Environmental and Energy Management Plan Progress Report**"). The Contractor shall ensure that energy consumption for gas and electricity for each Facility is included within this report.
- 1.10.10 The Contractor shall monitor and record energy consumption on at least a monthly basis.
- 1.10.11 The Contractor shall ensure that an updated Environmental and Energy Management Plan is submitted to the Authority on an annual basis by 31st December for the Authority's approval and the Contractor's implementation during the next Contract Year.
- 1.10.12 If applicable, the Contractor shall submit all relevant data and paperwork to the Authority on an annual basis to allow the Authority to meet its reporting requirements under the Carbon Reduction Commitment (CRC). The Contractor shall make additional data available over the course of the Contract Period if the Government introduces new reporting requirements for local authorities.

1.11 Customer Service

Required Outcome

- 1.11.1 The Contractor shall provide a comprehensive customer service charter which shall ensure that Users are dealt with promptly, effectively and courteously at all times.

- 1.11.2 The key principles of the Authority's customer care requirements are set out below. The Contractor shall meet these requirements:
- A customer care policy exists, is freely available to the public and is implemented
 - All groups (including those with disabilities) have easy access and equal opportunities
 - Staff in all areas respond positively to enquiries and sales opportunities
 - Staff are helpful and pleasant
 - Staff at all levels are empowered to resolve User complaints
 - Procedures are in place for dealing with difficult/ unusual User requests
 - A clear customer charter is displayed
 - Customer information is readily available
 - All staff are trained in customer care.
- 1.11.3 The Contractor shall operate and administer a comprehensive and effective User comments and feedback system, to encourage feedback and record verbal and written comments. The system shall be operated in accordance with the Contractor's Customer Service Method Statement. This shall take into account all User groups including NGB and elite athletes, local and wider community and club users and commercial and corporate users covering sporting and non-sporting use.
- 1.11.4 The Contractor shall carry out the following customer service research:
- Quarterly analysis of all verbal and written comments and complaints including reporting percentage of complaints responded/resolved within the agreed parameters
 - Consultation with clubs and key User groups at least every six months
 - Mystery visits and telephone calls
 - Equalities monitoring data
 - Annual User and non-User surveys.
- 1.11.5 The Contractor shall ensure that the information ascertained from the research is analysed and the results used to inform future service delivery.

Performance Standards

- 1.11.6 The Contractor shall ensure a high level of customer care so that all Users receive a high quality and memorable experience at the Facilities. The level of customer care shall be reflective of Good Industry Practice and provide a level of customer service that will facilitate achievement of the Authority's Outcomes.
- 1.11.7 The Contractor shall operate a User comments and feedback system in accordance with the Customer Service Method Statement. The Contractor shall ensure that the Customer Service Method Statement sets out how the Contractor intends to respond to comments and feedback and shall set out the use of User forums on a Facility by Facility basis, mystery visit exercises, public meetings, staff representation on club committees and the use of User and non User surveys. The Contractor shall ensure that a unique reference number is attached to each written/verbal comment or complaint so that the action taken in relation to a specific comment or complaint can be tracked.
- 1.11.8 The Contractor shall ensure that all User complaints and comments are dealt with in accordance with the agreed Customer Service Method Statement to ensure that they are acknowledged within two Business Days if a full response cannot be sent within that period, with a full response sent within seven days.

- 1.11.9 The Contractor shall ensure that an electronic Help Desk is provided to deal with User queries, complaints and feedback and that forms are available for all Users to identify any issues for the attention of the Contractor. The Contractor shall ensure that the Help Desk is enabled to provide Authority access as and when required.
- 1.11.10 The Contractor shall support the Authority with additional consultation relating to customer service from time to time.
- 1.11.11 The Contractor shall ensure a smart appearance by all staff at all times, with appropriate uniform and name badges being worn.
- 1.11.12 The Contractor shall ensure that staffing levels are appropriate to meet the demands of the participation / usage patterns at each Facility to ensure high standards of customer service.
- 1.11.13 The Contractor shall formally display in public areas results from self-monitoring and Authority monitoring visits, liaison groups, User comments, and complaints, reports, surveys and customer care activities.
- 1.11.14 The Contractor shall provide training in customer service as part of its new staff induction and ongoing refresher training.
- 1.11.15 The Contractor shall keep notice and display boards updated at all times.
- 1.11.16 The Contractor shall provide at all times information to the public on the availability of courses, activities and events conducted by the Contractor and the Authority.
- 1.11.17 The Contractor shall ensure that any out-of-order equipment is clearly labelled accordingly and information provided as to the estimated timescale for repair and, if relevant, reopening.
- 1.11.18 The Contractor shall formally display in public areas appropriate environmental and service information, including pool water temperatures.
- 1.11.19 The Contractor shall operate an effective system for dealing with lost and found property.
- 1.11.20 The Contractor shall carry out a detailed User satisfaction survey at the end of the first Contract Year. The format and content of the survey shall be agreed in advance with the Authority and results reported fully to the Authority within two weeks of receiving the survey findings together with a proposed action plan for agreement by the Authority.
- 1.11.21 The Contractor shall ensure that a "Retention Strategy" is developed to encourage member loyalty and minimise attrition rates. The Retention Strategy shall offer awards and incentives for loyal or high usage members.
- 1.11.22 The Contractor shall ensure that details and records of all complaints, comments, forums and surveys are maintained including the date and time of each along with the response of the Contractor.

Reporting Requirements

- 1.11.23 The Contractor shall ensure that a report detailing all complaints and remedial action taken is provided to the Authority on a quarterly basis (the "**Customer Complaints and Feedback Summary**"). The Contractor shall ensure that a summary of this report and details of any failure to maintain the required Performance Standards set out above are included within the Quarterly Performance Monitoring Report.
- 1.11.24 The Contractor shall ensure that an annual report detailing the outcomes of the User feedback system is submitted to the Authority.

1.12 Catering and Vending

Required Outcome

- 1.12.1 The Contractor shall provide a high quality, value for money, service which offers a range of appetising and nutritious food and drink to Users of the Facilities.
- 1.12.2 The Contractor shall ensure that, as a minimum, the existing vending areas provided as appropriate at each of the Facilities continue to be provided. The Authority will consider proposals for enhanced catering provision at the facilities and, if this were to be provided, the Specifications below would apply to any kitchen or catering areas.
- 1.12.3 The Contractor shall provide a comprehensive food and drink selection that caters for different groups of Users as well as the different dietary requirements of Users including:
- NGBs, elite athletes and coaches
 - Community, club and school users
 - Commercial users such as conference delegates
 - Staff members
 - Group/ individual visitors and spectators
 - Vegetarians and persons with particular dietary needs
 - Diverse cultural and religious background of Users and the local community to each of the Facilities
 - Special functions such as events, celebrations, special events etc.
- 1.12.4 The Contractor shall as a minimum provide hot and cold drinks and simple snacks through vending machines or otherwise throughout the Minimum Opening Hours. Subject to the provisions of the dual-use agreement at NRLC, no vending service shall be offered to school pupils outside public opening hours.
- 1.12.5 The Contractor shall ensure that healthy vending options are offered in the Facilities.

Performance Standards

- 1.12.6 The Contractor shall demonstrate a clear understanding of the requirement for a quality and sustainable catering service that meets all its diverse User needs. This shall be set out in a Method Statement and shall cover as a minimum:
- Catering service recommendations
 - Sample tariffs where appropriate
 - Meeting nutritional requirements for elite athletes and Users
 - Details of the Contractor's purchasing policy and procedures
 - Outline marketing approach
 - Support resources available.
- 1.12.7 The Contractor shall ensure that menus and tariffs are clearly displayed.
- 1.12.8 The Contractor shall ensure that a supply of chilled drinking water and disposable cups (other than that provided by mains taps) is provided for all Users of the Facilities and is located in appropriate public areas such as the fitness suites, catering facilities and meeting rooms.

1.12.9 The Contractor shall ensure that where appropriate:

- All catering and dining areas comply with the relevant requirements of the Food Safety Act 1990, the Food Safety and Hygiene (England) Regulations 2013, any other current health and hygiene Legislation, and Food Standards Agency guidelines, and any recommendations from the Environmental Health Office (EHO) that may be issued
- Compliance with other relevant and associated health and safety and cleaning requirements as set out in this Services Specification
- It provides all equipment and other consumables for the preparation and delivery of the catering and vending Service in the Facilities as identified on the Equipment Inventory to be approved by the Authority's Representative.

Menu and food service

1.12.10 The Contractor shall ensure that where applicable, the catering provision supports any NGBs on site and provides the relevant nutritional value in line with their training requirements.

1.12.11 The Contractor shall ensure that the purchase and procurement of food and consumables is from reputable suppliers. The Contractor shall aim to use fairtrade products and supply from sustainable sources.

1.12.12 The Contractor shall provide a vending service suitable for its Users. There shall be an agreed range of vended snacks and beverages available at specified times, with items well stocked and within sell-by date.

1.12.13 The Contractor shall ensure the use of suitably sourced and maintained vending machinery. All vending machines and ancillary equipment shall be installed correctly and be fully operational in accordance with the manufacturer's instructions. They shall not cause obstruction to thoroughfares. The Contractor shall ensure that the vending machines and areas surrounding vending machines shall be clean and free from packaging and rubbish.

Food safety regulations

1.12.14 The Contractor shall ensure that the provision of catering services complies in all respects with relevant food safety regulations and statutes, and that an annual review of Hazard and Critical Control Path Analysis (HCCPA) is completed.

1.12.15 The Contractor shall comply with the requirement to register the premises under food safety Legislation with the Health and Environment Services section of the Authority and provide written confirmation of the fact to the Authority's Representative within one month of the Commencement Date and annually thereafter, within one month of the beginning of the Contract Year.

1.12.16 The Contractor shall comply with the Food Safety and Hygiene (England) Regulations 2013. The Contractor shall operate all licensed premises in accordance with the Licensing Act 2003. The Contractor shall ensure that all licensed bars have a current premises license and a designated premises supervisor.

1.12.17 The Contractor shall provide a documented Food Safety Management System and ensure that all food handlers have appropriate food hygiene training commensurate with their work activity.

Food hygiene

1.12.18 The Contractor shall remove all rubbish from the catering areas to a designated location on-site in a safe and hygienic manner.

- 1.12.19 The Contractor shall ensure that trays, litter and other debris shall be cleared away and tables wiped periodically to provide a tidy and clean environment. The Contractor shall ensure that there shall be no failure to clear trays, litter and other debris or to clean tables such that new customers have a clean place to sit.
- 1.12.20 The Contractor shall ensure that each dining area is cleaned daily at the end of the shift to the required level for the following day's work.
- 1.12.21 Other than for a vending only service, the Contractor shall ensure that as a minimum the catering services shall be subject to an annual independent hygiene inspection.

Quality of catering service

- 1.12.22 The Contractor shall ensure that the catering services are fast and efficient. If any complaint is received in respect of the service provision, the Contractor shall make appropriate investigations. The Contractor shall regularly review complaints, and any actions taken, and make recommendations on how to resolve any ongoing issues.
- 1.12.23 The Contractor shall ensure that catering service efficiency is measured as part of an annual satisfaction survey. The Contractor shall seek to achieve 90% overall satisfaction in the annual survey review.

Facilities

- 1.12.24 The Contractor shall maintain the catering facilities in a hygienic condition. The dining area shall be clean and tidy at all times before peak times and shall be periodically cleaning during times of use.
- 1.12.25 The Contractor shall ensure that the vending and catering equipment is maintained in a clean, functional and hygienic condition, in compliance with all applicable health and safety regulations.

Health and safety

- 1.12.26 The Contractor shall ensure that the provision of the vending and catering service complies in all respects with relevant health and safety regulations. The Contractor shall ensure that appropriate safe methods of work ie risk assessments are in place and all staff shall have access to relevant information relating to health and safety and risk assessments.
- 1.12.27 The Contractor shall ensure that all accidents are recorded in accordance with health and safety regulations and Contractor procedures.
- 1.12.28 The Contractor shall ensure that where use of chemicals or substances is called for, COSHH data sheets are completed and all staff have access to relevant COSHH data information.

Staff

- 1.12.29 Where appropriate, the Contractor shall ensure that all catering staff are appropriately trained, competent and informed of all areas relating to food safety and health and safety. The Contractor shall ensure that an annual training plan is completed (reviewed quarterly) to ensure that all catering staff are appropriately trained in areas including, but not limited to, the following:
- Basic food hygiene
 - Advanced food hygiene

- Health and safety (including COSHH, risk assessments, safe systems at work, manual handling etc)
- Service delivery
- Marketing/ merchandising.

Reporting Requirements

- 1.12.30 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.13 IT Systems

Required Outcome

- 1.13.1 The Contractor shall ensure that fully functioning and efficient IT systems are maintained at the Facilities throughout the Contract Period.

Performance Standards

- 1.13.2 The Contractor shall develop technological solutions for everyday tasks. This includes providing a system that allows for User transactions, including requests for information and bookings to be made online, in accordance with the Authority's commitment to the e-government agenda.
- 1.13.3 The Contractor shall ensure that there is a clear and easily understood booking system and service for all relevant activities at the Facilities. This booking system shall be based on technological systems that allow for advanced booking arrangements and payments, collation of User information, effective management and administration systems, marketing opportunities and operational information systems that record and effectively deliver all bookings.
- 1.13.4 The system shall enable information on types of Users to be analysed in order to record participation by target groups as identified in the Physical Activity Development Plan.
- 1.13.5 The Contractor shall develop proposals for the self-ordering and self-issue of leisure tickets, with collection points specified at the Facilities that facilitates fast track entry systems.

Reporting Requirements

- 1.13.6 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.
- 1.13.7 Should the Authority wish to analyse any specific IT reports the Contractor must produce the relevant report within seven Business Days from the initial request.

1.14 Maintenance of Buildings, Plant and Equipment

Required Outcome

- 1.14.1 The Contractor shall ensure that the Facilities and all equipment are fully functioning and available for use, conform to Legislation and statutory requirements, perform in the most efficient manner and achieve full economic life. The Contractor shall regularly service, maintain and replace as appropriate all buildings, equipment and plant in accordance with this Services Specification and Appendix 4 – Lifecycle Replacement Responsibility Matrix.

- 1.14.2 The Contractor shall ensure that:
- It takes full responsibility for managing and delivering all the specified maintenance services at the Facilities
 - It provides maintenance services for the Authority based on continuous improvement and innovation
 - The Project benefits from the co-ordination and integration of the Contractor's supply chain, including all consultants, sub-contractors and suppliers and the Contractor shall ensure the commitment of its entire supply chain
 - It provides a professional service that delivers the Services and adheres to the Authority's Policies and contributes to the Authority's Outcomes.
- 1.14.3 Specific outcomes are required for the NRLC dual-use facility and these are set out in an agreement between Ryedale District Council, North Yorkshire County Council and Lady Lumley School. The agreement is presently subject to revision and will be provided to contractors once finalised.

Performance Standards

- 1.14.4 The Contractor shall undertake all Planned Preventative Maintenance (PPM) and reactive repairs including equipment maintenance and replacement as set out in this Services Specification, the Lifecycle Replacement Responsibility Matrix set out in Appendix 4, the agreed Schedule of Programmed Maintenance and in accordance with the Contractor's previously agreed Maintenance Method Statement. The Contractor shall ensure that the Facilities are kept up to date and reflect the needs of Users.
- 1.14.5 The Contractor shall carry out agreed breakdown and repair maintenance for all buildings and services to ensure that, at all times, the plant, buildings and equipment at the Facilities are maintained to a high standard of good repair and are fully functional in respect of the activities taking place at the Facilities.
- 1.14.6 The Contractor as a minimum shall ensure that:
- Both planned preventative lifecycle and reactive maintenance is carried out in accordance with the Contractor's previously agreed Maintenance Method Statement and the agreed Schedule of Programmed Maintenance
 - Maintenance procedures ensure Facilities:
 - Comply with all applicable statutory requirements and Legislation
 - Are in a safe, secure, wind protected and watertight condition
 - Are maintained to such levels of condition and to such specifications as are consistent with principles of good estate management applied to the Facility as a whole in accordance with the standards contained within the Heating and Ventilating Contractors' Association (HVCA) SFG20 guidance, and
 - Are maintained in a manner which prevents deterioration save fair wear and tear of any part thereof.
 - All maintenance repairs use materials that are comparable and compatible with existing materials used on the Facilities
 - All maintenance activity is recorded on the Property Database (see paragraph 1.4 of this Services Specification)
 - All work is carried out in accordance with appropriate British Standards and Approved Codes of Practice.
- 1.14.7 The Contractor shall ensure that on a continuing basis the maintenance and operating procedures comply with Clause 15 (Condition of the Facilities) of this Agreement.

