



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, 24 February 2015** 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 **Minutes**

(Pages 7 - 20)

To approve as a correct record the minutes of the Ordinary Meeting of Council held on 18 December 2014 (attached) and the Extraordinary Meeting of Council held on 17 February 2015 (to follow).

5 **Urgent Business**

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

6 **Declarations of Interest**

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

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

7 **Announcements**

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

8 To Receive any Questions submitted by Members Pursuant to Council Procedure Rule 10.2 (Questions on Notice at Full Council)

From Cllr Clark to the Chair of Planning

In reference to Gladmans 3 could the Chair of Planning please tell me how much he expects the decision to reduce the '5 reasons for refusal' to 2, to cost the tax payers of Ryedale?

From Cllr Clark to the Chair of Policy & Resources

Could you please give the Fees and Charges for all services to the public? These figures for each of the last 4 years and the proposed figures for 2015/2016.

9 To Receive a Statement from the Leader of the Council and to Receive Questions and Give Answers on that Statement

10 Revenue and Capital Budgets and Setting of Council Tax 2015/2016 (Pages 21 - 102)

Annex A and Annex B are attached, Annex C is to follow.

With reference to Minute No. 49 (Financial Strategy 2015/2016) of the Policy and Resources Committee held on 5 February 2015 (copy attached), Councillor Mrs Cowling, Chairman of the Policy and Resources Committee, will move:-

I Budget 2015/2016

That the revised revenue estimates for the year 2014/2015 and the revenue estimates for 2015/2016, as submitted in the Council's Financial Strategy and Revenue Budget 2015/2016 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 2015/16, 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 2015/16, 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

£28,535,789.00 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)**

£24,122,107.00 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**

£4,413,682.00 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)**

£214.91 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**

£784,389.00 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 2015/16 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 18 February 2015.	141.85	43.06
B		165.49	50.24
C		189.13	57.41
D		212.77	64.59
E		260.05	78.94
F		307.33	93.30
G		354.62	107.65
H		425.54	129.18

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 2015/16 for each of the categories of dwellings shown.

- 11 **Treasury Management Strategy Statement and Annual Investment Strategy 2015/2016** (Pages 103 - 130)

- 12 **To consider for Approval the Recommendations in respect of the following Part 'B' Committee Items:** (Pages 131 - 150)

Policy and Resources Committee – 5 February 2015

Minute 53 – The future of Pickering Tourist Information Centre (page 131)

Planning Committee – 10 February 2015

Minute 171 – Developer Contributions from Small Sites (page 143)

- 13 **Treasury Management Mid-Year Review 2014/15** (Pages 151 - 160)

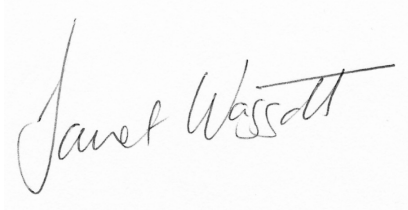
- 14 **Notices on Motion Submitted Pursuant to Council Procedure Rule 11 Proposed by Councillor Clark and seconded by Councillor Richardson**

A North Yorkshire County Council Unitary would make savings of approximately £40million/year across North Yorkshire. A fraction of this would enable the cuts to bus services and libraries to be reversed.

This Council therefore resolves to go down the 'Unitary route'.

To help facilitate this approach Ryedale District Council is to enter into discussions with North Yorkshire County Council and the other District and Borough Councils.

15 Any other business that the Chairman decides is urgent.

A handwritten signature in black ink that reads "Janet Waggott". The signature is written in a cursive style with a long horizontal stroke at the end of the name.

Janet Waggott
Chief Executive

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Council

Minutes of Proceedings

At the **Ordinary Meeting of the District Council of Ryedale** held in the **Council Chamber, Ryedale House, Malton** on **Thursday 18 December 2014**

Present

Councillors Acomb
 J Andrews
 P J Andrews
 Arnold (Vice-Chairman)
 Bailey
 Mrs Burr MBE
 Clark
 Mrs Cowling
 Cussons
 Mrs Frank
 Mrs Goodrick
 Hawkins
 Hicks
 Hope
 Mrs Hopkinson
 Ives (Chairman)
 Mrs Keal
 Legard
 Maud
 Raper
 Richardson
 Wainwright
 Windress
 Woodward

In Attendance

Jill Baldwin
Simon Copley
Peter Johnson
Phil Long
Julian Rudd
Jill Thompson
Janet Waggott
Daniel Wheelwright
Anthony Winship

Minutes

66 **Apologies for absence**

Apologies for absence were received from Councillors Collinson, Fraser, Mrs Sanderson, Mrs Shields and Walker.

67 **Public Question Time**

There were no public questions.

68 **Minutes**

The minutes of the Ordinary Meeting of Council held on 9 October 2014 were presented.

Resolved

That the minutes of the Ordinary Meeting of Council held on 9 October 2014 be approved and signed by the Chairman as a correct record.

69 **Urgent Business**

There was one item of urgent business which the Chairman considered should be dealt with as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972 (as amended):

Censure Motion

The special circumstances in this case which justified this matter being considered as a matter of urgency were detailed by the Chairman as follows:

- (i) The comments of Councillor Tommy Woodward about the recent death of an individual have caused a public outcry and have resulted in an unprecedented level of written complaints comprising 127 to date;
- (ii) The Council Solicitor and Monitoring Officer in consultation with the Independent person has reached the conclusion that the complaints relate to conduct in a private capacity and not as a Councillor. Accordingly the Members Code of Conduct is not engaged and therefore there will be no investigation under the Code of Conduct regime;
- (iii) Although the Members Code of Conduct is not engaged in my opinion the comments of Councillor Tommy Woodward still have an adverse impact on the reputation of Ryedale District Council and its Members;
- (iv) Against this background I consider it essential that Council be given the opportunity to debate the issue without delay to consider whether or not it wishes to censure Councillor Woodward for his comments.

A procedural motion was moved by Councillor Ives and seconded by Councillor Mrs Cowling to suspend Rules of Procedure 11.1 and 11.2 to deal with the censure motion only.

Upon being put to the vote, this procedural motion was carried.

Resolved

That Rules of Procedure 11.1 and 11.2 be suspended to deal with the censure motion only.

NB The Censure Motion is minuted at Minute 77 below.

70 Declarations of Interest

The following interests were declared:

Councillor Paul Andrews declared a personal non pecuniary but not prejudicial interest in agenda item 8 (Questions on Notice) as a supporter of local businesses in Malton and an opponent of the Wentworth Street Car Park planning application.

Councillor Clark declared a personal non pecuniary but not prejudicial interest in agenda item 9 minute 39 (Joint Committee and/or Combined Authority for York, North Yorkshire and East Riding) as a member of North Yorkshire County Council.

Councillors Arnold, Bailey, Mrs Frank and Hawkins declared a personal non pecuniary but not prejudicial interest in agenda item 9 minute 147 (The Helmsley Plan – Land at Helmsley) as they had been involved with the Helmsley Plan.

Councillors Bailey and Mrs Frank declared a personal non pecuniary but not prejudicial interest in agenda item 11 (Notices of Motion) as members of the North York Moors National Park, which is a minerals planning authority.