- 1.14.8 This section of the Services Specification contains the scope of the "Maintenance Services". The Contractor shall take responsibility for and be responsible for the costs of all Maintenance Services. The Contractor shall be responsible for all costs of the replacement of Contractor Lifecycle Items as set out in Clause 15 (Condition of the Facilities) of this Agreement and shall comply with the provisions of Clause 15 (Condition of the Facilities) of this Agreement with respect to Authority Lifecycle Items. A detailed breakdown of lifecycle replacement responsibilities between the Authority and the Contractor is set out in Appendix 4 of this Services Specification.
- 1.14.9 The Contractor shall implement Programmed Maintenance, comprising of:
- Planned Preventative Maintenance
 - Statutory/ mandatory testing/ inspections
 - Lifecycle replacement (in accordance with the terms of this Agreement).
- 1.14.10 The Contractor shall carry out reactive maintenance in accordance with this Services Specification and applicable response/ rectification times.
- 1.14.11 The Contractor shall ensure that copies of operating worksheets for periodic maintenance and repairs carried out are recorded on the Property Database. The Contractor shall maintain on the Property Database records detailing all breakdown failures, incidents or accidents involving any plant, machinery and equipment, together with details of all service overhauls or other such investigations that are carried out to plant, machinery and equipment.

Planned Preventative Maintenance (PPM)

- 1.14.12 The Contractor shall, by a regular and organised scheme, be responsible for the maintenance and operation of all items of plant, equipment and building fabric within the Facilities, inclusive of fixtures and fittings. The Contractor shall ensure that the PPM system is operated from within a computer aided facilities management (CAFM) system. The Contractor shall be responsible for the operation and maintenance of the Facilities in a manner that optimises its performance for the duration of their effective life. The Authority may at any time carry out checks of any replacement, maintenance or repair carried out by the Contractor. The Authority's Representative may also request demonstrations of the performance of the Facilities and the Contractor shall fully cooperate with such requests.

Reactive Maintenance and repairs

- 1.14.13 The Contractor shall operate systems in a competent, pro-active manner so as to control all of the systems and the internal environment and to maintain a secure and reliable service in accordance with their relevant Method Statement. The Contractor shall monitor any departures from the environmental parameters set out in the Zone Data Sheets and shall rectify any such departures.
- 1.14.14 The Contractor shall provide a professionally managed service, through the CAFM system, for reactive maintenance and repairs 24 hours per day, 365 days per year. The Contractor shall provide a fully comprehensive service where all reactive repairs and maintenance (including labour, materials, profit, overheads and any other relevant costs) shall be carried out at the Contractor's cost.
- 1.14.15 The Contractor shall ensure that all maintenance staff working on behalf of the Contractor involve themselves fully in the identification of faults. The Contractor shall ensure that the inherent skills of its staff ensure the timely identification and rectification of faults. The Contractor shall ensure that both faults identified by the Authority's and Contractor's staff are logged through the CAFM system for quality analysis. The Contractor shall ensure that

each and every reactive service request has an associated history, including completion date and time, and cost information within the CAFM system.

- 1.14.16 The Contractor shall meet minimum response times to ensure that any reactive repairs are completed with the least inconvenience and disruption to the workings of the Facilities.
- 1.14.17 The Contractor shall ensure that only appropriately trained personnel are dispatched to reactive activities. The Contractor shall ensure that all maintenance repairs use materials that are comparable and compatible with existing materials used at the Facilities.
- 1.14.18 The Contractor shall provide an adaptable and responsive 'handyman' service to the Facilities. This service shall provide general expertise in the wide range of maintenance and repair requests that are likely to be demanded of this service. The 'handyman' service shall be available to deal with general repairs and decoration on a planned, reactive or ad hoc basis. Tasks likely to fall within the remit of the 'handyman' service include but are not limited to picture hanging, shelf hanging and minor redecorations.
- 1.14.19 During the operation of the Facilities, the Contractor shall be responsible, at its own cost, for the repairs and reinstatement of any accidental or deliberate damage caused including vandalism.
- 1.14.20 The Contractor shall ensure that where glass is replaced for whatever reason, the replacement glass meets the standards as set out in Regulation 14 of the Workplace (Health and Safety and Welfare) Regulations 1992, and also BS 6262: Part 4 and areas of special risk Class C of BS 6206.
- 1.14.21 The Contractor shall ensure that where materials have to be replaced, for whatever reason, the replacement materials match in every way the specification, quality, performance, and appearance of the original materials in their final location. Where new materials with enhanced properties are available, the Authority's Representative shall be informed that such new materials are proposed and of the benefits that these would deliver to the Facilities.

Lifecycle

- 1.14.22 The Contractor shall develop the Lifecycle Schedule for the Facilities based upon industry standards for replacement of plant and building fabric. For the Contract Period, the Contractor is required to manage the Lifecycle Schedule as set out in Clause 15 (Condition of the Facilities) of this Agreement. The Contractor shall undertake the lifecycle replacement works in accordance with Clause 15 (Condition of the Facilities) of this Agreement.
- 1.14.23 The Contractor shall take cognisance of the intimate relationship between operational elements and those elements of lifecycle management. The Contractor shall implement a holistic maintenance regime to maximise the life of all built and installed assets.

Fabric Maintenance

- 1.14.24 The Contractor shall provide a professionally managed, high quality planned preventative fabric maintenance service in accordance with a system and programme of building fabric maintenance. The Contractor shall make sure that the Facilities are in a safe, secure, wind protected and watertight condition.
- 1.14.25 The Contractor shall ensure that reactive repairs and maintenance to the internal and external fabric of the Facilities are logged via the CAFM system and allocated to the appropriate tradesmen by the Contractor. The Contractor shall ensure that planned preventative maintenance tasks are generated by the PPM system quarterly, in advance,

and made available to the Authority's Representative. The quarterly task sheet shall clearly identify the asset type, location and work required.

- 1.14.26 The Contractor shall ensure that fabric maintenance is undertaken at the Facilities. This shall include but not be limited to:
- Decorations
 - Flooring
 - Roofing and ceiling
 - Internal and external walls
 - Drain and gutter clearance – regular roof inspections will be required to ensure that gutters are kept clear.
- 1.14.27 All window cleaning is the responsibility of the Contractor.
- 1.14.28 The Contractor shall discharge its obligations under the Control of Asbestos at Work Regulations 2002 and its amendments including the publishing and maintenance of a comprehensive Asbestos register, and associated risk analysis, of all areas within the Facilities, identifying those which:
- a) are presumed by the Contractor to contain Asbestos, or
 - b) it has been concluded by the Contractor that they do contain Asbestos, or
 - c) it has been concluded by the Contractor that they do not contain Asbestos, or
 - d) are presumed by the Contractor that they do not contain Asbestos.
- 1.14.29 The Contractor shall make this Asbestos register permanently available to the Authority, all of the Contractor's personnel, sub-contractors and suppliers and any other operatives carrying out work on the Contractor's behalf at the Facilities.
- 1.14.30 The Contractor shall ensure that all activities are executed and records updated with due regard to the Control of Asbestos at Work Regulations 2002 and its amendments. The Contractor shall ensure that all registers relating to Asbestos and associated work schedules are maintained on the CAFM system and reports are notified to the Authority in line with paragraph 1.4.6 of this Specification.

Mechanical and Electrical Maintenance

- 1.14.31 The Contractor shall provide a professionally managed, high quality Mechanical and Electrical (M&E) maintenance service through a regular and organised regime. The Contractor shall ensure the successful operation and optimum condition of all of the mechanical, electrical, plumbing and drainage systems. The plant and systems to be maintained are listed within the asset registers.
- 1.14.32 The Contractor shall follow the maintenance requirements specified by:
- Original equipment manufacturers' recommendations
 - HVAC Standard Maintenance Specification
 - C.I.S.B.E guidelines
 - BSRIA
 - The Authority's requirements as set out in this Services Specification
 - All relevant statutory regulations and requirements
 - Specific warranty period maintenance requirements.

- 1.14.33 The Contractor shall ensure that assets are maintained at optimum performance. The Contractor shall monitor the assets and buildings so that operating conditions are maintained and the quality of service provision and the performance of assets is recorded. The Contractor shall use the CAFM system to log and record responses to problems as they occur as well as recording performance of equipment and systems. The Contractor shall be responsible for establishing/ maintaining any additional systems it considers necessary to carry out this task.
- 1.14.34 Specific paragraph to be added by RDC regarding maintenance of solar panels, CHP and other energy-saving equipment.

Equipment

- 1.14.35 The Contractor shall maintain all fixtures and fittings and loose equipment as identified in the inventory set out in Appendix 5 (Equipment Inventory) and return them all on the Expiry Date, or if earlier, the Termination Date, in good condition (taking into account fair wear and tear), replacing any as necessary.
- 1.14.36 The Contractor shall service and maintain all equipment and systems within the Facilities inclusive of the supply of all disposable items and service components.
- 1.14.37 The Contractor shall carry out repairs or replacement of moving parts and keep all the equipment systems in working order.
- 1.14.38 The Contractor shall repair or replace any item of equipment which has been poorly maintained or has been subject to any unnecessary damage during the Contract Period.
- 1.14.39 The Contractor shall maintain and repair equipment in the Facilities to the standards outlined below:
- Items that are subject to a manufacturer's or supplier's instruction or recommendation shall be maintained and prepared to that instruction or recommendation
 - Additionally, all relevant statutory maintenance regulations shall be complied with. Copies of certificates of inspection shall be forwarded to the Authority's Representative and shall be displayed in the reception area of each Facility
 - Items of equipment not subject to any regulations or recommendations for maintenance shall be inspected on a regular basis and at intervals not exceeding one month
 - Where the Contractor enters a maintenance agreement with a supplier of specialist equipment, that agreement shall not continue beyond the duration of this Agreement.
- 1.14.40 The Contractor shall ensure that an item of equipment that, at any time, is found to be defective or has failed and so poses a potential hazard is immediately withdrawn from service. It shall be made secure to ensure that it cannot inadvertently be used.
- 1.14.41 The Contractor shall not make any modifications to equipment at the Facilities without the prior written permission of the Authority.
- 1.14.42 The Contractor shall ensure that standards of design, materials, manufacture and construction of equipment obtained to replace equipment that has been damaged or is otherwise unusable shall not be less than that of the equipment it is replacing.
- 1.14.43 The Contractor shall ensure that at the expiry or termination of this Agreement, all items, excluding any items that have been written off, destroyed or removed with the Authority's consent, shall be handed back to the Authority in good condition with due regard having been made for normal wear and tear. In the case of any items which have been replaced or altered, these shall be returned to the Authority in order to maintain the initial inventory.

Statutory/ Mandatory inspections

- 1.14.44 The Contractor shall ensure that all statutory and other mandatory requirements are met in respect of the Maintenance Services and inspections. The Contractor shall inform the Authority in the first instance of any and all breaches of these obligations together with a programme for rectification and measures to safeguard against a repeat.
- 1.14.45 The Contractor shall set up a programme of statutory, mandatory and insurance inspections to ensure all assets receive the required inspections at the correct time. The annual programme shall be issued to the Authority in advance. The Contractor shall at all times comply with all relevant EC and UK statutory and legislative requirements and all relevant guidance (including British Standards) including any alterations that may take place.
- 1.14.46 The Contractor shall cooperate with any periodic inspections made by the Authority or any external agencies such as the Authority's Health and Environment Services section and shall provide such reasonable assistance to such inspectors as may be necessary.

Portable Appliance Testing

- 1.14.47 The Contractor shall ensure that as a minimum, portable appliance testing ('PAT') is implemented and carried out in accordance with the Code of Practice for in-services inspection and Testing of Electrical Equipment published by the Institution of Electrical Engineers, as amended from time to time. The Contractor shall ensure that all portable appliances are tested and certified with copies of certificates promptly forwarded to the Authority's Representative. PAT testing shall be risk based. The Contractor shall determine the frequency based on the risk presented to the Class 1 and 2 electrical and electronic equipment used at the Facilities and by the working environments within the Facilities.
- 1.14.48 The Contractor shall test any item of equipment introduced to the Facilities prior to its being used. Once tested, items shall be tagged and logged in accordance with the above regime by the Contractor.
- 1.14.49 The Contractor shall maintain a register of portable appliances held at the Facilities, including but not limited to portable items and static items. The Contractor shall maintain the register containing details of the executed PAT tests. Such testing shall form part of the overall PPM regime undertaken by the Contractor and the Contractor shall ensure that all reports and recommendations are held centrally within the CAFM system.

Fire Detection, Emergency Lighting and Fighting Systems

- 1.14.50 The Contractor shall ensure that all fire detection alarm systems are maintained and tested in accordance with BS 5839: Part 1 (or replacement standards) with copies of the relevant certificate promptly forwarded to the Authority's Representative.
- 1.14.51 The Contractor shall ensure that all Emergency Lighting Systems are maintained and tested in accordance with BS 5266: Part 1 (or replacement standards) with copies of the certificates promptly forwarded to the Authority's Representative following each service.
- 1.14.52 The Contractor shall test all fire detection equipment and emergency lighting on a weekly basis and in a manner which ensures that every manual call point is activated through the testing period and cyclically at a frequency and at a time to be agreed between the Authority and Contractor in accordance with manufacturer's and installer's guidance and in line with the above statutory guidance. The Contractor shall ensure that the results are logged within each location and centrally within the CAFM system. The Contractor shall ensure that all abnormal test results are acted upon and the appropriate action is taken to remedy any abnormal test results in line with the required response and rectification times.

Lifts, Hoists, Conveyance Systems and other lifting equipment

- 1.14.53 The Contractor shall provide a maintenance service to the lifts, hoists and conveyance systems and other lifting equipment within the Facilities. The Contractor shall ensure rectification as set out in Schedule 6 (Payment and Performance Monitoring System) if there are any problems with the system's components, items and panels. The Contractor shall ensure that all necessary information regarding the lifting and conveyance system is recorded within the CAFM system.
- 1.14.54 In addition to the maintenance activities, the Contractor shall ensure that lift cars are taken out of service in the case of dangerous situations and shall ensure the competency of operatives to carry out maintenance work and train site staff in the rescue and freeing of trapped passengers.

Security, Access and Intruder Systems

- 1.14.55 The Contractor shall maintain any CCTV, intruder and access systems at the Facilities to ensure their proper functioning at all times. The Contractor shall ensure that any failure in such systems is rectified within the required rectification times.
- 1.14.56 The Contractor shall ensure that all intruder alarm systems are maintained and tested in accordance with the Authority's 24 hour 'Ryecare' monitoring arrangements and, if appropriate, BS 4737 (or replacement standards), with copies of the certificates forwarded to the Authority's Representative following each service.

Re-Lamping

- 1.14.57 The Contractor shall carry out all necessary re-lamping at the buildings and shall adopt an organised approach to re-lamping across the Facilities. The Contractor shall monitor the provision of this service for efficiency with a view to achieving the greatest possible reductions in replacement frequency and cost. The optimum replacement frequencies for lamps shall be determined by the Contractor, whilst maintaining the specified lighting levels in accordance with this Services Specification and in accordance with guidance embodied within HS(G) 38 Lighting at Work and CIBSE publication LG03: 1996 Areas for visual display terminals (as amended from time to time). The Contractor shall ensure that luminaries and light fittings are kept in good repair and shall be cleaned and maintained to ensure optimum performance.

Duct Maintenance

- 1.14.58 The Contractor shall maintain and clean all ducts, shaft, risers and associated ventilation. The Contractor shall comply with the HVCA guide to good practice – cleanliness of ventilation systems TR17/2 (as amended from time to time).

External Maintenance

- 1.14.59 The Contractor shall provide maintenance services to the external environment at the Facilities including external furniture and fittings, external lighting and irrigation systems.
- 1.14.60 The Contractor shall be responsible for the maintenance and cleaning of all hard surfaces and all litter scavenging within the external areas of the Facilities to include bin emptying and disposal of waste.

Reporting Requirements

- 1.14.61 The Contractor shall ensure that results of all non-compliant measurements are recorded on the Property Database.

- 1.14.62 The Contractor shall report on all inspections and maintenance checks for the purpose of a building audit over the Contract Period. The Contractor shall ensure that this information is stored on the Property Database.
- 1.14.63 The Contractor shall on an annual basis, produce a Schedule of Programmed Maintenance for each of the Facilities. The Schedule of Programmed Maintenance must be submitted to the Authority in accordance with Clause 15 (Condition of the Facilities) and Schedule 8 (Review Procedure). As part of its Schedule of Programmed Maintenance, the Contractor shall provide a structured approach for dealing with breakdown and repair maintenance and a schedule of response times for the various categories of work.
- 1.14.64 The Contractor shall provide to the Authority a "Maintenance Programme Progress Update" on a quarterly basis detailing how the programme is progressing.
- 1.14.65 The Maintenance Programme Progress Update should cover (without limitation):
- Health and safety
 - Contractual issues requiring discussion and resolution
 - Review of action plans as necessary
 - Review of financial matters
 - Overall contract compliance including completed and not completed PPM activities, completion of reactive maintenance within and outside the specified response and rectification times and exception report covering the maintenance activities
 - Results of any audits
 - Proposals for continuous improvement
 - Review of cost saving/ cost avoidance initiatives
 - Review of any matters affecting or affected by third party suppliers.
- 1.14.66 The Contractor shall submit details of any failures to follow the Schedule of Programmed Maintenance or achieve the required Performance Standards as part of the Performance Monitoring Report.

1.15 Grounds Maintenance

Required Outcome

- 1.15.1 The Contractor shall carry out grounds maintenance within the site boundaries of the Facilities in such a way as to maintain a well presented and safe environment for all Users, allowing for efficient and effective use of the facilities and promoting a positive image of the Facilities at all times.
- 1.15.2 The Contractor shall provide a safe, attractive and stimulating environment for the citizens of Ryedale and beyond and to safeguard and enhance the natural environment at the Facilities.
- 1.15.3 Specific outcomes are required for the maintenance of the Synthetic Turf Pitch at NRLC and these are set out in Appendix 6.

Performance Standards

The Grounds

- 1.15.4 The Contractor is responsible for all grounds maintenance and shall collect and dispose of litter on the soft landscaped areas eg within the shrub beds and on grass lawn areas.
- 1.15.5 The Contractor shall ensure that the grounds are maintained to meet the applicable provisions of BS7370. BS3936, BS4043 and BS4428:1989 and in accordance with the detailed provision as set out in the remainder of this Services Specification. This includes the maintenance of any cultivated area in the car parks.
- 1.15.6 The grounds to the front of Derwent Pool are classified as a "Closed Churchyard" and maintenance shall be carried out with due regard to requirements under the "The Local Government Act 1972". The requirement to maintain arises under clause 215 which states "that the Churchyard shall be maintained by keeping it in decent order and its walls and fences in good repair". An addition to this is that as there are trees present they should be maintained and managed in accordance with good arboricultural practice. As the ground does not belong to the Authority, consent is required in every instance where use of the ground is required or where works are needed which involve digging. In these instances, the Authority must be informed in advance so that, if appropriate, consent can be obtained.

General Grass Areas

- 1.15.7 The Contractor shall maintain all grass areas in accordance with BS 7370: Part 3 Category D related to grass length, evenness and litter.
- 1.15.8 For the purposes of this Agreement there is no defined grass cutting season and therefore no finish date to grass cutting.
- 1.15.9 The Contractor shall not include or use growth retardant of any form to any area of grass within this Agreement.

Soft Landscape Maintenance

- 1.15.10 The Contractor shall maintain all soft landscape features in accordance with BS.7370: Part 4 1993 'Recommendations for maintenance of soft landscape' or European equivalent.

Trees

- 1.15.11 The Contractor shall ensure that any trees that are to be supplied and planted by the Contractor as part of its investment in the Service and any trees that are replacements for any existing trees or trees planted in future shall comply with the minimum requirements of BS 3936: Parts 1 and 4, BS 5236 and BS 4043.
- 1.15.12 The Contractor shall ensure that tree planting is carried out in accordance with BS 4428: 1989 Section Seven (7.1 - 7.8).
- 1.15.13 The Contractor shall prune back any damaged, dead, dangerous, diseased or infested branches whilst retaining the natural shape of the tree.

Plants

- 1.15.14 All plants supplied and planted by the Contractor shall comply with BS 4428: 1989 Section Nine (9.1 - 9.14).

Weed Control

- 1.15.15 The Contractor shall ensure that weeds are controlled throughout the year, by either cultural methods and/or herbicides.
- 1.15.16 The Contractor shall utilise mulching as a method of weed control wherever possible.

Slippery Surfaces

- 1.15.17 The Contractor shall treat hard surfaces, with an appropriate herbicide/fungicide or other suitable material to ensure that at no time there is a formation of algae, moss etc. causing the surface to be slippery.

Snow and Ice

- 1.15.18 The Contractor shall ensure:
- that when dealing with the removal of snow and ice by distributing de-icing salt over areas to maintain a safe surface that damage to grassed and planted areas shall not be caused;
 - that surface water drainage channels, gully gratings and outlets are kept clear to prevent ponding, flooding and subsequent damage to roads on site, paths and planted areas following a thaw.
- 1.15.19 The Contractor shall ensure that any specific hazards caused by inclement weather shall be made safe and reported to the Authority's Representative immediately.

Environmental Maintenance

- 1.15.20 Section 89 (1) of the Environmental Protection Act 1990 places a duty on local authorities to ensure that all land under their direct control is kept free of litter and refuse. The Department of the Environment has issued a code of practice to provide guidance in establishing reasonable and generally acceptable standards of cleanliness. The Contractor shall ensure that the Sites achieve the standards required by the EPA 1990 and the code of practice. The Contractor shall refer to the Environmental Protection Act 1990: Code of Practice on Litter and Refuse for examples of cleanliness standards and shall meet the same.

Leaf and Blossom Fall

- 1.15.21 The Contractor shall ensure the clearance and proper disposal of leaves, blossom, tree fruit and seeds from the areas contained within this Agreement.

Animal Fouling Clearance

- 1.15.22 The Contractor shall ensure the removal of animal fouling from the sites within this Agreement to which the duty under the Environmental Protection Act 1990 applies, and shall ensure that Sites remain free from dog excrement.

Graffiti and Flyposting

- 1.15.23 The Contractor shall remove all graffiti and flyposting from all bins, fences, walls, gates, bridges, notice boards, equipment, buildings and parts of buildings within this Agreement to ensure that Sites remain graffiti free and shall use reasonable endeavours to prevent and reduce the writing of graffiti in the Sites.

Removal of Dumped Refuse Abandoned Vehicles and Fly-tipping

- 1.15.24 The Contractor shall ensure the prompt removal and disposal of dumped refuse (including gas cylinders, tyres, car batteries and builders' materials), abandoned cycles, motor cycles and vehicles and fly-tipping within the Sites.

Pests, Vermin and Wild Animals

- 1.15.25 The Contractor shall eradicate rats and remove wasps' nests, swarms of bees, pests, including Brown Tail Moth and vermin within the Sites. The Contractor shall deal with injured wild and domestic animals within the Site boundaries.
- 1.15.26 The Contractor, when using pesticides, shall comply with guidelines contained in:
- Ministry of Agriculture, Fisheries and Food/HSE 'Pesticides' HMSO
 - British Agrochemical Association: 'Handbook of Amenity Pesticides'
 - Weed Research Organisation: 'The Weed Control handbook Vols I and II'
 - National Association of Agricultural Contractors and National Turf Authority: 'Code of Practice for the Use of Approved Pesticides in Amenity Areas'.

General

- 1.15.27 The Contractor shall give priority to areas of need in line with the requirements of the Environmental Protection Act 1990 and follow the general principle that the 'dirtier' an area has become, the more quickly it should be cleaned and returned to "Grade A" in accordance with the Environmental Protection Act 1990.
- 1.15.28 The Authority shall be entitled to issue to the Contractor "Litter Control Notices" in respect of any location in accordance with the Environmental Protection Act 1990, during the Contract Period.
- 1.15.29 The Contractor shall make proper financial and operational arrangements for the disposal of all effluent, waste and refuse arising from all Sites during the Contract Period.
- 1.15.30 The Contractor shall maintain the existing fences and gates in order to maintain the integrity of the perimeter security including repairs as a result of vandalism / damage by a third party and Contractor negligence.

Reporting Requirements

- 1.15.31 The Contractor shall submit a Grounds Maintenance Schedule one month before the Commencement Date and annually before the 31st December each Contract Year thereafter.
- 1.15.32 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.16 Event Management

Required Outcome

- 1.16.1 The Contractor shall manage a number of events in accordance with the Programmes of Use, Physical Activity Development Plan and Marketing Plans.
- 1.16.2 The Contractor shall ensure that events staged at the Facilities showcase and promote the Facilities to Users and take into account all specific site restrictions.

Performance Standards

- 1.16.3 The Contractor shall have a clear policy in place for effective event management and shall adhere to the Event Management Method Statement in the carrying out of any event at the Facilities.
- 1.16.4 The Contractor shall effectively promote events at the Facilities to support the delivery of the Authority's Outcomes, ensuring that non sporting events are appropriately balanced with sporting events to deliver against the Authority's Outcomes.
- 1.16.5 The Contractor is responsible for all aspects of events from marketing and planning through to staging and post-event feedback.
- 1.16.6 The Contractor shall ensure that each event is delivered to the requirements of the specific User ie National Governing Body, corporate business, international organisation and/or wedding couple.
- 1.16.7 The Contractor shall ensure that its delivery of each event includes all aspects of management required to ensure that the event runs smoothly and shall include management of car parking facilities and liaison with local residents.
- 1.16.8 The Contractor shall ensure that any event being staged at the Facilities does not disrupt other Users of the Facilities.
- 1.16.9 The Contractor shall ensure that events adhere to all relevant site restrictions.
- 1.16.10 The Contractor shall ensure that the management and staffing of events is carefully planned to ensure that a dedicated single point of contact is available to all Users. The identified single point of contact shall retain responsibility for the event both during the planning phase but also the delivery with a visible on-site presence. The Contractor shall ensure that sufficient staffing is available to resource the event.
- 1.16.11 The Contractor shall ensure that all hirers are competent in respect of the nature of their event and that all hirers are adequately and appropriately insured.
- 1.16.12 The Contractor shall ensure, where applicable, that the event organisers have appropriate public liability and other insurance cover.
- 1.16.13 The Contractor shall obtain consent for the holding of events from appropriate authorities.
- 1.16.14 The Contractor shall provide or ensure that event organisers provide sufficient numbers of mobile toilets and arrange the supply and connection of relevant services and that they supply and erect marquees (if relevant) in connection with their events.
- 1.16.15 The Contractor shall actively seek to obtain User feedback in relation to any event staged and shall demonstrate how feedback received has been used to improve future event delivery.

Authority Sponsored Events

- 1.16.16 For events promoted by the Authority, the Contractor shall provide reasonable assistance in the organisation of these events, and shall sell tickets for these events, at no additional cost to the Authority. The Authority will negotiate with the Contractor any costs above the normal hire fee or operating costs, if necessary.
- 1.16.17 The Contractor's staff shall involve themselves in the negotiations and meetings with event promoters, media and athletes to ensure that events are successful and the Authority's image (and the Contractor's) is enhanced.

- 1.16.18 The Authority may require the Contractor to be responsible entirely for the management or promotion of an event on its behalf. In this case, the Authority will negotiate a separate fee with the Contractor.

Reporting Requirements

- 1.16.19 The Contractor shall provide an Event Management Progress Update to the Authority on a quarterly basis.
- 1.16.20 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.
- 1.16.21 The Contractor shall ensure that all comments received should be available for review by the Authority.
- 1.16.22 The Contractor shall include an event management summary within the annual report detailing the outcomes of the User feedback system.

1.17 Reporting

- 1.17.1 There are four elements within the reporting performance requirements which the Contractor shall comply with:
- a. Physical Activity Development Plan
 - b. Marketing and Publicity
 - c. Major Incidents
 - d. General Reporting.

a. Physical Activity Development Plan

Required Outcome

- 1.17.2 Development of physical activity and sport is an important tool in achieving greater usage in under-represented groups. In particular, such development work focuses on encouraging individuals and groups who may be disadvantaged in some way to take part in sports, health and physical activity.
- 1.17.3 The Contractor acknowledges the importance of developing usage and Users and shall prepare a Physical Activity Development Plan for approval by the Authority's Representative and implementation by the Contractor. This shall incorporate two aspects:
- A Sports Development section taking account of the needs of the district to include appropriate provision of coached sessions/ links between centres and clubs, active promotion of healthy lifestyles, links to schools and partnerships with appropriate organisations such as North Yorkshire Sport
 - A health-related Physical Activity section which demonstrates effective and sustainable improvements on issues such as improving health and tackling health inequalities, increasing community safety, raising attainment and promoting social inclusion in partnership with NHS and public health organisations.
- 1.17.4 This will involve the Contractor working in partnership with various local and regional organisations (including Ryedale District Council, Sport England, North Yorkshire Sport, the NHS and the School Sports Partnership) to identify issues and agree priorities.

Performance Standards

- 1.17.5 The Contractor shall identify where it will work with the Authority's Sports and Leisure officers within the Facilities.
- 1.17.6 The Contractor shall ensure that a Physical Activity Development Plan is developed and implemented. The Contractor shall ensure that the plan is submitted to the Authority for approval one month prior to the Commencement Date and then, annually thereafter, by 31st December for implementation the following Contract Year.
- 1.17.7 The Contractor shall ensure that the Physical Activity Development Plan shall set out in detail how programmes will support the achievement of appropriate Participation Targets for a range of target groups.
- 1.17.8 The Contractor shall ensure that a key focus of the Physical Activity Development Plan is the development of pathways into sport and relationships with local sports clubs, schools and community groups.
- 1.17.9 The Contractor shall ensure that the Physical Activity Development Plan addresses the Authority's key objectives and aid the delivery of the Authority's Outcomes.
- 1.17.10 The Contractor shall ensure that the Physical Activity Development Plan shall be prepared in partnership with North Yorkshire Sport and includes the following:
- Programmes for basic skills development (especially for young people)
 - Promoting participation
 - Improving performance
 - Developing talent and excellence
 - Playing new, not necessarily mainstream, sports
 - Receiving/giving coaching
 - Taking part in events and competitions
 - Improving levels of User satisfaction
 - Developing volunteers and officials
 - Developing clubs
 - Consistency with long term athlete development principles.
- 1.17.11 The Contractor shall ensure that the activity programmes within the Physical Activity Development Plan include the following requirements:
- The programme of activities must meet the aims and objectives of both the Facilities and the leisure service and be flexible to accommodate future changes in local demographics and participation trends
 - It should be dynamic, innovative and responsive to the requirements of the Users and potential Users
 - The programme must ensure that all members of the community may use the facilities
 - The programme must have a proactive approach to addressing the needs of under-represented groups, such as young people, students, people who are economically disadvantaged, disabled people, older people (60+), health referrals and people who are inactive (particularly those in rural areas)

- It must also reflect appropriate local, regional and national sports authorities' policies and programmes with clear pathways identified for participants to progress and develop skills as well as provide an inclusive and active strategy for disabled sport
- Programming must incorporate a clear philosophy on sports development and equity informed by current guidance from appropriate sports organisations including sports Governing Bodies, Sport England and the English Federation for Disability Sport
- Club notice boards should be provided for clubs who regularly use the Facilities
- Sports development notice boards should be provided throughout the Facilities to ensure that sports development information is easily available.

1.17.12 The Contractor shall ensure that assessment against how the Physical Activity Development Plan is progressing is measured on a quarterly basis.

Reporting Requirements

1.17.13 The Contractor shall ensure that a Physical Activity Development Progress Update is provided to the Authority on a quarterly basis.

1.17.14 The Contractor shall submit a log of all instances where the programme was not met or failures to deliver the Performance Standards as part of the Performance Monitoring Report.