Councillor Mrs Burr declared a personal non pecuniary but not prejudicial interest in agenda item 11 (Notices of Motion) as a member of North Yorkshire County Council (but not its planning committee).

71 Announcements

The Chairman updated Council on his recent engagements, as follows, and thanked those involved in these organisations for their hard work throughout the year and during the festive season:

- A visit to the Royal Mail sorting office in Malton
- Visits to public services in the District
- A Ryedale Special Families event

The Chief Executive made the following announcements:

- That the provisional financial settlement had just been received and looked slightly better than expected, but further work would be carried out looking into this next year.
- That the application for judicial review relating to the Secretary of State's decision to refuse planning permission for the East Heslerton wind farm had been dismissed.
- That the Kirkbymoorside planning appeal decision had been received and the appeal was allowed .
- That the decision from the High Court refusing permission for a Judicial Review requested by Fitzwilliam Malton Estate in relation to the challenge to the planning permission for the redevelopment of Wentworth Street Car Park Malton had been circulated to Members.

72 **To Receive any Questions submitted by Members Pursuant to Council Procedure Rule 10.2 (Questions on Notice at Full Council)**

1. Councillor Paul Andrews submitted the following question:

To Councillor Mrs Cowling, Leader of Council:

"Has consideration been given to what is likely to happen if the Council's decision is allowed to stand? If there is no supermarket chain willing to develop a superstore there, as seems clear to most people now, what are the Council's proposals for providing certainty to potential inward investors in Malton about the future of the town's largest car park?

- a) In those circumstances will the car park be sold to GMI?
- b) If it is sold to GMI and they have no supermarket chain interested, are GMI obliged to continue its use as a public car park? And if not, what is the future of the car park in those circumstances?"

The Leader of Council, Councillor Mrs Cowling replied

"It is clear that current market conditions are very different to those which prevailed when the council entered into the agreement for sale of the land at Wentworth Street. It is also likely that the market conditions will continue to evolve and in due course there will be renewed interest in development of the land as anticipated when the agreement was put in place. The purchaser continues to have confidence, informed by specialist retail advice, that there will be demand from operators particularly where there is a proposition which has good commercial potential and is deliverable. It has been their strategy, supported by the council, to hold back from any full marketing of the site until the planning position had become clear. It is not appropriate to speculate upon any alternative outcome while the contractual arrangements with GMIHL are in place.

- a) *The agreement for sale of the land is conditional upon a development as envisaged in the application for planning consent submitted by GMIHL*

being undertaken. If such a development is not possible the agreement can be terminated..

- b) *Unless a development as envisaged by GMIHL when their offer to purchase was accepted by the council is secured no sale will be completed. Until the land is sold to GMIHL its use is determined by the council but such use must not prevent vacant possession being given.”*

73 To consider for Approval the Recommendations in respect of the following Part 'B' Committee Items:

Policy and Resources Committee – 4 December 2014

Minute 38 - Localisation of Council Tax Support 2015/2016 Scheme

It was moved by Councillor Mrs Cowling and seconded by Councillor Arnold that the following recommendations of the Policy and Resources Committee be approved and adopted.

That Council be recommended to approve:

- (i) To approve a Local Council Tax Support Scheme which was unchanged from 2014/13; and
- (ii) The Finance Manager, in consultation with the Chairman of Policy and Resources Committee be authorised to undertake the necessary consultation work to design a scheme for 2016/17, in light of the experience in previous years, to be presented to Policy and Resources Committee in December 2015.

Councillor Clark moved and Councillor Woodward seconded the following amendment:

After “Chairman of Policy and Resources Committee”, add “and Group Leaders”.

Upon being put to the vote the amendment was lost.

Voting Record

11 For

13 Against

0 Abstentions

Upon being put to the vote the motion was carried.

Resolved

That Council:

- (i) Approves a Local Council Tax Support Scheme which was unchanged from 2014/13; and
- (ii) Authorises the Finance Manager, in consultation with the Chairman of Policy and Resources Committee to undertake the necessary consultation work to design a scheme for 2016/17, in light of the experience in previous years, to be presented to Policy and Resources Committee in December 2015.

Voting Record

19 For

5 Against

0 Abstentions

Minute 39 - Joint Committee And / Or Combined Authority For York, North Yorkshire And East Riding

It was moved by Councillor Mrs Cowling and seconded by Councillor Arnold that the following recommendations of the Policy and Resources Committee be approved and adopted.

That Council be recommended to approve:

- (i) That Ryedale District Council supports the principle of and agrees to form part of a Joint Committee arrangement for economic development, regeneration, strategic planning and transport matters in York, North Yorkshire and East Riding; and
- (ii) That the potential for a Combined Authority covering parts of York, North Yorkshire and East Riding be assessed post-May 2015.

Councillor Clark moved and Councillor Woodward seconded the following amendment:

Delete “of and agrees to form part of a” and add [at the end of (i)] “enters into discussions with the other councils”.

Upon being put to the vote the amendment was lost.

Recorded Vote

For

Councillors Joy Andrews, Paul Andrews, Clark, Richardson and Woodward.

Against

Councillors Acomb, Arnold, Bailey, Mrs Burr, Mrs Cowling, Cussons, Mrs Frank, Hawkins, Hicks, Hope, Mrs Hopkinson, Ives, Keal, Legard, Maud, Raper, Wainwright and Windress.

Abstentions

Councillor Mrs Goodrick

Upon being put to the vote the motion was carried.

Resolved

That Council:

- (i) Supports the principle of and agrees to form part of a Joint Committee arrangement for economic development, regeneration, strategic planning and transport matters in York, North Yorkshire and East Riding; and
- (ii) Agrees to assess the potential for a Combined Authority covering parts of York, North Yorkshire and East Riding be assessed post-May 2015.

Voting Record

19 For
4 Against
1 Abstention

Minute 40 - Timetable of Meetings 2015-16

It was moved by Councillor Mrs Cowling and seconded by Councillor Arnold that the following recommendations of the Policy and Resources Committee be approved and adopted.

That Council be recommended to approve:

The timetable of meetings for 2015-2016, attached at Annex A to the report.

Upon being put to the vote the motion was carried.

Resolved

That Council approve:

The timetable of meetings for 2015-2016, attached at Annex A to the report.

Voting Record

21 For
0 Against
0 Abstentions

Planning Committee – 16 December 2014

Minute 145 – Ryedale Community Infrastructure Levy – Revised Draft Charging Schedule

It was moved by Councillor Windress and seconded by Councillor Mrs Frank that the following recommendations of the Planning Committee be approved and adopted.

That Council be recommended to approve:

The revised Draft Charging Schedule at Appendix 1 for formal public consultation and subsequent submission to the Secretary of State for Examination.

Upon being put to the vote the motion was carried.

Resolved

That Council approve:

The revised Draft Charging Schedule at Appendix 1 for formal public consultation and subsequent submission to the Secretary of State for Examination.

Voting Record

24 For

0 Against

0 Abstentions

Exempt Information

It was moved by Councillor Mrs Cowling and seconded by Councillor Raper that the meeting move into exempt session.

Upon being put to the vote the motion was carried.