1.17.15 The Contractor shall provide a quarterly Physical Activity Development Update Report to the Authority within the first week following each three monthly anniversary of the beginning of each Contract Year.

1.17.16 The Contractor shall ensure that the Physical Activity Development Plan and programmes are provided to the Authority within three months of the Commencement Date and, annually thereafter, by 31st December for implementation the following Contract Year.

b. Marketing and Publicity

Required Outcome

1.17.17 The Contractor shall ensure that the Facilities are managed in a way that promotes and enhances the reputation of Ryedale District Council.

1.17.18 The Contractor shall develop, maintain and improve the standards and the quality of the presentation of the Services in order that all available and potential resources are used effectively. The Contractor shall ensure that the Marketing Plan is used as a key tool in promoting usage of and access to the Facilities and increasing commercial and brand awareness of the Facilities. The Contractor shall ensure that the materials and channels produced for marketing should reflect the Authority's objective to raise the profile of the Facilities and increase levels of usage with the overarching aim to contribute to the Authority's Outcomes.

1.17.19 The Contractor shall ensure that the Facilities are promoted as Ryedale Facilities. The Contractor shall ensure that the Authority is recognised in all marketing material and signage produced by the Contractor specifying the Facilities and should include '*Contractor name*' and the Ryedale District Council logo.

1.17.20 The Contractor shall ensure that the Marketing Plan is prepared in consultation with, and approved by the Authority.

Performance Standards

- 1.17.21 The Contractor shall prepare a detailed Marketing Plan (which will take the form of a Method Statement) as set out below.
- 1.17.22 The Contractor shall develop a Marketing Plan for the Facilities and its services to ensure that Users and potential Users are made aware through a wide range of promotional channels of the range of leisure services being offered and are encouraged to use and re-use the services. This plan shall promote community services alongside 'commercial' activities alongside centre memberships.
- 1.17.23 The Contractor shall ensure that the Marketing Plan includes details of the Contractor's operational proposals for any catering and bar services including the promotion of the service.
- 1.17.24 The Contractor shall ensure that the Marketing Plan covers the following areas:
- Sporting activities to be promoted and potential Users to be targeted (programming; courses; training camps, NGBs, local community, clubs (professional and local), etc.)
 - Partnership strategy for sporting events and activities (working with Sport England/ NGBs/ clubs (professional and local)/ local authorities, Community Sports Partnerships etc.)
 - A communications strategy
 - Sporting event promotions strategy (covering media/ Users/ events/ ticketing/ partnerships etc. at local and regional level)
 - Non-sporting events/ activities to be promoted and potential Users to be targeted (programming; courses; conferencing, catering services including restaurant, café and bar facilities etc.)
 - The promotional strategy for the Facilities as a destination and brand
 - Delivery of Participation Targets in accordance with the Authority's Outcomes and aims/ objectives within the Physical Activity Development Plan
 - How the Contractor shall work with the Authority to minimise subsidies through innovative revenue generation.
 - Offers a complete 'situation analysis' which shall include the following criteria:
 - user (current and potential)
 - market potential
 - market share
 - competitive activity
 - product analysis
 - pricing policy
 - promotion analysis.
 - Sets out measurable objectives giving recognition to the Authority's aims, policies, procedures and the Authority's Outcomes
 - Sets out a strategy which the Contractor will follow to meet the objectives set out in the Marketing Plan
 - Sets out the actions that the Contractor will adopt to achieve that strategy, including information on how specific target groups, that are under-represented among Users, will be reached
 - Details the actions that the Contractor will take as a result over the course of the year

- Describes the evaluation methods the Contractor will use to determine whether the Marketing Plan's objectives are being met and to review the strategy, tactics and actions being followed.
- 1.17.25 The Contractor shall ensure that the Marketing Plan is submitted to the Authority for its approval within three months of the Commencement Date and, annually thereafter, by 31st December prior to implementation the following Contract Year to demonstrate how the targets will be achieved. The Contractor may choose to follow the procedure for collecting User information within the National Benchmarking Service administered by Sport England using independent consultants to gather the data.
 - 1.17.26 The Contractor shall ensure that the design principles used in the production of marketing materials and signage are approved by the Authority prior to use.
 - 1.17.27 The Contractor shall ensure that the Authority's name and logo appears on external signage, signage in reception areas and all promotional mediums including web-sites and published material including stationery relating to the Facilities.
 - 1.17.28 The Contractor shall ensure that all marketing material is branded in accordance with the Authority's official branding guidelines contained in its Corporate Identity Manual. The Contractor shall ensure that consideration is given to uniformity of branding, for example, colour schemes, designs and styling across the Facilities.
 - 1.17.29 The Contractor shall ensure that the names and photographs of the Contractor's Representative, Facility Managers and other senior staff must be prominently displayed at all times, adjacent to the principal entrance to each Facility in full view for all Users.
 - 1.17.30 Should the Contractor wish to enter into third party sponsorship / advertising agreements/ promotion, such arrangements must be approved in advance in writing by the Authority in accordance with clause 77 (Advertisements) of this Agreement, and in particular before the third party's name can be displayed in the Facilities.
 - 1.17.31 The Contractor shall ensure that at all times the Facilities are open to Users there is always printed information available on the opening hours of the facilities, services, activities and prices (in the form of a centre directory as a minimum). The Contractor shall ensure that such information on display and in publication or advertisement is up to date, accurate and attractively presented.
 - 1.17.32 The Contractor shall ensure that this information is also made available to local tourist information points, the Authority, other sports facilities throughout the district, all public libraries and, where appropriate, to local clubs and organisations. The Contractor shall co-operate in the distribution of various Authority-sponsored promotional material, agreed with the Authority's Representative.
 - 1.17.33 The Contractor shall ensure that no publicity material or notices are produced or displayed in hand written form.
 - 1.17.34 The Contractor shall ensure that all standards laid down by the Advertising Standards Council and Trading Standards Board are adhered to at all times and that publicity conforms to all relevant Legislation, including the Equality Act 2010.
 - 1.17.35 The Contractor may, with the Authority's prior written approval in accordance with clause 77 (Advertisements) of this Agreement, sell a limited amount of advertising space within the Facilities on an income share basis. The Contractor shall not negotiate any agreement with any third party beyond the Expiry Date of the Agreement.
 - 1.17.36 The Authority reserves the right to make use of appropriate space within the Facilities, free of charge, for promotional and publicity material as determined by the Authority.

- 1.17.37 The Contractor shall, from time to time, be expected to support sport and leisure activities being run by the Authority either through cross-promotion or as a presence at an event.
- 1.17.38 The Contractor shall provide wall and floor mounted display space within the Facilities as determined by the Authority's Representative for promotion of wider leisure and sports activities, arts and tourism to aid the provision of information to the community.
- 1.17.39 The Contractor shall make provision for the display of promotional publications within the Facilities as determined by the Authority's Representative, which are either directly produced or supplied by the Authority.
- 1.17.40 The Contractor shall allow clubs to retain the use of notice boards currently allocated to the clubs and any other that may be agreed from time to time by the Authority's Representative. The Contractor shall ensure that club notice boards are clearly named and that no information shall be displayed outside of the notice board area.
- 1.17.41 The Contractor shall ensure that no publicity material whatsoever is affixed to walls, doors, glass or any brickwork, plastered, wallpapered or painted surface with clear adhesive tape or 'bluetac'.
- 1.17.42 The Contractor shall seek sponsorship for events and activities, but shall obtain permission in writing from the Authority's Representative in advance of any negotiations with the potential sponsors.
- 1.17.43 When organisations who are themselves sponsored, wish to hire the facilities from the Contractor, the Contractor will obtain permission in writing from the Authority's Representative before confirmation to the hiring organisation and their sponsors.
- 1.17.44 The Contractor shall ensure that no advertising/publicity material likely to cause offence to or mislead the public or causes embarrassment to the Authority is used. The Authority retains the right to veto any advertising or promotional material, which is likely to breach this condition, and the Contractor shall remove such material immediately. The Authority accepts no responsibility for any loss incurred as a consequence of the removal of such material.
- 1.17.45 Any potential sponsorship or initiatives the Contractor may wish to enter into must be authorised by the Authority in writing.
- 1.17.46 The Contractor shall ensure that all media work (including all filming) is approved in advance by the Authority's Representative in accordance with clause 76 (Public Relations and Publicity) of this Agreement. The Contractor shall ensure that all necessary permissions are gained from individuals involved or, where minors are concerned, from their parents or guardians (especially where filming or photography is involved).
- 1.17.47 The Contractor shall submit a forward plan of media opportunities to the Authority's Representative as part of the annual Marketing Plan and shall provide updates to this as part of the Quarterly Performance Monitoring Report.
- 1.17.48 The Contractor shall ensure that any event which may negatively impact on the reputation of the Authority is reported to the Authority within one hour of the event occurring. Any statements issued to the media must be agreed approved by the Authority in accordance with clause 76 (Public Relations and Publicity) of this Agreement.
- 1.17.49 The Contractor shall ensure that compliance with the Marketing Plan is assessed annually.

Reporting Requirements

- 1.17.50 The Contractor shall ensure that a Marketing Plan is submitted within three months following the Commencement Date and, annually thereafter, by 31st December prior to the commencement of each subsequent Contract Year.
- 1.17.51 The Contractor shall ensure that a report on progress against the Marketing Plan and any annual targets set out in the agreed Physical Activity Development Plan and any failure to deliver the Performance Standards set out above should be submitted as part of the Quarterly Performance Monitoring Report.

c. Major Incident Reporting

Required Outcome

- 1.17.52 The Contractor shall ensure the Authority is aware of all major incidents. A major incident includes major accidents or incidents such as fatalities, severe injury, assault on Users, theft of property, problems relating to security including vandalism, major damage to plant or equipment, major plant failure, industrial action, closure or any other issue likely to be of interest or concern to the Authority and Users. The Contractor shall ensure that if there is a major incident, the procedure set out below is followed.
- 1.17.53 The objectives of this procedure are to:
- Reassure the public
 - Ensure the Authority is fully briefed on the incident
 - Ensure that any critical action or provision identified as a result of the incident can be progressed by the appropriate party
 - Minimise the likelihood of a repeat incident
 - Enable the Authority to respond competently to enquiries.

Performance Standards

- 1.17.54 The Contractor shall ensure that records of all major incidents accidents and actions taken are made available for inspection by the Authority.
- 1.17.55 The Contractor shall ensure that all major incidents at the Facilities are reported to the Authority's Representative by telephone at the earliest opportunity but no longer than an hour after the incident/accident occurred, followed by a full report by email or fax within 24 hours of the incident.
- 1.17.56 The Contractor shall ensure that in the event of an incident relating to security, Reportable Incident as defined by RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrence Regulations, 2013) or death or any other Emergency occurring at the Facilities, the incident is reported to the Authority's Representative by telephone at the earliest opportunity (and within no more than one hour), followed by a full report by email or fax within 24 hours of the incident. Any Reportable Incident under RIDDOR or any successor shall be reported to the Health and Safety Executive without delay.
- 1.17.57 Specified injuries as defined by RIDDOR include:
- Fractures other than fingers, thumbs or toes
 - Amputation
 - Any injury likely to lead to permanent loss of sight or reduction in sight

- Any crush injury to the head or torso causing damage to the brain or internal organs
- Serious burns (including scalding) which cover more than 10% of the body and/or causes significant damage to the eyes, respiratory system or other vital organs
- Any scalping requiring hospital treatment
- Any loss of consciousness caused by head injury or asphyxia
- Any other injury arising from working in an enclosed space which leads to hypothermia or heat-induced illness and/or requires resuscitation or admittance to hospital for more than 24 hours.

1.17.58 Additional recording and reporting requirements are set out in Health and Safety Executive guidance and include:

- Over-seven-day incapacitation of a worker
- Over-three-day incapacitation (recordable)
- Non fatal accidents to non-workers (eg members of the public)
- Certain occupational diseases
- Dangerous occurrences
- Gas incidents.

Reporting Requirements

1.17.59 The Contractor shall maintain an up to date log of all major incidents and specified injuries as defined by RIDDOR and their response to them.

1.17.60 The Contractor shall ensure that within three days following any emergency, a full account of the actions taken and the implications for future training are provided by the Contractor to the Authority's Representative. In the event of the Authority or its insurers wishing to undertake an investigation, then the Contractor shall fully comply with any reasonable requests for information of staff attendance at such an inquiry.

1.17.61 The Contractor shall provide a summary of all accidents and incidents occurring at the Facilities as part of the quarterly Major Accidents and Incidents Report. The Contractor shall ensure that a summary of this report and details of any failure to maintain the required Performance Standards set out above should be included as part of the Quarterly Performance Monitoring Report.

d. Other Reporting

Required Outcome

1.17.62 The Contractor shall provide the reports as required by this Agreement and this Services Specification.

Performance Standards & Reporting Requirements

1.17.63 The Contractor shall ensure that there is in place at all times a clearly defined responsibility chain for implementing, monitoring and reviewing service delivery. The Contractor shall provide one overall Contractor's Representative to be its authorised representative for the facilities operated on behalf of the Authority. The Contractor's Representative shall consult with the Authority's Representative as often as may reasonably be necessary for the efficient provision of the Services.

1.17.64 The Contractor's Representative shall attend quarterly meetings with the Authority's Representative in order to discuss the reports and plans outlined below.

1.17.65 The plans / programmes listed below are to be submitted by the Contractor to the Authority by the specified date.

Plan Title	Frequency	Submission Date	Ref
Schedule of Programmed Maintenance	Annual	Two months prior to the Commencement Date and two months prior to each subsequent Contract Year	1.14.63
[5 Year Maintenance Plan]	Annual	[Two months prior to the Commencement Date and two months prior to each subsequent Contract Year]	
Marketing Plan	Annual	Within three months following the Commencement Date and by 31 st December of each subsequent Contract Year	1.17.21
Physical Activity Development Plan	Annual	Within three months of the Commencement Date and by 31 st December of each subsequent Contract Year	1.17.3
Pricing Schedule	Annual	As agreed at the Commencement Date and by 31 st December of each subsequent Contract Year	1.18.16
Programmes of Use	Annual	One month prior to the Commencement Date and by 31 st December of each subsequent Contract Year	1.20.12 1.20.12
Proposals for changes to Minimum Opening Hours	Annual (if required)	By 31 st December of each Contract Year	1.19.11
Exercise on Referral (EOR) and Cardiac Rehabilitation Plan	Annual	Within three months of the Commencement Date and by 31 st December of each subsequent Contract Year	1.20.19
Cleaning Schedule	Annual	One month prior to the Commencement Date and by 31 st December of each subsequent Contract Year	1.9.16
Environmental and Energy Management Plan	Annual	Within six months of the Commencement Date and by 31 st December for each subsequent Contract Year	1.10.3
Grounds Maintenance Schedule	Annual	One month prior to the Commencement Date and by 31 st December of each subsequent Contract Year	1.15.31
Staff Training Plan	Annual	One month prior to the Commencement Date and by 31 st December of each subsequent Contract Year	1.32.27
Facility Health and Safety Procedures and Manuals		One month prior to the Commencement Date	1.21.1
Emergency Plan	Annual	One month prior to the Commencement Date and by 31 st December of each subsequent Contract Year	1.19.9
Authority's Outcomes Development Plans	Annual	Within one month of the start of the second Contract Year and annually thereafter	1.5.13
National Benchmarking Service Action Plan	Biennial	Within one month of the receipt of the National Benchmarking Service report	1.7.6
Quest Action Plan	Biennial	Within one month of the receipt of the Quest report	1.6.6

1.17.66 Without prejudice to any other reporting requirements specified within this Agreement, the reports listed below are to be submitted by the Contractor to the Authority by the specified date.

Report Title	Frequency	Submission Date	Ref
Quarterly Performance Monitoring Report	Quarterly	Within ten (10) Business Days of the end of each period of three Contract Quarter	1.17.67
Annual Service Report	Annual	Within one month of the start of the second Contract Year and annually thereafter	1.17.69
Authority's Outcomes Report & Scorecard	Annual	Within one month of the start of the second Contract Year and annually thereafter	1.5.13
Lightning Conductor Report and other reports	As required to meet the standards set out in this Services Specification	Promptly following receipt	1.14.9
Fire Risk Assessment	Annual		1.21.7
Legionella Report	Quarterly		1.25.9
Electrical Certificates	Annual		1.14.9
Property Database	Annual	One month before the Commencement Date and three months prior to the beginning of each subsequent Contract Year	1.4.1
Equipment Inventory	Annual	Within one month following the Commencement Date and within one month following each subsequent Contract Year	1.22.17
Licenses and Legislation Compliance Report	Annual	Within one month following the start of each Contract Year	1.24.11
National Benchmarking Service Report	Biennial	Within five (5) Business Days of receipt	1.7.5
Quality Management Accreditation / Quest Report	Biennial	Within five (5) Business Days of receipt	1.6.6
IFI Mark Assessment	As required to meet the standards set out in this Services Specification	Within five (5) Business Days of receiving notification	1.8.4

1.17.67 The Quarterly Performance Monitoring Report that the Contractor is required to submit shall contain details of any failures to maintain the Performance Standards as set out in this Services Specification and must include the following contents as a minimum:

- Customer Complaints and Feedback Summary
- Major Accidents and Incidents Report
- Cleaning Summary

- Membership and Utilisation Data
- Operational Expenditure and Income
- Maintenance Programme Update
- Help Desk Performance Summary and level of Performance Deductions
- Sports & Activity Development Plan Progress Update
- Grounds Maintenance Update
- Event Management Progress Update
- Outcomes Progress Update (including Scorecard)
- Marketing Plan Progress Report – to include participation rate performance
- Environmental and Energy Management Plan Progress Report

- 1.17.68 The Performance Monitoring Report shall be concise and provide a maximum one page summary on each of the areas identified above. A Key Performance Indicator assessment completed in accordance with Schedule 6 (Payment and Performance Monitoring System) shall be included as an appendix to the Performance Monitoring Report on a quarterly basis. The report should provide a 15-20 page summary of the Services overall for review by the Authority.
- 1.17.69 The Annual Service Report shall, as a minimum, provide a summary of the results and recommendations set out in all the reports outlined in the table above and report on performance against the annual plans and programmes agreed prior to the commencement of the relevant Contract Year.

Part 1D – Facility Performance Requirements

The following issues are covered under Facility Performance Requirements:

- Pricing Requirements
- Opening Hours
- Activity Programming
 - Programmes of Use
 - Booking Systems
- Health and Safety Management
- Equipment
- Access
- Legislation and Policy
- Water (Hot and Cold Installations)
- Drainage
- Ventilation
- Heating (Thermal Comfort)
- Lighting
- Pool Water Quality (Swimming Pool Installations)
- CCTV and Security
- Staffing.

1.18 Pricing Requirements

Required Outcome

- 1.18.1 The Contractor shall propose a Pricing Policy for all activities and Users as part of its Tender and this shall be used as the basis of a Pricing Structure to be agreed by the Authority on Award of Contract. This Pricing Policy shall include details of any transitional arrangements which may be required to enable a change from existing pricing to that proposed in such a way as to maintain current usage levels and encourage further participation in physical activity by the Authority's residents and visitors.
- 1.18.2 For future years, the Authority's approval will only be required for increases over the rate of inflation (CPI) for the Contract Period. Any changes shall take place to coincide with the annual pricing review or otherwise by written agreement between the parties.
- 1.18.3 The Contractor's Pricing Policy shall promote the principles of equality of access and sustainability while meeting the agreed Participation Targets Annual Performance Standard. Usage and attendance by all sections of the wider and local community shall be encouraged through the Contractor's Pricing Policy to support delivery of the Authority's Outcomes and meet the objectives of the Physical Activity Development Plan.

Performance Standards

- 1.18.4 The Contractor must not charge more than the prices (as CPI indexed) as agreed by the Authority without the written consent of the Authority or as agreed through the Change Protocol.
- 1.18.5 The Contractor is free to set the Contractor's Pricing Policy which will include prices for the use of facilities, subject to the provisos in this Specification.

- 1.18.6 Charges for facilities, activities and services such as corporate use, vending, etc will be at the Contractor's discretion provided they do not in any way inhibit the achievement of the Authority's Outcomes or any other requirements of this Agreement.
- 1.18.7 The Contractor shall continue to offer an annual centre membership card.
- 1.18.8 The Contractor shall maintain consistent pricing for residents/non-residents and over all the Facilities where provision is generally compatible. Should the Contractor make significant enhancements to any of the Facilities, any such scheme shall submitted to the Authority for it to review and, if appropriate, agree any differential or alternative pricing which may be proposed as part of the project.
- 1.18.9 The Contractor shall maintain current prices (subject to CPI indexation) for specific groups as set out in Appendix 3 (Authority Pricing Requirements).
- 1.18.10 The Contractor shall continue to offer pricing promotions to encourage increased use at all periods of the day.
- 1.18.11 The Contractor shall apply rates of discount to concession users as currently offered:
- under 16s
 - over 60s
 - those in receipt of income-related benefits.
- 1.18.12 The Contractor shall continue to offer pricing promotions to encourage increased use at all periods of the day reflecting work and cultural patterns in the community and demand on Facilities.
- 1.18.13 The Contractor must provide evidence and sound business reasons to support pricing proposals including market research and benchmark comparisons both locally and nationally.
- 1.18.14 No charges shall be collected by the Contractor in respect of services extending beyond the Contract Period other than those authorised by the Authority Representative during the last year of the Contract Period.
- 1.18.15 The Contractor must ensure that all current fees and charges are displayed prominently in the reception area of the Facilities and as appropriate within the Facilities. The Contractor shall operate comprehensive and effective systems for cash and non-cash methods of payment and booking administrative services.

Reporting Requirements

- 1.18.16 The Contractor must provide proposals for prices of activities annually to the Authority no later than 31st December, prior to implementation the following Contract Year (the "**Pricing Schedule**").
- 1.18.17 The Contractor must submit details of any failure to achieve the required Performance Standards as set out above, as part of the Performance Monitoring Report.

1.19 Opening Hours

Required Outcome

- 1.19.1 The Facilities shall be accessible by the full community during the "Minimum Opening Hours". The Minimum Opening Hours are defined in Appendix 1 of this Schedule.

Performance Standards

- 1.19.2 The Facilities must be available for public use during the Minimum Opening Hours.
- 1.19.3 The Authority, in advance of any changes being implemented, must agree in writing any variations to the Minimum Opening Hours.
- 1.19.4 The Contractor shall advertise all opening times on the relevant Facility website and shall provide printed information on opening times and timetables for the Facility activity programmes.
- 1.19.5 The Contractor shall operate the vending services during the Minimum Opening Hours.
- 1.19.6 Where appropriate, the Contractor shall agree with the Authority closures of the Facilities, or any element therein, for the purposes of maintenance, in accordance Clause 23 (Condition of the Facilities) and with the agreed Schedule of Programmed Maintenance.
- 1.19.7 In event of closure of the Facilities, or part thereof, owing to unforeseen or emergency conditions, the Contractor shall inform the Authority immediately (by telephone and followed up in writing as soon as possible and within a maximum timescale of one hour of the closure). The Contractor shall ensure the Users are kept informed of the situation in accordance with the agreed Emergency Plan (see below).
- 1.19.8 The Authority may require any of the Facilities to be closed for the purposes of emergency planning responses.
- 1.19.9 The Contractor shall provide an Emergency Plan to the Authority for approval one month prior to the Commencement Date. In an Emergency, the Contractor shall implement the agreed Emergency Plan and inform the Authority of any Emergency as soon as practicable. Any updates should be incorporated into the Emergency Plan and re-provided to the Authority on an annual basis by the 31st December of each subsequent Contract Year.
- 1.19.10 The Minimum Opening Hours shall be reviewed by the parties on an annual basis as set out below. Any decision to amend these times will be based on throughput trends for each Facility or bespoke usage patterns.

Reporting Requirements

- 1.19.11 The Contractor may submit proposals for any changes to the Minimum Opening Hours for the Facilities annually to the Authority no later than 31st December each year for approval by the Authority prior to implementation the following Contract Year.
- 1.19.12 The Contractor shall record via the electronic Help Desk all periods when conditions make the Facilities and/or part thereof unsuitable for use. Remote read-only access to the electronic Help Desk shall be provided for the Authority.
- 1.19.13 The Contractor shall maintain a log of hours that the relevant Facility is not open on a daily basis and submit details of any performance failures, closures or service limitations during the Minimum Opening Hours, setting out the details of the closure, the reasons for such closure and any remedial action taken by the Contractor as part of the Performance Monitoring Report.
- 1.19.14 Any closure should be reported to the Authority immediately and as a maximum within an hour of its occurrence.

1.20 Activity Programming

a. Programmes of Use

Required Outcome

- 1.20.1 The Authority requires specified activities to be conducted during agreed time parameters to ensure that certain members of the community are able to participate in the Facilities.
- 1.20.2 There should be as high a proportion of casual use of the Facilities as possible consistent with a balanced programme of use by the public, clubs, schools, and instructed development courses, in particular, a comprehensive swimming programme should be followed to meet the demand for Learn to Swim.
- 1.20.3 The Contractor shall develop, a clear pathway of signposting for young people from Learn to Swim programmes (National Teaching Plan levels 1-7) into swimming club sessions.
- 1.20.4 The Contractor shall implement a priority booking system for dry side activities to promote the value of centre memberships.
- 1.20.5 The Contractor shall encourage greater use by groups who have been traditionally under-represented, such as young people, people who are economically disadvantaged, people with disabilities, older people and the rural community.
- 1.20.6 The Contractor shall provide a balanced Programme of Use to accommodate community, club and elite activity and to contribute towards the Authority's Outcomes.
- 1.20.7 The Contractor shall provide the activities and sessions to meet the needs of specific Users in accordance with the agreed activity programme. The Programmes of Use should be dynamic, innovative and responsive to the requirements of Users, including frequent or seasonal variations and target non Users as appropriate. The programmes should consider the various types of User and use to ensure that they are balanced.
- 1.20.8 The Contractor shall ensure that for each holiday activity programme provided there will be places available for young people with special needs.

Performance Standards

- 1.20.9 The Contractor shall provide the activities and sessions to meet the needs of specific Users in accordance with the agreed Programmes of Use and the Physical Activity Development Plan.
- 1.20.10 The overall hours of use by the clubs set out in Appendix 2 of this Schedule (Authority Weekly Programming Requirements) may only be changed with the Authority's consent in writing or pursuant to the Change Protocol. For the avoidance of doubt, changes to the day of the week or time may be considered in discussion with the clubs as part of an overall review of the swimming programme.
- 1.20.11 The Contractor shall provide specific activities and sessions to meet the needs of specific Users in accordance with the agreed Programme of Use (see below for details as to the approval process and content of such activity programmes) and shall ensure that the programmes reflect any agreed annual Participation Targets.
- 1.20.12 The Contractor shall submit the initial proposed Programme of Use to the Authority for the Authority's approval one month prior to the Commencement Date.

- 1.20.13 The Contractor shall submit subsequent proposed Programme of Use to the Authority by 31st December of each year for the Authority's approval for implementation during the next Contract Year.
- 1.20.14 The Contractor shall protect and enhance the overall current level of casual swimming at the Commencement Date and any changes to the pool programme must be approved in advance by the Authority. Specifically, the Contractor shall aim to provide an opportunity for casual swimming at one of the Facilities throughout the Opening Hours. The Contractor shall update the pool programme each year by utilising User feedback and surveys and submit it to the Authority by 31st December for implementation during the following Contract Year.
- 1.20.15 The Contractor shall avoid club or session bookings on the same day and time across all Facilities so that the public shall be able to gain casual access to at least one Facility e.g. swimming pool at any given day or time.
- 1.20.16 The Contractor shall ensure that the Programmes of Use recognise the value of sports development within a balanced Facility programme, include appropriate provision of coached sessions/links between centres and clubs, link to the Facilities and to the Authority's sports development plan and achieve greater usage by under-represented groups and should be developed in partnership with North Yorkshire Sport.
- 1.20.17 The Programmes of Use should take into account the following:
- The need to offer a wide-ranging and diverse programme of activities targeted at encouraging greater levels of community participation across all relevant local social and cultural groups with a particular focus on increasing participation from members of the community with specific health needs and using group activity to improve retention
 - Provision of a wide range of recreational opportunity to all residents within the agreed catchment area, including a balanced programme of courses including pre-pay community education type courses, classes, pay-as-you play sessions, club block bookings, casual usage, entertainment and special events
 - A management philosophy that encourages participation by or engagement with all sections of the community
 - The need to work with the Authority and the NHS to increase the current level of exercise referrals/cardiac rehabilitation referrals and provide appropriate and innovative group based and 'buddy' classes specifically targeted at this group including exit routes.
 - A regular and planned review of the programme of activities, taking into account User and non-User research, and changing Authority priorities
 - Responsiveness to recreational trends to provide a dynamic and forward looking service
 - Setting and reviewing programme objectives on at least an annual basis
 - Having a promotional strategy in place that keeps Users informed of the programme and any planned changes
 - Making optimum use of all available resources and facilities
 - Monitoring usage levels
 - Contributing towards the Authority's Outcomes.
- 1.20.18 The Contractor shall implement and deliver the 'Exercise on Referral Scheme' and cardiac rehabilitation scheme and any other future schemes which promote the use of the Facilities to promote and deliver a healthy lifestyle.

- 1.20.19 The Contractor shall provide an annual Exercise on Referral (EOR) and cardiac rehabilitation plan to the Authority for the Authority's approval within three months of the Commencement Date and by the 31st December each Contract Year thereafter.
- 1.20.20 The Contractor shall ensure that the Programmes of Use across the Facilities complement each other and provide an appropriate balance of activities throughout the district.
- 1.20.21 The Contractor shall review the effectiveness of the Programmes of Use on a regular basis, but in any event as a minimum every 12 months using market information and through consultation with relevant Users.
- 1.20.22 The Contractor and the Authority shall work together to ensure that the Programmes of Use reflects the changing needs of the Users. The programmes should evolve with changing needs and aspirations of Users and the Contractor must therefore work to identify new opportunities and discuss these with the Authority.
- 1.20.23 The Contractor shall ensure that future Programmes of Use will continue to support the established arrangements with identified clubs and enable the schemes to be expanded to meet demand. These programmes will be identified in the annual Physical Activity Development Plan.
- 1.20.24 The Contractor shall submit proposed Programmes of Use shall to the Authority by 31st December each year for the Authority's approval and for the Contractor to implement in the following Contract Year. An approved Programme of Use may only be changed with the written agreement of the Authority.
- 1.20.25 The Contractor shall market proposed holiday activity programme schemes to Users during the previous holiday programme. The programme shall be timetabled to ensure it joins up with the Authority's whole holiday programme publications. Consequently the Contractor shall submit to the Authority for its approval the proposed scheme one month in advance of marketing. The Contractor shall ensure that each holiday programme will have places available for disabled young people, in accordance with the Equality Act 2010 requirements, and looked-after children.

Special Events

- 1.20.26 The Contractor shall honour any special events already confirmed prior to the Commencement Date and those that have been staged at the Facilities on a regular basis over a period of years, in accordance with the programming requirements set out in Appendix 2 of this Schedule.
- 1.20.27 The Contractor shall take special event bookings for the use of Facilities and Services for up to twelve months beyond the Termination or Expiry Date (whichever is earlier) but any fees collected for such bookings must be remitted to the Authority upon the Termination or Expiry Date (whichever is earlier).

Non – Sporting Events

- 1.20.28 There shall be no more than six (6) non-sporting events held at each Facility per year. Any additional non-sporting events may only be held with the Authority's written agreement.
- 1.20.29 Zones within the Facilities may be used by the Contractor to provide a varied and balanced programme of non-sporting events providing that the proposed activity is not of a sensitive nature, is not an activity, which might damage the Facility, its fixtures or equipment or detract from the image of the Authority. The Authority reserves the right to cancel any such proposed event and will accept no responsibility for any loss incurred as a consequence of such a cancellation.

- 1.20.30 In all cases, the Contractor shall seek the Authority's prior written approval for each type of non-sporting event booking taken for the Facilities.
- 1.20.31 As at the Commencement Date there are a number of pre-booked events, functions and other hire arrangements. The Contractor shall honour the dates and details of these bookings, including the terms and conditions prevailing at the time of booking.