Resolved

That under Section 100(A)(4) of the Local Government Act 1972 that the public be excluded from the meeting for the following item as there will be a likely disclosure of exempt information as defined in Paragraphs 1, 3 & 6 of Part 1 of Schedule 12A of the Act as:

- 1) Information relating to any individual;
- 2) Information relating to the financial or business affairs of any particular person;
- 3) Information which reveals that the authority proposes
 - a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - b) To make an order or direction under any enactment

Minute 147 – The Helmsley Plan – Land at Helmsley

It was moved by Councillor Windress and seconded by Councillor Mrs Cowling that the following recommendations of the Planning Committee be approved and adopted.

That Council be recommended to:

- (i) Give authority for the Compulsory Purchase, pursuant to section 226(1)(b) of the Town and Country Planning Act 1990, of the land edged red shown in Annex 1;
- (ii) Agree the use of the New Homes Bonus Reserve to fund the undertaking of the Compulsory Purchase Order and associated work in line with paragraphs 6.11 to 6.17 and to subsequently reimburse the New Homes Bonus Reserve;
- (iii) Adjust the Council's Local Development Scheme to reflect the amended timetable for the Examination and eventual adoption of the Helmsley Plan.

Upon being put to the vote the motion was carried.

Resolved

That Council:

- (i) Give authority for the Compulsory Purchase, pursuant to section 226(1)(b) of the Town and Country Planning Act 1990, of the land edged red shown in Annex 1;
- (ii) Agree the use of the New Homes Bonus Reserve to fund the undertaking of the Compulsory Purchase Order and associated work in line with paragraphs 6.11 to 6.17 and to subsequently reimburse the New Homes Bonus Reserve;
- (iii) Adjust the Council's Local Development Scheme to reflect the amended timetable for the Examination and eventual adoption of the Helmsley Plan.

Voting Record

18 For

2 Against

4 Abstentions

74 Business Adjourned from the Council Meeting on 9 October 2014

At the Council meeting on 9 October 2014, consideration of the recommendations from the Policy and Resources Committee on 25 September 2014 with regards to *Minute 25 – Constitutional Changes: Electronic submission of Notices on Motion and revision of deadlines for questions on notice* were

proposed by Councillor Mrs Cowling and seconded by Councillor Arnold, and then stood adjourned to this meeting without discussion, under Council Procedure Rule 23.2.

The recommendations to Council were:

- (i) The addition of the wording shown in italics below to Council Procedure Rule 11.1:

Except for motions which can be moved without notice under Rule 12, written notice of every motion, signed by at least two Members, must be delivered to the proper officer not later than *5pm*, eight *working* days before the date of the meeting. These will be entered in a file open to public inspection.

Written notice of motions may be given by email, from a ryedale.gov.uk email address. Signatures are not required in these instances but consent must be received from each Member who has put their name to the motion by e mail from a ryedale.gov.uk email address .

- (ii) The addition of the wording shown in italics below to Council Procedure Rule 14.1:

A motion or amendment to rescind a decision made at a meeting of Council within the past six months cannot be moved unless the notice of motion is signed by at least one quarter of the whole number of Members of the Council.

Such notice of motions may be given by email, from a ryedale.gov.uk email address. Signatures are not required in these instances but consent must be received from each Member who has put their name to the motion by e mail from a ryedale.gov.uk email address.

- (iii) The addition of the wording shown in italics below to Council Procedure Rule 10.4:

A Member may only ask a question under Rule 10.2 or 10.3 if either:

(a) he/she has given notice in writing of the question to the Proper Officer *not later than 5pm, eight working days before the date of the meeting*; or

(b) the question relates to an urgent matter, he/she has have the consent of the chairman to whom the question is to be put and the content of the question is given to the Proper Officer by *12 noon* on the day of the meeting. *An urgent matter must be one which the Member could not have reasonably known about eight working days before the date of the meeting and which must be dealt with before the next ordinary meeting of Council.*

Councillor Clark moved and Councillor Woodward seconded the following amendment:

Add after each reference to ryedale.gov.uk "or other email address previously known and agreed by a proper officer.

Upon being put to the vote the amendment was lost.

Voting Record

5 For
15 Against
1 Abstention

Upon being put to the vote the motion was carried.

Resolved

That Council approve:

(i) The addition of the wording shown in italics below to Council Procedure Rule 11.1:

Except for motions which can be moved without notice under Rule 12, written notice of every motion, signed by at least two Members, must be delivered to the proper officer not later than *5pm*, eight *working* days before the date of the meeting. These will be entered in a file open to public inspection.

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Such notice of motions may be given by email, from a ryedale.gov.uk email address. Signatures are not required in these instances but consent must be received from each Member who has put their name to the motion by e mail from a ryedale.gov.uk email address.

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A Member may only ask a question under Rule 10.2 or 10.3 if either:

(a) he/she has given notice in writing of the question to the Proper Officer *not later than 5pm, eight working days before the date of the meeting*; or

(b) the question relates to an urgent matter, he/she has have the consent of the chairman to whom the question is to be put and the content of the question is given to the Proper Officer by *12 noon* on the day of the meeting. *An urgent matter must be one which the Member could not have reasonably known about eight working days before the date of the meeting and which must be dealt with before the next ordinary meeting of Council.*

Voting Record

16 For

5 Against

0 Abstentions

75 Notices on Motion Submitted Pursuant to Council Procedure Rule 11

1. It was moved by Councillor Mrs Burr and seconded by Councillor Maud

“It is noted that there is overwhelming public concern in the Ryedale area and nationally about hydraulic fracturing (fracking) and all other forms of unconventional fuel extraction.

Council is asked to approve the following:

Ryedale as a non decision making body agrees to facilitate an impartial public meeting on fracking to raise public awareness.

Once Members have had an opportunity to have the public meeting on fracking then the issue be reported to a future meeting of the Council.”

Upon being put to the vote, the motion was carried.

Resolved

That Council approve:

Ryedale as a non decision making body agrees to facilitate an impartial public meeting on fracking to raise public awareness.

Once Members have had an opportunity to have the public meeting on fracking then the issue be reported to a future meeting of the Council.”

Voting Record

24 For

0 Against

0 Abstentions

76 To Receive a Statement from the Leader of the Council and to Receive Questions and Give Answers on that Statement

No statement was received from the Leader of Council.

77 Any other business that the Chairman decides is urgent.

There was one item of urgent business:

Censure Motion

Councillor Mrs Cowling moved and Councillor Wainwright seconded the following censure motion:

Council is aware of the widely reported comments of Councillor Tommy Woodward about the recent death of an individual. Those comments can best be described as an affront to public decency and amounting to behaviour wholly incompatible with the holding of elected office. Council is aware that the comments of Councillor Tommy Woodward have caused deep offence to the family and friends of the deceased.

This motion seeks to disassociate Ryedale District Council and its District Councillors from the comments of Councillor Tommy Woodward. This motion is also put forward to enable all Councillors at Ryedale District Council to express their profound disapproval of the comments of Councillor Tommy Woodward and to extend sincere sympathies to the family and friends of the deceased.

For this purpose Council is asked to pass the following motion:

- (i) That Council hereby censures Councillor Tommy Woodward for his unacceptable behaviour in relation to the comments he made about the recent death of an individual; and
- (ii) That Council extends sincere sympathies to the family and friends of the deceased.

Upon being put to the vote the motion of censure was carried.

Resolved

- (i) That Council hereby censures Councillor Tommy Woodward for his unacceptable behaviour in relation to the comments he made about the recent death of an individual; and
- (ii) That Council extends sincere sympathies to the family and friends of the deceased.

Recorded Vote

For

Councillors Acomb, Paul Andrews, Arnold, Bailey, Mrs Cowling, Cussons, Mrs Frank, Mrs Goodrick, Hawkins, Hicks, Hope, Mrs Hopkinson, Ives, Keal, Legard, Maud, Raper, Wainwright and Windress.

Against

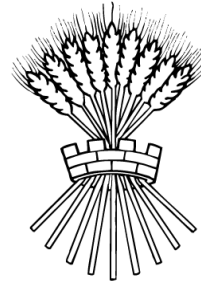
None.

Abstentions

Councillors Joy Andrews, Mrs Burr, Clark, Richardson and Woodward.

There being no other business, the meeting closed at 10pm.

RYEDALE
DISTRICT
COUNCIL



FINANCIAL STRATEGY

2015 - 2019

REVENUE BUDGET

2015 – 2016

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RYEDALE DISTRICT COUNCIL

To:

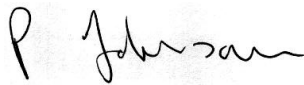
Members of Ryedale District Council

Meeting:

Tuesday, 24 February 2015

BUDGET REVIEW 2015-16

The Financial Strategy 2015-2020, Revenue Budget for 2015-16, the Capital Programme, the Prudential Indicators, the Pay Policy and Special Expenses recommended for approval by the Policy and Resources Committee, are submitted for approval by the Council. The appropriate draft resolution has been circulated to all Members of the Council.

A handwritten signature in black ink, appearing to read 'P. Johnson', is written over a light grey rectangular background.

P Johnson, Finance Manager (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 2015/16 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 2015/2016 of **£6,823,260**.
- 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 **£402,000**
- Application of **£524,000** New Homes Bonus to the Revenue Budget.
- Application of **£288,000** New Home Bonus to the Capital Programme
- Unused New Homes Bonus of **£575,000**.
- A capital programme totalling **£5,817,000** over the period 2015 - 2019
- The Treasury Management Statement and Annual Investment Strategy 2015/2016
- The Prudential Indicators
- The Pay Policy 2015/2016
- Special Expenses for Street Lighting of £35,130

The following table summarises the changes:

	£000s
2014/2015 Base Budget Brought forward	7,176
Add:	
Base Budget Adjustments	172
Growth items (appendix A)	294
Total	7,642
Less:	
Efficiencies/Savings/Cuts/Additional Income (appendix A)	402
2015/16 Council Tax Freeze Grant (appendix A)	39
Movement in New Homes Bonus	378
2015/2016 Net Revenue Budget	6,823

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

In setting the Revenue budget for 2015/2016 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 £402k. 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

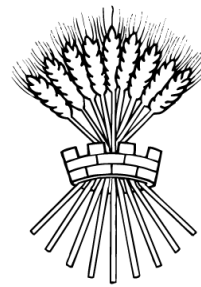
there is always potential for delay in achieving savings or failure to achieve income targets. Where this occurs, compensating savings will need to be identified. Assumptions are within the 2015/2016 budget that the 3 month moratorium £31k will be delivered.

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, Ryecare, Building Control, Recycling, Trade Waste, Green Waste, Car Parking and Planning to enable action to be taken in year where necessary.

RYEDALE
DISTRICT
COUNCIL



FINANCIAL STRATEGY

2015 - 2019

FINANCIAL STRATEGY

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Appendix A: 2015/2016 Revenue Budget Pressures and Savings

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

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

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

- The 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 2014/2015 totals £7.176m and is allocated to services as shown:

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	5,903	5,127	776
Cultural & Related Services	1,454	48	1,406
Environmental & Regulatory Services	4,507	1,712	2,795
Highways & Transport Services	364	833	(469)
Housing Services	13,709	12,707	1,002
Planning Services	2,018	1,197	821
	27,955	21,624	6,331
General Fund Reserve			1
Other Financial Adjustments			844
Net Revenue Budget			7,176
Financed By:			
Government Grant and Retained Business Rates			3,485
Collection Fund Surplus – Council Tax			142
Ryedale District Council Precept			3,549
Total			7,176

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 2015/2016 budget.

Council Tax currently pays for 45% of the Council's revenue spending. With 55% of the Council's resources coming 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 December 2014 the council received the provisional finance settlement for 2015/16, this followed indicative figures for 2015/16 as part of the 2013 spending round.

Draft settlement figures for 2016/17 have not been made available to councils and therefore there will remain significant uncertainties in long term planning. 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 income above target performance will increase the retained share for Ryedale (after paying a levy of 50% of any growth). The down side risk is that any reductions in collected business rates will see a 40% reduction in RDC income. Careful monitoring of business rates collection and appeals will be required. The financial impact of any significant appeal costs will need to be managed through reserves.

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.

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.

2014/15 was the first year that NHB funding was used to support the revenue budget (£175K) with the proposal to drip feed the money into the budget over a number of years to protect existing services. The following table sets 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 (received)	1,127
2015/2016 (due)	1,387
2016/2017 (estimated)	1,687
2017/2018 (estimated)	1,772

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. 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 2015-2020

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.

External funding has been announced for 2015/16 however 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 2015/16 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 announced that the limit above which increases in Council Tax must be subject to referendum for 2015/16 is 2%. 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 Budget Strategy recommended a Council Tax increase for 2015/16 of 1.99%. This was subsequently amended at Policy and Resources Committee, on 5th February 2015, to a nil increase and the figures within this document reflect the amendment. 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 increase of 1.2% has been included for 2015/16. 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:-

2016/17 - £250,000

2017/18 - £340,000

2018/19 - £150,000

Provision is included for years 2016 onwards to recognise the likelihood of additional burdens/pressures upon the Council. 2016/17 includes provision for changes to employers national insurance contributions and 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 2015/16 includes estimated efficiency savings of £178k. 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 2015 - 2019

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 Finance Manager (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 Finance Manager (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 Finance Manager (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 Finance Manager (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. The Corporate Risk Register will be reported to the Overview and Scrutiny Committee during the forthcoming year.

The key risks identified for 2015/16 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. 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	Council fails to meet community needs, adverse impact on Corporate and	Likely	Major	Develop a long-term financial strategy. Set out a clear budget timetable. Regular updates to	Not Likely	Minor

consideration/consultation	Community Plan. Adverse external inspection			Members. Effective ongoing consultation processes.		
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 s151. 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 2015/2016

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 2015/2016 is incorporated within this Financial Strategy at Appendix F.