Reporting Requirements

- 1.20.32 The Contractor shall submit Programmes of Use to the Authority one month prior to the Commencement Date and, annually thereafter, by 31st December for the Authority's approval and the Contractor's implementation the following Contract Year.
- 1.20.33 A "Programme of Use Progress Update" must be provided to the Authority on a quarterly basis as part of the Performance Monitoring Report.
- 1.20.34 The Contractor shall maintain a written log of when non-conformance of the requirements of Appendix 2 occurs.
- 1.20.35 The Contractor shall submit details of any failure to honour any events, functions and hire arrangements that are pre-booked at the commencement of this Agreement as part of the Quarterly Performance Monitoring Report.
- 1.20.36 The Contractor shall maintain a record concerning actual use of all of the Facilities and activities and shall submit details of the outcome of programming reviews, activity usage, and of any failure to provide any of the specified Performance Standards, activities or sessions as part of the Performance Monitoring Report.

b. Booking Systems

Required Outcome

- 1.20.37 The Authority requires that bookings can be made in person, by phone, in writing and online in accordance with e-government for both members and non-members. A fast track service should also be available.

Performance Standards

- 1.20.38 The Contractor shall operate a booking service for all pitches, courts and other sports facilities both on a pre-booked and pay on-the-day basis and shall be entitled to retain income from all sports bookings and concessions.
- 1.20.39 The Contractor shall ensure that there is a clear and easily understood booking system and service for all relevant activities at the Facilities. This booking system will incorporate comprehensive terms and conditions for hire, advanced booking arrangements, cancellation and non-attendance policies, User information, effective administration systems, and operational information systems to record and effectively deliver all bookings.
- 1.20.40 The Contractor shall ensure that an online booking system shall be provided for all appropriate activities.

Reporting Requirements

- 1.20.41 The Contractor shall submit details of any failure to implement the required booking system as part of the Performance Monitoring Report.

1.20.42 The Contractor shall comply with and shall provide details of its compliance with PCI DSS standards for credit and debit card payment handling.

1.21 Health and Safety Management

Required Outcome

1.21.1 The Contractor shall comply with all health and safety Legislation and shall produce, maintain and comply with a "Health and Safety Procedures Manual", tailored as required for each of the Facilities. This shall be available for inspection by the Authority's Representative or other authorised persons at any time.

Performance Standards

1.21.2 The Contractor shall comply with all health and safety Legislation and, without prejudice to the generality of the foregoing, shall operate the Facilities in line with the recommendations in the most recent edition of "Managing Health and Safety in Swimming Pools" (HSG 179).

1.21.3 The Contractor shall comply with the guidance on child admissions to swimming pools within the CIMSPA's swimming pool child admission policy for unprogrammed swimming.

1.21.4 The Contractor shall not exceed the maximum occupancy numbers recommended by Sport England for any activity area.

1.21.5 The Contractor shall carry out annual risk assessments for the Facilities, which will be included in the Health and Safety Procedures Manual.

1.21.6 The Contractor shall carry out risk assessments and revise them:

- If there is an accident or incident where a change is required to prevent a recurrence
- If a new task (for staff) or activity (for members of the public) is introduced where a new risk assessment is required before commencement
- Before and after a new item of equipment is purchased
- If a change to the building or premises is planned where new / revised arrangements for its safe use will be needed.

1.21.7 The Contractor shall complete annual fire risk assessments. The Contractor shall review and update them whenever necessary. The Contractor shall ensure that copies are available to all staff and for inspection by the Authority at all times.

1.21.8 The Contractor shall provide safe working procedures for all activities, equipment, cleaning and rigging undertaken by staff.

1.21.9 The Contractor shall ensure that all staff, agents or suppliers who may be required to enter the Facilities are fully aware of all relevant rules and procedures concerning health and safety at work and fire risk and precautions. This includes the relevant sections of a COSHH assessment and the regular recording and "signing-in" of sub-contractors (permit to work system).

1.21.10 The Contractor shall ensure that all surface water and other liquid spillage within internal areas causing dangerous floor surfaces is dealt with immediately on identification of the problem and signed appropriately.

1.21.11 The Contractor shall physically check the First Aid equipment and supplies weekly and shall ensure that a record of such checks is available for inspection by the Authority. The Contractor shall provide and maintain defibrillators to the same standard of rigour. The

Contractor shall ensure that the Facilities have a minimum of one trained First Aider on each Site at any time.

- 1.21.12 The Contractor shall identify a member of staff at each of the Facilities as the "Health and Safety Competent Person" and shall ensure that they receive full first aid training as appropriate for the responsibility. This training shall include holding a valid certificate of competence in First Aid at Work (FAW) or Emergency First Aid at Work (EFAW), obtained from a training organisation approved by the Health and Safety Executive.
- 1.21.13 The Contractor shall display the names of the appointed first aiders in a prominent position on the wall in the reception area at each Facility.
- 1.21.14 The Contractor shall maintain a record of all training undertaken by staff with respect to health and safety training.
- 1.21.15 The Contractor shall include health and safety training in the new staff induction programme.
- 1.21.16 The Contractor shall ensure that all signs relating to exits and fire exits are to the standards required by health and safety Legislation and the requirements of Fire and Licensing Officers in respect both of general operation and special and entertainment events. For the avoidance of doubt, the Contractor shall be the 'responsible person' as defined by the Regulatory Reform (Fire Safety) Order 2005.
- 1.21.17 The Contractor shall repair any damaged health and safety notices within 24 hours and shall take action in the interim period to ensure staff are fully aware and take the necessary action to prevent any type of incident.
- 1.21.18 The Contractor shall ensure that all exits are cleared of rubbish and debris and checked weekly for ease of exit.
- 1.21.19 The Contractor shall minimise any possible infectious diseases with respect to:
 - Air conditioning and ventilation systems
 - Swimming pool water
 - Showers, toilets and hot water systems
 - Pest control.
- 1.21.20 The Contractor shall ensure that all staff are competent and adequately equipped to undertake all health and safety responsibilities relevant to their individual roles and duties. The Contractor shall keep full records of all relevant training.
- 1.21.21 The Contractor shall produce of a written statement of General Policies in accordance with the provisions of the Health and Safety at Work Act 1974.
- 1.21.22 The Contractor shall ensure that all employees receive a personal copy of this document and understand its contents within seven days of their start of employment and that all employees have access to all other relevant documents concerned with the Health and Safety at Work Act. To this end, the Contractor shall issue all employees with a written list of all relevant documents together with a note of where these documents are kept within seven days of their start of employment.
- 1.21.23 Prior to use for employees, the Contractor shall submit for approval the above document to the Authority's Representative who will have access to all areas of the Facilities at all times for the purpose of inspection and may prohibit unsafe practices, impose penalties as appropriate or if necessary cause the closure of the Facilities or parts thereof.

- 1.21.24 The Contractor shall provide sufficient numbers of qualified employees to be present at all operating times across all Facilities to ensure the safety of employees, Users and sub-contractors.
- 1.21.25 The Authority retains the absolute right to instruct the Contractor to close any facility within the Facilities, immediately, in the interest of public safety.
- 1.21.26 In addition, the Contractor shall supply to the Authority's Representative, a minimum of one month before the Commencement Date, a manual setting out all safety procedures within each building for approval prior to issue to all employees. A copy of this manual must be on permanent display in the relevant staff room and changing area.
- 1.21.27 The Contractor shall notify all defects to plant and equipment affecting the health and safety of employees, Users and the Contractor to the Authority's Representative within one Business Day of their occurrence, together with any action taken to repair, withdraw from use or replace the plant or equipment.
- 1.21.28 The Contractor shall permit access at all times during the Minimum Opening Hours to all areas of any facility within the Facilities by the Authority's Representative, any relevant corporate health and safety advisor, Licensing Officer, Environmental Health Officer, Fire Officer or officer of the Health and Safety Executive that has responsibility for matters concerned with health and safety for the purpose of inspecting plant and equipment.
- 1.21.29 The Contractor shall set out the levels, types and quantities of protective clothing and equipment to be provided for each building. The Contractor shall also detail the frequency with which all protective clothing and equipment shall be replaced. Records of issue to employees shall be kept by the Contractor and made available for inspection by the Authority when required.
- 1.21.30 The Contractor shall at all times ensure compliance with maximum occupation levels for each facility within the Facilities as stipulated in the Fire Risk Assessment.
- 1.21.31 The Contractor shall monitor safe occupancy levels bearing in mind the numbers and qualifications of staff on duty at the time and the nature of the activity taking place.
- 1.21.32 The Contractor shall control public throughput of the Facilities to a level which does not jeopardise the safety of Users, reduce hygiene standards or compromise the provision of a quality service.
- 1.21.33 The Contractor shall limit the number of bathers in the Swimming Pool Hall during public swim sessions and/or privately booked parties to be in accordance with the guidance in HSE Guidelines, "Managing Health and Safety in Swimming Pools" (HSG 179).
- 1.21.34 The Contractor shall ensure that the numbers of bathers in the Swimming Pool Hall during club use, whether for recreation or competition, shall also comply with these guidelines.
- 1.21.35 The Contractor shall ensure that an induction session is carried out for all fitness gym Users. If the User is an experienced gym user and refuses to undertake an induction, the User must sign a disclaimer stating that they are an experienced gym user and do not require an induction. The Contractor shall keep records of induction sessions and make them available for inspection by the Authority when required.
- 1.21.36 The Contractor shall complete a new registration pack in accordance with OFSTED requirements for all Users of the crèche facilities. The Contractor shall carry out annual risk assessments for the crèche facilities, which will be included in the Health and Safety Procedures Manual.

- 1.21.37 The Contractor shall ensure that all catering services provided by the Contractor are in accordance with the Food Safety Act 1990 and the regulations and orders made thereunder and with particular regard to any existing Food Hygiene Orders.
- 1.21.38 The Contractor shall submit detailed procedures and action plans to deal with evacuation and emergency procedures for all buildings and shall inform the Authority's Representative in writing of any subsequent alterations necessary because of changes in Legislation, changes in the Facility or improvements to the procedures. The Contractor shall carry out practice evacuations at least every 6 months and maintain records of staff taking part and time taken for evacuation.
- 1.21.39 The Contractor shall ensure that in any case of snow and ice, such snow and ice will be cleared and the immediate entrance and public pathways leading to the Facilities sanded and/or gritted.
- 1.21.40 The Contractor shall ensure that hazardous materials or equipment at the Facilities, which are to be used in the provision of the Services are kept under proper control and safekeeping and are properly and clearly labelled on their containers and comply with the relevant Control of Substances Hazardous to Health Regulations (COSHH).
- 1.21.41 The Contractor shall ensure that all cleaning materials and equipment are appropriate for their required function and are used in accordance with the manufacturer's instructions, British Standards, and relevant Health and Safety Legislation, particularly COSHH.
- 1.21.42 The Contractor shall maintain comprehensive records of:
- All accidents and incidents involving staff, members of the public and contractors
 - Evacuations and incidents occurring at the premises
 - Records of reports made in accordance with Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).
- 1.21.43 The Contractor shall ensure that any reportable incident under RIDDOR or any successor shall be reported to the Health and Safety Executive without delay. It shall be reported to the Authority within an hour of its occurrence with a full incident and a copy of the RIDDOR report provided within 24 hours.
- 1.21.44 The Contractor shall ensure that these records include details of any relevant actions taken/to be taken and shall be available to the Authority's Corporate Health and Safety Officer at any time.
- 1.21.45 The Contractor shall ensure that there are full and comprehensive Normal Operating Plans (NOPs) and Emergency Action Plans (EAPs) in place. The Contractor shall ensure each Facility's fire and evacuation systems and equipment as part of the EAPs are maintained to relevant standards and regulations and appropriate records kept. Fire and evacuation procedures in place shall include 6 monthly safety drills and appropriate records kept.
- 1.21.46 The Contractor shall ensure compliance with the conditions of the Fire and Electrical Certificates.
- 1.21.47 The Contractor shall ensure that only authorised personnel are permitted in non-public areas of the Facilities, such as plant areas, staff rooms, ticket offices etc. Clearly visible signs shall be displayed to this effect.
- 1.21.48 The Contractor shall enforce the Legislation relating to smoking in public places.

1.21.49 The following hygiene and safety standards and rules must be maintained and enforced within the Facilities by the Contractor as follows:

- No person is allowed to enter the pool area who:
 - does not have acceptable swim wear
 - is under the influence of alcohol or drugs
 - is considered to be a risk to themselves or others
- No outdoor footwear is allowed on the swimming pool surrounds by any person including any disabled swimmers or helpers gaining access. Shoe covers must be worn. No inappropriate footwear likely to cause damage to sports surfaces indoor and outdoor is allowed
- No animals or pets are allowed within the Facilities with the exception of special events, i.e. cat or dog shows. Assistance dogs are restricted to reception and social areas only
- No use of sunbed or similar sun lamps is permitted within the Facilities
- No persons are permitted to skateboard, roller skate, or alike or to partake in activity sports such as BMX cycling or motorised vehicle sports within the car parks
- The Contractor shall ensure that no article of any kind is stored in the voids beneath any of the pools.

Reporting Requirements

1.21.50 The Contractor shall report details of any accidents, incidents and evacuations reportable under the RIDDOR regulations to the Authority and any other required organisation (i.e. the Health and safety Executive (HSE)) within the time restraints prescribed by the regulations. The Contractor shall ensure that records of accidents and actions taken are to be made available for inspection by the Authority.

1.21.51 The Contractor shall make a formal record of all inspections or visits made by Environmental Health Officers, the Health and Safety Executive and any other person or body who, in the proper execution of their duties requires or is entitled to access to the relevant Facility site. A copy of this record shall be supplied by the Contractor to the Authority within 48 hours of receipt.

1.21.52 The Contractor shall provide a summary of all accidents and incidents occurring at the Facilities as part of the Major Accidents and Incident report.

1.21.53 The Contractor shall submit details of any failures to maintain the required Performance Standards as set out above as part of the Performance Monitoring Report.

1.22 Equipment

Required Outcome

1.22.1 Equipment must be available, safe and be capable of being used for the relevant activity that it is designed for, taking into account the standard of sport or activity being undertaken.

Performance Standards

1.22.2 The Contractor shall provide the level of equipment and materials required for the carrying out of the Services in accordance with Appendix 5 of this Schedule and the Contractor is responsible for that equipment and materials in the delivery of Services. The Contractor shall make provision for the hire of sports equipment.

- 1.22.3 The Contractor shall ensure that all equipment provided as set out in Appendix 5 (split out by Zone) is fit for the purpose, safe and is maintained to a safe standard of repair and cleanliness at all times in accordance with the manufacturers' recommendations and is able to meet the programming requirements of the Facilities.
- 1.22.4 The Contractor confirms that the equipment listed in the Equipment Inventory set out in Appendix 5 is sufficient to enable the Contract to deliver the Services set out in this Services Specification.
- 1.22.5 The Contractor shall ensure that the Equipment Inventory is updated on a regular basis to reflect any replaced equipment and to identify any new or written off equipment. The Contractor shall provide a revised Equipment Inventory to the Authority within one month following the Commencement Date and on an annual basis within one month following each subsequent Contract Year.
- 1.22.6 The Contractor shall ensure that all equipment and materials (including all sports equipment and materials) shall comply with relevant international and industry standards, National Governing Body requirements and British and European Standards and shall be limited to the use it was designed for, as specified within the manufacturer's or supplier's guidelines and /or operating manuals.
- 1.22.7 The Contractor shall use all reasonable endeavours to ensure that all equipment is replaced on a like for like basis having due regard to relevant advances in equipment manufacture, trends in activity programming and in compliance with relevant industry standards, European standards, British standards and international and NGB standards.
- 1.22.8 The Contractor shall ensure that any item of equipment that, at any time, is found to be defective or has failed and so poses a hazard is immediately withdrawn from service. The Contractor shall make it secure and ensure it cannot inadvertently be used.
- 1.22.9 The Contractor shall ensure that any appropriate new fitness equipment which may be provided at any Facility shall meet the 'Registered' IFI assessment criteria as a minimum standard.
- 1.22.10 Where relevant, the Contractor shall obtain a manufacturer's certificate on an annual basis in respect of any fall arrest systems at the Facilities.
- 1.22.11 The Contractor shall test all portable electrical appliances at a suitable frequency to ensure compliance with the Electricity at Work Regulations and shall maintain a record of the equipment, test results and date of tests and action to be taken in a schedule, which is readily available for inspection by the Authority.
- 1.22.12 The Contractor shall ensure that all equipment to be used by the public is regularly inspected for safety and appropriate records kept. The Contractor shall ensure that all equipment receives an annual inspection and service from a recognised supplier. In addition to this independent assessment, the Contractor shall ensure that internal tests and inspections are carried out on a regular basis throughout each Contract Year.
- 1.22.13 The Contractor shall ensure that all areas of the Facilities have equipment provided in accordance with the following standards:
- Sufficient equipment for the activity programmed
 - Arrangements for hearing and sight impaired clients
 - 90% of the following to be available at any one time
 - Health & Fitness Suite
 - cardiovascular and resistance machines
 - high quality sound and vision system (100%)

- Offices/ Meeting Rooms - electrical power points and telephone points
- Poolside Viewing Areas - spectator seating (including disabled spectators)
- poolside bench seating
- Dry/ Wet /Staff /Outdoor Changing & Toilet Facilities - male/ female/ team/ disabled/ family and baby cubicles
- male/ female/ team/ disabled/ family and baby toilets
- shower cubicles./ open showers/ poolside showers
- secure clothes storage lockers
- sanitary/ hair-drying facilities
- Crèche/ Soft Play area - toilet facilities
- Catering & Vending facilities - vending product range
- Car Park, Access & Other External Areas - car/ disabled/ staff/ parents & baby parking spaces

1.22.14 The Contractor shall not introduce any additional coin-operated equipment (in addition to all items identified in Appendix 5), including gaming and amusement machines, to the Facilities without prior written approval of the Authority.