11. CONCLUSION

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

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

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

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

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

APPENDIX A

2015/2016 Budget Pressures

		£'000
Additional Costs		
- District Election	Inc. costs/change to the basis of cost allocation	45
- Dry Recycling	Reduced Income from Dry Recycling contract	23
- Ryecare Lifeline	Reduced Income	25
- Environmental Health Resource	Additional capacity to carry out Private Water Risk Assessments	14
- HR Support	Additional Service Capacity	40
Specific Grants		
- 14/15 CT Freeze Grant	Baselined into 2015/16 Revenue Support Grant	38
- 14/15 Rural Delivery Grant	Baselined into 2015/16 Revenue Support Grant	14
- LCTS New Burden Grant	Cut to grant	47
- Community Right to Bid	Fall out of grant in 2015/16	8
- Community Right to Challenge	Fall out of grant in 2015/16	8
- Benefits Admin Subsidy	Cut to grant	32
Total		294

2015/2016 Efficiencies/Savings/Additional Income Proposals

Proposal	Savings £'000	Risk L/M/H
- Budget Review Efficiencies	118	L
- Management Review incl LEP Secondment	20	L
- Additional Rental Income	20	L
- Re-tender Leisure contract	20	L
- Green Waste Charging	192	M
- Parish Grant	32	L
Total of Savings	402	

Additional Income Following Policy and Resources Committee	Savings £'000
- Council Tax Freeze Grant 2015/16	39

APPENDIX B

Medium Term Revenue Forecast 2015/16 - 2019/20

	2015/16 Proposed £'000	2016/17 Projection £'000	2017/18 Projection £'000	2018/19 Projection £'000	2019/20 Projection £'000	
Base Budget and Inflation						
Base Budget	7,175	6,823	6,515	6,385	6,383	
Pay Increase & General Inflation	150	165	165	165	165	
	7,325	6,988	6,680	6,550	6,548	
Add Future Cost Increases						
Budget Pressures	295	250	340	150	150	
Capital Programme Borrowing	22	0	0	0	0	
Deduct Future Savings						
Efficiency Savings	-178	-100	-100	-100	-100	
Service Cuts	-224	-250	-150	-100	-100	
NHB Movement	-378	-373	-385	-117	-47	
Council Tax Freeze Grant	-39	0	0	0	0	
Net Revenue Budget	6,823	6,515	6,385	6,383	6,451	
Financing						
RSG	1,315	882	592	397	266	
Business Rates	1,775	1,811	1,847	1,884	1,921	
Collection Fund Surplus	104	50	25	25	25	
Council Taxpayers	3,549	3,702	3,848	4,000	4,159	
CT Base Growth	80	71	74	77	80	
Budget Requirement	6,823	6,515	6,385	6,383	6,451	
NHB Note						
2011/12 Earned	215	215				
2012/13 Earned	225	225	225			
2013/14 Earned	268	268	268	268		
2014/15 Earned	419	419	419	419	419	
2015/16 Estimate	260	260	260	260	260	
2016/17 Estimate		300	300	300	300	
2017/18 Estimate			300	300	300	
2018/19 Estimate				300	300	
2019/20 Estimate					300	
NHB Earned	1,387	1,687	1,772	1,847	1,879	
Applied to Revenue cumulative	524	897	1,282	1,399	1,446	
Applied to Capital	288	288	288	288	288	
To be allocated	575	502	202	160	145	1,584

Budget Pressure in 2016/17 includes additional provision for changes to Employers National Insurance contributions.

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

Prudential Indicators**Capital Expenditure**

The actual capital expenditure that was incurred in 2013/14 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2013-14 Actual £'000	2014-15 Forecast £'000	2015-16 Estimate £'000	2016-17 Estimate £'000	2017-18 Estimate £'000
Total Capital Programme	3,331	2,328	1,263	782	749

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 2013/14 are:

	2013-14 Actual	2014-15 Forecast	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
Estimate of ratio of financing costs to net revenue stream	1.80%	2.71%	3.91%	2.81%	2.06%

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 2014 are:

2013-14 Actual £'000	2014-15 Forecast £'000	2015-16 Estimate £'000	2016-17 Estimate £'000	2017-18 Estimate £'000
254	2,306	2,686	2,764	2,620

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 Finance Manager (s151) reports that the authority had no difficulty meeting this requirement in 2013/14, 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 Finance Manager (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.

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Borrowing	20,000	20,000	20,000	20,000
Other Long Term Liabilities	900	1,000	1,100	900
Authorised Limit	20,900	21,000	21,100	20,900

The Finance Manager (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 Finance Manager (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 Finance Manager'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 Finance Manager (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 Finance Manager (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.

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	600	700	800	600
Operational Boundary	5,600	5,700	5,800	5,600

The Council's actual external debt at 31 March 2014 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 2015/16 (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	2015/16	2016/17	2017/18
	£1.08	£1.40	£1.82

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

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

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

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

APPENDIX D

Key Reserves and Balances

	General Reserve	Capital Fund	Capital Receipts	Capital Grants & Conts	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2014	546	604	155	62	1,367
Add					
Estimated Income During Year:					
Contribution from General Fund	1	105	-	-	106
Interest on Investment of Balances	-	59	-	-	59
Capital Receipts	-	-	450	-	450
Capital Grants & Contributions	-	-	-	446	446
	547	768	605	508	2,428
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-30	-	-508	-538
Estimated Balance 31 March 2015	547	738	605	-	1,890
Add					
Estimated Income During Year:					
Contribution from General Fund	-	363	-	-	363
Interest on Investment of Balances	-	49	-	-	49
Capital Receipts	-	-	42	-	42
Capital Grants & Contributions	-	-	-	200	200
	547	1,150	647	200	2,544
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-376	-407	-200	-983
Estimated Balance 31 March 2016	547	774	240	-	1,561
Add					
Estimated Income During Year:					
Contribution from General Fund	-	363	-	-	363
Interest on Investment of Balances	-	100	-	-	100
Capital Receipts	-	-	42	-	42
Capital Grants & Contributions	-	-	-	200	200
	547	1,237	282	200	2,266
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-552	-30	-200	-782
Estimated Balance 31 March 2017	547	685	252	-	1,484
Add					
Estimated Income During Year:					
Contribution from General Fund	-	363	-	-	363
Interest on Investment of Balances	-	143	-	-	143
Capital Receipts	-	-	42	-	42
Capital Grants & Contributions	-	-	-	200	200
	547	1,191	294	200	2,232
Deduct					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-327	-135	-200	-662
Estimated Balance 31 March 2018	547	864	159	-	1,570

APPENDIX E



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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. Chief Financial Officer (s151)
3. Monitoring Officer
4. Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service) which in this authority are the posts of:
 - Corporate Director
 - Head of Economy
 - Head of Corporate Services
5. Deputy Chief Officers (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
 - Head of Planning and Housing
 - Head of Streetscene 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 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 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 six of Grade one, this relates to an annual salary of £13,614 (from 1 January 2015) which expressed as an hourly rate of pay is £7.0565. 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 (2014/2015 £104,460) which is paid to the Chief Executive. The average median salary in this authority is £19,742. The ratio between the two salaries, the 'pay multiple' is 5.29:1. This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

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.

AMENDMENTS TO THE POLICY

It is anticipated that this policy will not need to be amended during the period it covers (1 April 2015 to 31 March 2016), 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.

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.

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

ANNEX C

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£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 2015/16.
Corporate Director	£67,000	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 2015/16.