1.22.15 The Contractor shall ensure that all Facilities have defibrillators on site and that there are regular training updates in line with current BACR regulations.

1.22.16 As a minimum, the Contractor shall retain appropriate lockable storage facilities within each Facility to enable Clubs using the Facilities to store their own Equipment on site.

Reporting Requirements

1.22.17 The Contractor shall provide an updated form of the details included in Appendix 5 (the "Equipment Inventory") to the Authority within one month of the Commencement Date and, annually thereafter, within one month of the commencement of each Contract Year.

1.22.18 Appropriate records shall be maintained and updated at all times by the Contractor detailing all relevant inventories, losses or disposals, repairs and replacements through the course of this Agreement.

1.22.19 The Contractor shall submit details of any failures to maintain the required Performance Standards as set out above as part of the Quarterly Performance Monitoring Report.

1.23 Access

Required Outcome

1.23.1 The Facilities, and all Zones within, must be accessible by all Users.

Performance Standards

1.23.2 The Contractor shall ensure that the Facilities and all Zones within them, including the pitches, courts, buildings or any entrances, doorways, halls, lobbies, reception areas, unloading bays, corridors, lifts, staircases, access roads and car parks are open and free from any obstruction or physical destruction or deterioration (save for fair wear and tear) so that each Zone is capable of performing its function and allows access with appropriate control, entrance to and exit from each Zone. The Contractor shall ensure that the standards of each Zone are compliant with the individual access audit recommendations for each Facility.

- 1.23.3 The Facilities should be accessible by wheelchair users and sight impaired users.
- 1.23.4 The Contractor shall ensure that the Facilities, and all Zones and storage space within are accessible by all Users, to include the following:
- Secure pool stores
 - Secure multi-activity stores
 - Secure storage space for pushchairs
 - Storage lockers accessible from all changing cubicles
 - Secure storage for all sporting equipment.
- 1.23.5 In any potential redevelopment scheme to improve Health & Fitness provision, a separate reception point shall be provided in any enhanced Health & Fitness Suite.
- 1.23.6 The Contractor shall control car parking at all times and shall effectively manage car park flow, access and safety, especially when any special events take place, to ensure no adverse impact on local residents.
- 1.23.7 The Contractor shall ensure that all signage within the Facilities is clear and instructive and complies with health and safety guidelines (e.g. Managing Health and Safety in Swimming Pools) and the Equality Act 2010 (e.g. Braille) and any relevant planning restrictions.

Reporting Requirements

- 1.23.8 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.24 Legislation and Policy

Required Outcome

- 1.24.1 The Facilities must comply with all Legislation relating to the Sites and the provision of Services including, for example, the Equality Act 2010, environmental Legislation, licensing requirements, health and safety, control of Asbestos and legionella.

Performance Standards

- 1.24.2 The Contractor shall ensure that there are no breaches of Legislation, including without limitation, that in respect of health and safety, data protection, child protection and the Equality Act 2010. The Contractor shall also ensure that any relevant planning conditions attached to the Facilities are complied with.
- 1.24.3 The Contractor shall operate an "Equality Policy" covering all activities and events.
- 1.24.4 The Contractor shall ensure that all employees and supervisory staff have a working knowledge of the Legislation, Regulations and guidelines relating to best practice in managing sport and leisure facilities.
- 1.24.5 In particular, the Contractor shall ensure that:
- All agents or suppliers who may be required to enter the Facilities are fully aware of all relevant rules and procedures concerning the health and safety regime and fire risk and precautions

- All surface water and other liquid spillage within internal areas causing dangerous floor surfaces are dealt with immediately on identification of the problem and signed appropriately
- The first aid equipment and supplies, including signage for first aid provision, is physically checked weekly and a record is made which is available for inspection by the Authority
- Hazardous materials or equipment at the Facilities, which are to be used in the provision of the Services, are kept under proper control and safekeeping. The hazardous materials or equipment are properly and clearly labelled on their containers and comply with the relevant COSHH regulations
- It undertakes, at its own cost, its own risk assessments and associated training
- It keeps records of accidents and actions taken and these are to be made available for inspection by the Authority
- There is a full and comprehensive fire and evacuation procedure. The Contractor shall ensure each Facility's fire and evacuation systems, and associated equipment is maintained to relevant standards and regulations, and shall keep appropriate records
- Only authorised personnel are permitted in non-public areas of the Facilities, such as plant areas, staff rooms, offices etc.

1.24.6 The Contractor shall ensure that the health & fitness suites are managed in accordance with the CIMSPA document "Health and Fitness Operators' Guide".

1.24.7 The Contractor shall ensure that OFSTED registered crèche facilities are provided where appropriate. The Contractor shall ensure that the crèche is managed in accordance with standards required by the Child Protection Act and other relevant Social Services Department and/or OFSTED requirements.

1.24.8 The Contractor shall ensure that soft play areas are managed in accordance with standards required by the Child Protection Act and other relevant Legislation and Good Industry Practice.

1.24.9 The Contractor shall comply with all relevant Authority Policies as notified to the Contractor from time to time, in accordance with this Agreement

Reporting Requirements

1.24.10 The Contractor shall ensure that a copy of all the Legislation, Regulations and guidelines (or an appropriate abbreviation of Legislation containing all relevant clauses and sections) must be available for inspection at all time by the Authority's Representative.

1.24.11 The Contractor shall provide an annual "Licenses and Legislation Compliance Report" to the Authority within one month following the start of each Contract Year.

1.24.12 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.25 Water (Hot and Cold Installations)

Required Outcome

1.25.1 The Contractor shall ensure the supply of hot and cold water to those areas requiring water for domestic usage, also ensuring that where such water is required for drinking purposes that it is from a potable source.

Performance Standards

- 1.25.2 The following standards shall be complied with by the Contractor:
- CIBSE Technical Memoranda TM 13: 1991 Minimising the risk of Legionnaires' Disease
 - The storage and distribution of water within the Facilities shall be in accordance with all building codes and BS guidance with particular reference to BS EN 806-1:2000, BS EN 806-2:2005 and BS EN 806-3:2006 'Specifications for installations inside buildings conveying water for human consumption', and BS 6700:2006 'Specification for design, installation, testing and maintenance of services supplying water for domestic use within buildings and their curtilages'
 - Maintenance shall be in accordance with the Health and Safety Commission Approved Code of Practice and Guidance L8: The control of legionella bacteria in water systems 2013.
- 1.25.3 The Contractor shall ensure water temperatures are maintained at required standards so as to prevent legionella and other water-borne contaminants.
- 1.25.4 The Contractor shall ensure the water system is maintained in accordance with the appropriate health and safety Legislation and standards.
- 1.25.5 The Contractor shall work proactively to develop and promote effective best practice water saving efficiency measures across the Facilities.
- 1.25.6 The Contractor shall ensure that where Domestic Hot Water (DHW) is supplied without thermostatic control, all taps are appropriately labelled.
- 1.25.7 The Contractor shall ensure that water closets, drinking fountains and urinals have a supply of cold water, which allows these services to be usable in accordance with the manufacturers' specification.
- 1.25.8 The Contractor shall ensure that free drinking water is available at all Facilities.
- 1.25.9 The Contractor shall undertake quarterly bacteriological testing of the hot and cold water systems. In accordance with the requirements of the Authority's insurers, copies of legionella test reports should be submitted to the Authority's Representative immediately on receipt.
- 1.25.10 The Contractor shall meet the following standards:

Water temperature (showers)	35-43 degrees Celsius	Where no thermostatic mixers are installed, cold water to be supplied no warmer than 20 degrees C and hot water to be supplied no cooler than 50 degrees C at the tap outlets
Water temperature (hand washing)	35-43 degrees Celsius	
Drinking water (dry & wet changing / catering & vending areas)	drinking water available	Either mains fed or via accessible water coolers
Drinking water (Health & Fitness suite)	chilled water available	Either mains fed or via accessible water coolers

Reporting Requirements

- 1.25.11 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.26 Drainage

Required Outcome

- 1.26.1 The drainage systems shall provide safe effective removal of wastewater, surface water and liquid and solid waste (including kitchen grease discharge) from the Facilities in compliance with relevant Legislation. The drainage systems above ground shall be maintained in accordance with the appropriate health and safety Legislation and standards.

Performance Standards

- 1.26.2 The Contractor shall ensure that requirements in building regulations are complied with for foul and surface water drainage.
- 1.26.3 The Contractor shall ensure that all relevant Zones within the Facilities have an adequate drainage and sewage system operating.
- 1.26.4 The Contractor shall ensure that discharge temperatures do not exceed recommendations set by the Environment Agency.
- 1.26.5 The Contractor shall undertake regular testing and visual inspections of the drainage systems.

Reporting Requirements

- 1.26.6 The Contractor shall ensure that results of all non-compliant measurements are entered in the Property Database, logged on the Help Desk and reported to the Authority.
- 1.26.7 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report with actions identified for rectification.

1.27 Ventilation

Required Outcome

- 1.27.1 The Contractor shall ensure that the ventilation required within the Facilities provides a healthy and suitable environment conducive to the enjoyment of the sport, leisure or recreational activity being carried out at that particular time and is provided in an energy efficient manner. The Contractor shall ensure that the ventilation system is maintained in accordance with appropriate health and safety Legislation and standards.

Performance Standards

- 1.27.2 All relevant Zones shall have adequate ventilation in accordance with the following standards:
- more than three Air changes per hour in all areas, apart from:
 - Pools & Pool Viewing Areas: 5-9 changes per hour
 - Staff, Dry, Outdoor and Wet Changing Areas: 10-12 changes per hour
 - Toilet Facilities: more than 6 changes per hour

- Sports Hall Multi-Use: 1.5-3 changes per hour
- Health Suite (Sauna Room): 1-2 changes per hour
- Multi Purpose Activity Room: more than 6 changes per hour
- Health & Fitness Suite: 10-12 changes per hour
- Air changes based on mechanical ventilation.
- Where no mechanical ventilation installed, fresh air ventilations should be provided.

1.27.3 Ventilation rates shall be calculated according to CIBSE and BRE guidance.

Reporting Requirements

1.27.4 The Contractor shall ensure that results of all non-compliant measurements are entered on to the Property Database and reported to the Authority.

1.27.5 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report with actions identified for rectification.

1.28 Heating (Thermal Comfort)

Required Outcome

1.28.1 To provide a thermal environment conducive to the enjoyment of the sport, leisure or recreational activity being carried out in a Zone within the Facilities at a particular time in an energy efficient manner. To ensure the heating system is maintained in accordance with the appropriate health and safety Legislation and standards.

Performance Standards

1.28.2 The Contractor shall ensure compliance with the following documents:

- Handbook of Sports and Recreational Building Design Volumes 1 – 3 1996
- BR264 Thermal Comfort: Past, Present and Future 1994
- BR266 Trends in Thermal Comfort
- BRECSU GIR 30 - Performance Requirements for the Energy Efficient Office of the Future.

1.28.3 The Contractor shall measure and check to ensure that the inside temperature for each Zone within the Facilities during the Minimum Opening Hours shall meet the following standards:

- Temperature: higher than 16° Celsius in all areas
- If temperature controlled, 19-21°C in all areas, except for:
 - Pools & contiguous Pool Viewing Areas: 1°C above main pool water temp
 - Wet & Dry Changing: 20-25°C
 - Health Suite: 20-25°C
 - Health & Fitness Suite: 15-18°C
- Humidity 50-70%.

1.28.4 The Contractor shall measure the desired inside temperature at a height of 1 metre in the centre of the space. Instruments used for the measurement of temperature shall be checked annually against UKAS certified references of appropriate accuracy.

1.28.5 The Contractor shall ensure that measurement accuracy is better than 0.7°C for 95% of measurements over the temperature range of 15°C to 25°C, and better than 1.0°C for measurements outside that range.

Reporting Requirements

1.28.6 The Contractor shall ensure that results of all non-compliant measurements are entered onto the PPM Property Database and reported to the Authority.

1.28.7 The Contractor must submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.29 Lighting

Required Outcome

1.29.1 To provide adequate levels of lighting for the particular activity being undertaken within each Zone within the Facilities. The Contractor shall consider switching off lighting banks parallel to windows, and adopting energy management control systems such as time switches, dimmable controls, and presence detectors. To ensure the lighting system is maintained in accordance with appropriate health and safety Legislation and standards. To address particular requirements of special needs groups for less powerful lighting.

Performance Standards

1.29.2 The Contractor shall ensure that each Zone within the Facilities has a lighting (lux) level appropriate to its specified use. The following standards shall be met by the Contractor:

- Lighting in respect of minimum luminescence, colour rendition and glare index as specified below
- Building Regulations part L
- BS 8206-2:2008 'Lighting for Buildings. Code of Practice for Daylighting'
- LG4CIBSE Lighting Guide – Sports (and Addendum)
- CIBSE Code for Lighting 2004
- 'Sport England' Handbooks 1 – 3
- BS 5266-1:2005 'Emergency lighting. Code of Practice for the Emergency Lighting of Premises'.

1.29.3 The Contractor shall ensure that all relevant Zones have adequate lighting appropriate to its specified use in accordance with the following standards:

Illuminance values > 200 lux in all areas, apart from:	Main & Learner/ Teaching Pools: 300 lux Sports Hall Recreation & Club Use: 300 lux Sports Hall Regional & County Use: 500 lux Sports Hall National Use: 750 lux Sports Hall Cricket Use 750-1000: lux Floodlit STP/ Outdoor Hard Courts: 200-300 lux Floodlit Grass Football Pitch: 200-300 lux Health & Fitness Suite: 300 lux
Uniformity ratio	Main & Learner/Teaching Pools, Indoor Bowls, Health & Fitness: 0.8 Sports Hall, Multi-Purpose Activity Room: 0.7 Floodlit STP, Outdoor Hard Courts, Grass Football Pitch: 0.7

Colour rendering index	Main & Learner/ Teaching Pools, Health & Fitness, Sports Hall & Multi Activity Room: 60
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- 1.29.4 The Contractor shall ensure that external lighting is provided for security purposes.
- 1.29.5 The Contractor shall ensure that light source efficiency is better than 2.7 W/m²/100 lux except where justifiable.
- 1.29.6 The Contractor shall ensure that the number of non-operating lights or tubes does not exceed 10% of the total in the Zone.

Reporting Requirements

- 1.29.7 The Contractor shall ensure that results of all non-compliant lighting level and uniformity ratio measurements are recorded on the Property Database and reported to the Authority.
- 1.29.8 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.30 Pool Water Quality (Swimming Pool Installations)

Required Outcome

- 1.30.1 Swimming Pools that provide Users with a safe and comforting environment in which to participate in both swimming and water sports as required in this Services Specification. To ensure the Swimming Pools are maintained in accordance with the appropriate health and safety legislation and standards.

Performance Standards

- 1.30.2 The Contractor shall ensure that the following standards are complied with
 - The Handbook of Sports and Recreational Building Design Volume 3 published as at 1996 and The Pool Water Guide; Treatment and Quality of Swimming Pool Water
 - CIMSPA: Swimming Pool Treatment and Quality Standards
 - HSE: “Managing Health and Safety in Swimming Pools”.
 - Pool Water Treatment Advisory Group: Swimming Pool Water Treatment and Quality Standards
 - Pool Water Treatment Advisory Group: The management and treatment of swimming pool water (November 2013).
- 1.30.3 The Contractor shall ensure that all pool water is of the level of quality and temperature stipulated within the following:

Pool Water temperature (Celsius)	Main Pool: 27-29°C Learner/ Teaching Pool: 30-32°C 'Jacuzzi'/ Pool/ Spa: manufacturers' guidelines Water Slide/ Flume: 27-29°C
Pool Water temperature following backwash (Celsius)	Main Pool: 26-29°C Learner/ Teaching Pool: 29-32°C

- 1.30.4 The Contractor shall ensure that the pool water is maintained in a 'balanced' condition. The Contractor shall ensure that a balanced water test is taken weekly, duly recorded and action taken to ensure that the pool water is 'in balance', corrosion is eliminated, precipitants do not form and the water is safe for pleasant bathing conditions.

- 1.30.5 The Contractor shall ensure that the pool water is tested for PH and free Chlorine in accordance with the Swimming Pool Hall Data Sheet every 3 hours, with the initial test each day before the pools are brought into use. The Contractor shall ensure that complete records are kept of all readings, date, time and type of test. These shall be available for inspection by the Authority's Representative at any time.
- 1.30.6 The Contractor shall ensure that the filters are backwashed as recommended in the relevant plant maintenance instructions to ensure that the water quality is maintained at the required standard.
- 1.30.7 A pool water dilution rate of 30 litres per bather per day is a CIMSPA recommendation, which shall be complied with by the Contractor across all the Facilities. Standards shall be maintained in line with the up to date CIMSPA recommendations and industry standards.
- 1.30.8 In the event of more stringent standards being set by Sport England and/or the Health and Safety Executive during the Contract Period, the Contractor shall adhere to these more stringent standards. The Contractor shall not use different chemical constituents to maintain the above standards without the prior approval in writing of the Authority's Representative.
- 1.30.9 The Contractor shall ensure that monthly bacteriological tests are undertaken.
- 1.30.10 All relevant Zones shall have adequate pool water quality in accordance with the following:

pH value	7.2 - 7.8
Alkalinity	120 – 180 mg per litre
Calcium hardness	150 – 200 mg per litre
Total Dissolved Solids	1500 – 2000 mg per litre
Free Chlorine	<1 mg per litre
Sulphate	<360 mg per litre
Clarity	Bottom Visible
Total coliforms	<0 per 100ml
Faecal coliforms	<0 per 100ml
Pseudomonas	<0 per 100ml
Total visible count @ 22 C	< 100 per ml
Total visible count @ 37 C	< 20 per ml

Reporting Requirements

- 1.30.11 The Contractor shall report inspections and results of all non-compliant measurements on the Property Database. The Contractor shall ensure that non-conformance is reported to the Authority.
- 1.30.12 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.31 CCTV and Security

Required Outcome

- 1.31.1 Facilities that are secure and a system that provides a safe level of security to Users during their visit, but which does not compromise the personal privacy of Users getting changed.

Performance Standards

- 1.31.2 All relevant Zones within the Facilities shall have adequate security arrangements in place. Where provided, CCTV shall be maintained according to the manufacturer's specification and operated in line with a system that provides a safe level of security to Users during their visit but which does not compromise the personal privacy of Users getting changed.
- 1.31.3 The Contractor shall ensure compliance with the Information Commissioner's Code of Practice issued under the Data Protection Act 1998.
- 1.31.4 The Contractor shall at all times be responsible for the total security of the Facilities which includes land, buildings, structures and amenities, as shown on the Site Plans, together with plant rooms, machinery, equipment, fixtures, fittings and furnishings, and any item of stock.
- 1.31.5 The Contractor shall utilise the security systems installed or provided at the Facilities and shall be fully responsible for its proper maintenance and function. In the event of any alarms or security devices or radios being removed or becoming non-operational or non-maintainable, the Contractor shall inform the Authority's Representative.
- 1.31.6 The Contractor shall ensure that any external and internal fully operational CCTV security cameras as part of the security system are operational within the Facilities.
- 1.31.7 The Contractor may wish to add to the system but shall ensure that prior to the installation of any additional alarm or security equipment the prior written approval of the Authority's Representative is obtained.
- 1.31.8 The Contractor shall be responsible for the safe keeping of any keys to the Facilities and the maintenance of a key register. The Contractor shall ensure that a list of key holders, together with their addresses and telephone numbers is supplied to the Authority and the Police before the Commencement Date. The Contractor shall update the list whenever changes are made and at least quarterly.
- 1.31.9 The Contractor shall supply a list of names, addresses and telephone numbers of members of the Contractor's staff who are on a 24 hour call out contact to the Authority, Police, and alarm companies prior to the Commencement Date. This list shall be immediately up-dated by the Contractor as circumstances require on the appointment of, resignation of etc. or change to any member of staff on the list.
- 1.31.10 The Contractor shall ensure that only authorised personnel are admitted to any plant areas containing specialist equipment and machinery, e.g. water treatment and boiler rooms.
- 1.31.11 In order to enhance the security of the whole of each of the Facilities, the Contractor shall ensure that the zoned intruder detection system is fully operational. The Contractor shall ensure that a fully operational control unit and remote keypad to activate and deactivate the intruder detection system is available at all times. The Contractor shall ensure that each keyholder is given a unique password and that these passwords are changed on a regular basis.
- 1.31.12 The Contractor is responsible for the total security system and its maintenance and shall retain and utilise the existing system.
- 1.31.13 The Contractor shall ensure that appropriate out of hours keyholders are appointed to respond to intruder alarms.

Reporting Requirements

- 1.31.14 The Contractor shall report inspections and record the results of all non-compliant measurements on the Property Database and to the Authority.
- 1.31.15 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.32 Staffing

Required Outcome

- 1.32.1 Each Facility must have sufficient and suitably qualified staff to provide the services required by this Services Specification and all relevant Legislation, including relating to the swimming pools, health and fitness gym and any playgroup/crèche.
- 1.32.2 Staff employed or licensed or permitted to offer personal training services within the Facilities or to deliver coached activities and courses must be qualified to the appropriate level according to the Governing Body for the sport/activity.
- 1.32.3 The Contractor must meet the Disclosure and Barring Scheme requirements as detailed in the Agreement.

Performance Standards

- 1.32.4 The Contractor shall ensure that as a minimum, staffing levels are appropriate to the size of the Facilities, the activity and delivered by suitably trained personnel.
- 1.32.5 The Contractor shall ensure compliance with the guide “Managing Health and Safety in Swimming Pools” dated 2013 and subsequent Local Authority Circular supplement notes.
- 1.32.6 The Contractor shall ensure compliance with Governing Body requirements with respect to staffing.
- 1.32.7 Where appropriate, the Contractor shall ensure compliance with the relevant requirements of the local OFSTED registration requirements, the Authority Social Services Department, meeting the 14 standards outlined in National Standards for under 8s Day Care and Childminding as set out in The Children Act and the staff qualifications for any other specific activity as outlined in the Contractor’s Method Statements.
- 1.32.8 The Contractor shall provide a list of named staff with the necessary professional and technical competence as appropriate to fully discharge the requirements of this Services Specification in a safe and efficient manner.
- 1.32.9 The Contractor must meet the Disclosure and Barring Scheme requirements as detailed in the Agreement in relation to all staff employed in relation to the provision of Services including any third party club or coach.
- 1.32.10 The Contractor shall ensure that appropriately qualified persons or sub-consultant companies carry out all maintenance works.
- 1.32.11 The Contractor shall ensure that reception desks are appropriately staffed at all times the Facilities are open to the public. Reception staffing levels and access control procedures at times of peak demand shall be such that Users are able to gain access without unreasonable delay.

- 1.32.12 The Contractor shall generally ensure that a member of gym staff is available on the gym floor during all operational hours who is not involved in induction or personal training. However, this requirement may be waived for off-peak hours with the written consent of the Authority.
- 1.32.13 The Contractor shall ensure compliance in respect of all persons employed or seeking employment with the provisions of all employment Legislation including equal opportunities, the EU Working Time Regulations and the national minimum wage.
- 1.32.14 The Contractor shall be entirely responsible for the employment and conditions of service of its employees and shall implement a scheme for the continued assessment and development of staff. The Contractor shall therefore ensure that, through individual staff training plans where applicable to each role, staff undertake regular training (including refresher and advanced courses) to achieve qualifications relevant to their role. The Contractor shall ensure that this is appraised annually.
- 1.32.15 The Contractor is encouraged to offer apprenticeships in the Facilities to local residents.
- 1.32.16 The Contractor shall appoint an overall contract manager to be its Contractor's Representative. The Contractor's Representative shall consult with the Authority's Representative as often as may reasonably be necessary for the efficient provision of the Services and shall attend meetings on a regular basis.
- 1.32.17 The Contractor shall employ sufficient qualified and experienced staff to ensure a high standard of service and customer care at all times. Accordingly it will be necessary for the Contractor to employ sufficient reserves of staff to provide these high standards in times of sickness, leave, training and other absence from work.
- 1.32.18 The Contractor shall at all times employ sufficient numbers of qualified staff for durations of duty in accordance with the standards as outlined in "Management of Health and Safety in Swimming Pools".
- 1.32.19 The Contractor shall ensure that all employed lifeguards are inducted using the CIMSPA document The Qualified Lifeguard's Induction and Ongoing Training Manual (or subsequent revisions).
- 1.32.20 The Contractor will also encourage the attainment of the ASA's Quality Assurance standard "Aquamark".
- 1.32.21 The Contractor shall employ sufficient staff, coaches and instructors currently qualified for all activities where coaching or instruction takes place or specific qualifications are required.
- 1.32.22 The Contractor shall employ staff suitably trained in order to conduct induction training courses for Users on weight-lifting and training and other exercise equipment in the fitness rooms.
- 1.32.23 The Contractor shall also employ suitably qualified staff for any Crèche facilities in accordance with relevant legislation. An appropriately qualified member of staff shall be present at all times when there is a member of the public using any Soft Play Area.
- 1.32.24 The Contractor shall only employ staff that are registered on the Register of Exercise Professionals.
- 1.32.25 The Contractor shall ensure that staff employed as lifeguards attend a minimum of 2 hours training per month as a condition of employment. This applies to full time, part time and casual staff.

1.32.26 The Contractor shall maintain detailed training records to include attendance at lifeguard training sessions.

Reporting Requirements

1.32.27 The Contractor shall submit to the Authority for its approval one month prior to the Commencement Date a training plan for all existing staff and any proposed additional staff. The Contractor shall resubmit the training plan for the Authority's approval by 31st December each Contract Year thereafter.

1.32.28 The Contractor shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

Appendix 1 - Minimum Opening Hours

Derwent Pool

The pool is open to the public for 47.5 hours per week during school term (including public lessons but excluding school & swimming club use) and 53 hours per week during holidays.

Ryedale Pool

The pool is open to the public for 56.5 hours per week during school term (including public lessons but excluding school & swimming club use) and 66.5 hours per week during holidays

Northern Ryedale Leisure Centre

Open in an evening on school days and all day on non-school days subject to the minimum provisions below:

- to be open 7 days a week
- to provide not less than 21 hours per week public pay and play (school time and holiday time)
- to provide the STP facility between a maximum 17.30 & 22.00 weekdays, 09.00 & 18.30 weekends (winter) and 09.00 & 22.00 weekends (summer)

Facilities are required to be open every day except Christmas Eve, Christmas Day, Boxing Day and New Year's Day. On the other bank holidays the Facilities may be opened for a reduced number of hours to be approved by the Authority at least four weeks prior to the relevant bank holiday.

Appendix 2 Authority Weekly Programming Requirements

The Contractor shall accommodate the following Users the time requirements as specified below within the Programmes of Use for the Facilities.

Facility	Activity Area	User Group	Time Required (no. of hours per week)
Derwent Pool, Norton	Swimming Pool	Derwent Valley Amateur Swimming Club	Minimum as existing: 5.5 hours (term) 6.5 hours (holidays)
	School Use	School	Minimum of 10 hours per week for school use during term times
	Swimming Lessons	Public	Minimum of 15 hours per week of swimming lessons during term time
	Swimming	Public	Minimum of 25 hours per week of public swimming (including no more than 20% of that delivered through adult only sessions) during time term time and 50 hours per week public swimming (including adult only) during holidays
	Private Parties/hire	Public	Allowed as applicable
Ryedale Pool, Pickering	Swimming Pool	Ryedale Swimming Club	Minimum as existing: 7.5 hours (term) 8 hours (holidays)
	School Use	School	Minimum of 10 hours per week for school use during term times
	Swimming Lessons	Public	Minimum of 15 hours per week of swimming lessons during term time
	Swimming	Public	Minimum of 25 hours per week of public swimming (including no more than 20% of that delivered through adult only sessions) during time term time and 50 hours per week public swimming (including adult only) during holidays
	Private Parties/hire	Public	Allowed as applicable
Northern Ryedale Leisure Centre	<ul style="list-style-type: none"> • six court sports hall with climbing wall • gymnasium used for exercise classes, martial arts, etc • 31 station Horizon gym • small room used for exercise classes and parties 	Public use	Minimum 21 hours per week public use (school time and holiday time) Option to provide a Gym on site by agreement with the school (the use of the present Horizon gym is currently outside of the

Facility	Activity Area	User Group	Time Required (no. of hours per week)
	<ul style="list-style-type: none"> Outdoor facilities available for public use include 3 tennis courts, multi-use space providing 2 netball or 4 tennis courts and a full-size sand-dressed synthetic turf pitch (STP) 		Council agreement and is a direct arrangement between the current operator and the school
			Provide the STP facility between a maximum 17.30 & 22.00 weekdays, 09.00 & 18.30 weekends (winter) and 09.00 & 22.00 weekends (summer),
	Private Parties/hire	Public	Allowed as applicable

Where the main sports/ activity areas within the Facilities are not being used or required by User Groups within the protected programming detailed above, subject to the User Group confirming availability to the Contractor, the Contractor may incorporate usage by other Users to ensure optimal use of the Facilities.

Appendix 3

Authority Pricing Requirements

<i>Facility</i>	<i>Activity</i>	<i>Price</i>
Derwent Pool	Hire of pool to Derwent Valley Amateur Swimming Club	£60 per hour
Ryedale Pool	Hire of pool to Ryedale Swimming Club	£60 per hour

All pricing is at the Pricing Reference Date and all rates are inclusive of VAT.

Appendix 4

Lifecycle Replacement Responsibility Matrix

The Contractor shall service and maintain all items in accordance with statutory requirements and manufacturers recommendations and the other provisions of this Agreement.

However, there are a number of items which the Authority will retain lifecycle replacement responsibility for as set out below and as described at Clause 15 (Condition of the Facility) of this Agreement.

In addition, special terms shall apply to the North Ryedale Leisure Centre as set out in the dual-use agreement between North Yorkshire County Council, the Authority and Lady Lumley School. Under this agreement, the Contractor shall not be responsible for damage caused to the facilities and/or the Equipment within the NRLC during school hours. Items where this stipulation arises are indicated (A) in the matrix below.

For the avoidance of doubt, any items not covered within this matrix shall be the responsibility of the Contractor.

Quarterly facilities inspections will be carried out by the Authority's Representative in the presence of the Authority's nominated person responsible for facilities maintenance.

The lifecycle replacement responsibilities of the Contractor and the Authority are set out in the table below:

Item	Contractor	Authority
[to add]		

Appendix 5

Equipment Inventory

Please refer to the separate excel spreadsheet called Appendix 5 Equipment Inventory.

Appendix 6

Maintenance of Synthetic Turf Pitch

Section to be inserted.