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Head of Planning and Housing	£56,316	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 2015/2016
Head of Corporate Services	£56,316									
Head of Economy & LEP (Planning and Housing)	£56,316									
Head of Streetscene and Environment	£56,316									
Council Solicitor/Monitoring Officer	£56,316									
Finance Manager (s151)	£43,853									

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REVENUE BUDGET

2015-16

COUNCILLOR LINDA COWLING
Chairman of the Policy & Resources Committee

P C JOHNSON
Finance Manager (s151)

REVENUE BUDGET 2015-16

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GENERAL FUND SUMMARY

GENERAL FUND SUMMARY

2013/14 Actual £	2014/15 Original Estimate £	2014/15 Revised Estimate £	Service	2015/16 Original Estimate £
			CENTRAL SERVICES	
788,109	935,770	935,770	Central Services to the Public	988,870
1,212,493	1,253,320	1,253,320	Corporate & Democratic Core	1,214,730
16,017	55,770	55,770	Non Distributed Costs	11,900
351,957	-1,469,440	-1,559,440	Other Operating Income & Expenditure	-1,522,480
2,368,576	775,420	685,420	Total	693,020
1,592,012	1,405,610	1,421,610	CULTURAL & RELATED SERVICES	1,297,750
3,156,276	2,882,000	2,837,000	ENVIRONMENTAL & REGULATORY SERVICES	2,450,890
-430,438	-469,020	-469,020	HIGHWAYS & TRANSPORT SERVICES	-503,450
1,028,831	1,001,960	1,031,960	HOUSING SERVICES	1,155,410
1,080,483	821,210	844,800	PLANNING SERVICES	1,223,890
8,795,740	6,417,180	6,351,770		6,317,510
634,746	758,470	823,880	CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES	505,750
9,430,486	7,175,650	7,175,650	TOTAL NET EXPENDITURE	6,823,260

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 47 to 49.

DETAIL OF NET EXPENDITURE

DETAIL OF NET EXPENDITURE

2013/14 Actual	2014/15 Original Estimate	2014/15 Revised Estimate	Division / Subdivision of Service	2015/16 Original Estimate	Line Ref
£	£	£		£	
			CENTRAL SERVICES TO THE PUBLIC		
			Local Tax Collection		
299,655	339,100	339,100	Local Tax Collection	328,950	1
-38,048	-	-	Council Tax Benefits Payments	-	2
121,449	192,420	192,420	Local Council Tax Support Scheme	192,560	3
383,056	531,520	531,520	Sub Total	521,510	
			Elections		
86,186	71,050	71,050	Conducting Elections	171,620	4
111,066	121,120	121,120	Registration of Electors	126,240	5
197,252	192,170	192,170	Sub Total	297,860	
			Emergency Planning		
41,819	49,230	49,230	Emergency Relief Work	48,480	6
427	-13,110	-13,110	Local Land Charges	-13,190	7
			General Grants Bequests & Donations		
165,555	175,960	175,960	Grants	134,210	8
788,109	935,770	935,770	Total Central Services to the Public	988,870	
			CORPORATE & DEMOCRATIC CORE		
654,140	660,000	660,000	Democratic Representation & Management	664,560	9
558,353	593,320	593,320	Corporate Management	550,170	10
1,212,493	1,253,320	1,253,320	Total Corporate & Democratic Core	1,214,730	
			NON DISTRIBUTED COSTS		
			Non Distributed Costs		
10,254	26,000	26,000	Retirement Benefits	-	11
5,763	29,770	29,770	Costs of Unused Shares of Assets	11,900	12
16,017	55,770	55,770	Sub Total	11,900	
			Total Non Distributed Costs	11,900	
			OTHER OPERATING INCOME & EXPENDITURE		
16,031	99,490	34,490	External Interest Payable	103,540	13
			Interest & Investment Income		
-71,769	-68,000	-68,000	Interest & Investment Income	-59,000	14
510,862	-37,850	-37,850	Investment Property	-26,750	15
439,093	-105,850	-105,850	Sub Total	-85,750	
1,117,000	900,000	1,120,000	Pensions Interest Cost & Expected Return on Assets	1,120,000	16
-12,205,000	-	-	Pensions Actuarial Gains & Losses	-	17
56,185	-	-	Surplus or Deficit on Revaluation of PP&E Assets	-	18
			Other Corporate Costs & Operating Expenditure		
13,407	-1,185,200	-1,190,200	General Financial Provisions	-1,384,300	19
-4,581	-	-	Capital Receipts Unattached to Non Current Assets	-	20
8,826	-1,185,200	-1,190,200	Sub Total	-1,384,300	
10,919,822	-1,177,880	-1,417,880	Adjs between Accounting & Funding under Regulations	-1,275,970	21
351,957	-1,469,440	-1,559,440	Total Other Operating Income & Expenditure	-1,522,480	

DETAIL OF NET EXPENDITURE (CONTINUED)

2013/14 Actual	2014/15 Original Estimate	2014/15 Revised Estimate	Division / Subdivision of Service	2015/16 Original Estimate	Line Ref
£	£	£		£	
			CULTURAL & RELATED SERVICES		
144,604	120,550	120,550	Culture & Heritage	122,160	22
903,679	969,130	985,130	Recreation & Sport	893,470	23
237,399	115,940	115,940	Open Spaces	112,280	24
			Tourism		
139,659	127,110	127,110	Tourism	127,750	25
166,671	72,880	72,880	Tourist Information Centres	42,090	26
306,330	199,990	199,990	Sub Total	169,840	
1,592,012	1,405,610	1,421,610	Total Cultural & Related Services	1,297,750	
			ENVIRONMENTAL & REGULATORY SERVICES		
			Cemetery Cremation & Mortuary Services		
1,110	30,900	30,900	Closed Churchyards	31,830	27
49,196	59,270	59,270	Community Safety (Crime Reduction)	60,570	28
19,199	25,190	25,190	Community Safety (CCTV)	-	29
			Flood Defence & Land Drainage		
413,773	316,340	316,340	Flood Defence & Land Drainage	16,510	30
82,086	86,990	86,990	Drainage Boards Levies	89,600	31
495,859	403,330	403,330	Sub Total	106,110	
			Regulatory Services		
189,329	190,280	190,280	Pollution Reduction	211,690	32
36,976	38,560	38,560	Pest Control	36,680	33
56,477	65,290	65,290	Dog Control	66,370	34
156,576	151,880	151,880	Food Safety	149,230	35
120,147	112,300	112,300	Public Health	112,450	36
300,959	272,450	272,450	Public Conveniences	277,410	37
-5,707	3,920	3,920	Cesspool Emptying	3,410	38
-3,520	110	110	Hackney Carriage & Private Hire Vehicles Licensing	-770	39
-1,026	13,850	13,850	Licences	16,850	40
850,211	848,640	848,640	Sub Total	873,320	
326,450	340,160	340,160	Street Cleansing	318,660	41
563,247	576,190	576,190	Waste Collection	552,980	42
-60,273	-65,130	-45,130	Trade Waste	-49,250	43
911,277	663,450	598,450	Recycling	556,670	44
3,156,276	2,882,000	2,837,000	Total Environmental & Regulatory Services	2,450,890	
			HIGHWAYS & TRANSPORT SERVICES		
			Parking Services		
-505,712	-524,340	-524,340	Car Parks	-559,010	45
			Public Transport		
75,274	55,320	55,320	Transport Support	55,560	46
-430,438	-469,020	-469,020	Total Highways & Transport Services	-503,450	

DETAIL OF NET EXPENDITURE (CONTINUED)

2013/14 Actual	2014/15 Original Estimate	2014/15 Revised Estimate	Division / Subdivision of Service	2015/16 Original Estimate	Line Ref
£	£	£		£	
			HOUSING SERVICES		
98,262	93,710	93,710	Housing Strategy	102,440	47
27,635	25,140	25,140	Housing Enabling	26,370	48
61,689	52,700	52,700	Housing Advice	55,900	49
389,699	274,720	274,720	Private Sector Housing Renewal	280,950	50
248,094	287,980	287,980	Homelessness	296,830	51
-31,631	23,000	23,000	Housing Benefits Payments	23,000	52
266,476	221,330	221,330	Housing Benefits Administration	295,320	53
			Other Council Property		
-35,439	30,620	30,620	Travellers Site, Malton	39,780	54
			Welfare Services		
4,046	-7,240	22,760	Ryecare Lifeline Service	34,820	55
1,028,831	1,001,960	1,031,960	Total Housing Services	1,155,410	
			PLANNING SERVICES		
			Building Control		
-45,428	58,240	58,240	Building Control	59,580	56
-5,087	-3,040	-3,040	Street Naming	-2,960	57
-50,515	55,200	55,200	Sub Total	56,620	
318,403	269,500	304,500	Development Control	315,060	58
342,489	-110,480	-110,480	Planning Policy	342,530	59
155,687	161,700	161,700	Environmental Initiatives	152,630	60
43,100	160,000	98,000	Business Support	138,010	61
			Economic Development		
192,315	189,240	209,490	Economic Development	154,050	62
-45,708	-47,300	-47,300	Markets	-50,770	63
1,299	10,000	16,000	Ryedale Business & Skills Project	3,000	64
27,124	42,660	67,000	Ryedale Apprenticeship Scheme	28,000	65
175,030	194,600	245,190	Sub Total	134,280	
96,289	90,690	90,690	Community Development	84,760	66
1,080,483	821,210	844,800	Total Planning Services	1,223,890	
634,746	758,470	823,880	CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES	505,750	67
9,430,486	7,175,650	7,175,650	NET EXPENDITURE	6,823,260	

BUDGET VARIATIONS

BUDGET VARIATIONS

PAGE 47/49 LINE REF	DETAIL				NOTES
	Original 2014/2015 to Probable Outturn 2014/2015				
		£'000	£'000	£'000	
	Original Estimate 2014/2015 Net Expenditure			7176	
	Additional Costs:				
43	Reduction in Recycling Income	15			1
44, 55	Reduction in other income streams	50			2
23, 67	Leisure contract re-tender	16			3
62	Economic Development	20			4
58	Legal Fees	55			5
58	Other Professional Fees	<u>40</u>			5
			196		
	Cost Reductions, Savings and Additional Income:				
44	Green Waste	-80			6
58	Development Control Fees	-60			7
61, 64, 65	Ryedale Development Fund Expenditure	-32			8,10
13	Interest on Borrowing	-65			9
21	Minimum Revenue Provision	-20			9
19	Additional Grant	<u>-5</u>			
			-262		
	Financial Adjustments:				
	Contribution to / (from) Balances:				
67	Increased Contribution to General Reserve	66			10
67	Increased Contribution from Operational Reserve	-12			10
67	Reduced Contribution from Ryedale Development Fund	32			8,10
67	Increased Contribution from New Homes Bonus Reserve	<u>-20</u>			4,10
			66		
	Net Movement of Expenditure			<u>0</u>	
	Revised Estimate 2014/2015 Net Expenditure			<u>7176</u>	

BUDGET VARIATIONS

PAGE 47/49 LINE REF	DETAIL				NOTES
	Original 2014/15 to 2015/16	£'000	£'000	£'000	
	Original Estimate 2014/15 Net Expenditure			7176	
21	Base Budget Adjustments:		22		11
	Inflation:				
	Provision for Pay Increase & General Inflation (net)		150		
	Additional Costs:				
	Budget Pressures:				
See Financial (	Reduced Income	48			12
Strategy (	Reduced Grant	147			12
Appendix A (	Service Investment	54			12
(	District Election	<u>45</u>			12
			294		
	Cost Reductions and Savings:				
See Financial (	Net Budget Review Efficiencies	-118			13
Strategy (	Rental Income	-20			13
Appendix A (	Management review incl. LEP secondment	-20			13
(	Re-tender Leisure contract	-20			13
(	Green Waste Charging	-192			13
(	Parish Grant	<u>-32</u>			13
			-402		
19	Council Tax Freeze Grant 2015-16		-39		
	Other Movements in Costs and Savings		-108		10
19	Increase in New Homes Bonus Grant Received		-260		14
	Capital Financing Adjustments:				
All	Capital Charges	31			15
21	Capital Charges – Recharge	-31			15
All	Revenue Exp Funded from Capital Under Statute (net)	141			8
21	Capital Adjustment Account - REFCUS (net)	-141			8
21	Revenue Contributions to Capital Outlay	<u>243</u>			9
			243		
	Financial Adjustments:				
67	Reduced Contribution to General Fund	-1			10
67	Reduced Contribution to Capital Investment	-243			10
67	Increased Contribution to Capital Fund	279			10
67	NHB Contribution to Reserves	-381			10,14
67	Contribution to Operational Reserve	26			10,13
67	Reduced Contribution from Grants Reserve	25			10
67	Contribution from Ryedale Development Fund	94			8,10
	Net Increase in Contribution from Election Reserve	<u>-52</u>			10,12
			-253		
	Net Movement of Expenditure			-353	
	Original Estimate 2015/16 Net Expenditure			<u><u>6823</u></u>	

BUDGET VARIATION NOTES

1. Income from dry recycling is below budgeted levels in 2014/15. This is mainly due to reduced prices in the recycling market. This position is likely to worsen moving into 2015/16.
2. Income from Trade Waste and Ryecare is forecast to be below budget in the current year. Ryecare has lost 2 major contracts during 2014/15. Officers are working on measures to mitigate the loss of these contracts.
3. Reflects the final consultancy payment in relation to the re-tender of the leisure contract, largely funded from a contribution from reserves.
4. Members have approved an additional payment during the 2014/15 to support the Local Growth Fund Team within the LEP, this was funded through New Homes Bonus Reserve.
5. Expenditure relating to planning consultancy and associated legal costs is forecast to exceed budget, this is mainly as a result of a recent significant planning appeal and potential Judicial Review, officers have calculated an estimate of the associated costs.
6. Savings associated with charging for green waste are forecast to be higher than anticipated due to an increase in uptake for the service above that originally forecast.
7. Development Control Fee Income is forecast to be in excess of budget, due, in part, to a number of large applications during the year.
8. Movement in expenditure linked to the Ryedale Development Fund is purely linked to timing of spend and will be met from a corresponding movement in reserves.
9. The delay in borrowing for the capital programme has led to savings in terms of interest payments and mrp contributions in 2014/15.
10. The heading Contributions to / (from) Earmarked Reserves (line 67) 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. The full revenue impact of borrowing for the capital programme is now included within the base budget.
12. New Budget Pressures identified within the 2015/16 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 Appendix A of the Financial Strategy.
14. Income and expenditure relating to New Homes Bonus is now base lined into the revenue budget and is being used, in part, to fund both the revenue and capital budgets, the remaining balance of funding (£575k) has been transferred into the New Home Bonus Reserve.
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 21)

SERVICE UNITS

SERVICE UNITS HOLDING ACCOUNTS

SUMMARY OF NET EXPENDITURE

Service Units	Employees £	Running Expenses £	Support Services £	Income £	2015/16 Original Estimate £
SUPPORT SERVICE UNITS					
Corporate Management Team & Support	290,360	117,410	24,710	-	432,480
Legal & Democratic Services	304,380	70,010	30,090	-11,500	392,980
ICT Services	208,540	710	-	-	209,250
Business Support	1,677,770	265,610	166,120	-20,530	2,088,970
Finance	223,860	47,110	25,840	-1,870	294,940
Corporate Services	257,500	33,170	22,570	-1,800	311,440
Total	2,962,410	534,020	269,330	-35,700	3,730,060
DIRECT SERVICE UNITS					
Facilities	217,070	45,190	48,830	-	311,090
Economy & Infrastructure	395,860	45,360	56,110	-	497,330
Housing	666,780	82,930	65,270	-	814,980
Development Management	389,360	49,210	60,480	-1,210	497,840
Forward Planning	300,820	41,840	45,100	-	387,760
Streetscene - Admin	658,760	107,780	79,790	-	846,330
Streetscene - Operational	1,288,530	58,270	14,630	-	1,361,430
Environmental Health	494,560	54,800	65,210	-	614,570
Total	4,411,740	485,380	435,420	-1,210	5,331,330
NET EXPENDITURE	7,374,150	1,019,400	704,750	-36,910	9,061,390

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	2015/16 Total
	£	£	£	£	£
SUPPORT SERVICE UNITS					
Corporate Management Team & Support	323,640	-	108,840	-	432,480
Legal & Democratic Services	148,420	-	244,560	-	392,980
ICT Services	-	181,140	28,110	-	209,250
Business Support	1,654,640	108,520	322,480	3,330	2,088,970
Finance	145,030	11,150	138,760	-	294,940
Corporate Services	61,410	31,400	218,630	-	311,440
Total	2,333,140	332,210	1,061,380	3,330	3,730,060
DIRECT SERVICE UNITS					
Facilities	195,590	58,910	-	56,590	311,090
Economy & Infrastructure	482,950	-	-	14,380	497,330
Housing	814,980	-	-	-	814,980
Development Management	497,840	-	-	-	497,840
Forward Planning	387,760	-	-	-	387,760
Streetscene - Admin	632,340	213,990	-	-	846,330
Streetscene - Operational	1,257,900	103,530	-	-	1,361,430
Environmental Health	599,150	15,420	-	-	614,570
Total	4,868,510	391,850	0	70,970	5,331,330
NET EXPENDITURE	7,201,650	724,060	1,061,380	74,300	9,061,390

**PARISH & TOWN
COUNCILS
PRECEPT REQUIREMENTS**

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2015/16

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Acklam	69.87	2,000	28.62
Aislaby, Middleton & Wrelton	312.85	2,366	7.56
Allerston & Wilton	196.25	3,000	15.29
Amotherby	142.54	3,210	22.52
Ampleforth	356.03	16,000	44.94
Appleton-le-Moors	97.21	1,760	18.11
Appleton-le-Street	53.39	-	-
Barton-le-Street	82.73	700	8.46
Barton-le-Willows	86.69	950	10.96
Barughs Ambo	91.38	200	2.19
Beadlam	96.98	2,240	23.10
Birdsall	74.11	120	1.62
Bransdale	29.26	-	-
Brawby	64.86	-	-
Broughton	81.06	1,500	18.50
Bulmer	91.96	1,700	18.49
Burythorpe	110.95	1,900	17.12
Buttercrambe	42.02	-	-
Byland with Wass & Oldstead	124.12	810	6.53
Cawton, Coulton & Grimstone	100.55	618	6.15
Claxton & Sand Hutton	206.62	4,789	23.18
Cold Kirby	52.22	-	-
Coneysthorpe	41.96	-	-
Cropton	117.81	800	6.79
Ebberston & Yedingham	255.46	4,900	19.18
Edstone	64.36	-	-
Fadmoor	58.61	-	-
Farndale East	49.85	340	6.82
Farndale West	48.51	-	-
Flaxton	143.96	2,785	19.35
Foston & Thornton-le-Clay	124.17	2,500	20.13
Foxholes with Butterwick	90.48	3,170	35.04
Ganton with Potter Brompton	82.21	1,000	12.16
Gate Helmsley & Upper Helmsley	140.41	1,900	13.53
Gillamoor	68.22	400	5.86
Gilling East	103.20	1,382	13.39
Habton	128.11	550	4.29
Harome	123.38	5,000	40.53
Hartoft	36.19	-	-
Harton	40.85	-	-
Hawnby	92.21	800	8.68
Helmsley	701.78	62,000	88.35

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2015/16 (CONTINUED)

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Henderskelfe	25.26	-	-
Heslerton	144.74	3,140	21.69
Hovingham & Scackleton	248.84	6,017	24.18
Howsham	60.79	-	-
Hutton-le-Hole	94.35	4,906	52.00
Huttons Ambo	130.53	2,750	21.07
Kirbygrindalythe	116.69	1,000	8.57
Kirby Misperton	128.14	1,500	11.71
Kirkbymoorside	1,150.15	73,500	63.90
Langton	37.02	-	-
Lastingham	67.71	1,770	26.14
Leavening	136.67	1,500	10.98
Levisham	52.80	-	-
Lillings Ambo	76.36	220	2.88
Lockton	123.62	2,820	22.81
Luttons	161.29	3,355	20.80
Malton	1,820.89	105,970	58.20
Marishes	56.61	-	-
Marton	96.28	420	4.36
Nawton	263.93	5,393	20.43
Newton-on-Rawcliffe & Stape	127.79	2,100	16.43
Normanby	69.14	400	5.79
Norton	2,441.46	120,000	49.15
Nunnington	122.83	2,150	17.50
Old Byland & Scawton	73.29	-	-
Oswaldkirk	120.79	2,040	16.89
Pickering	2,579.26	156,000	60.48
Pockley	44.39	-	-
Rievaulx	41.59	200	4.81
Rillington	374.48	12,000	32.04
Rosedale East & West	174.73	4,700	26.90
Salton	34.98	-	-
Scagglethorpe	95.20	1,584	16.64
Scampston with East & West Knapton	122.08	2,250	18.43
Scrayingham with Leppington	77.47	-	-
Settrington	132.43	3,570	26.96
Sherburn	262.97	18,000	68.45
Sheriff Hutton with Cornborough	448.18	15,500	34.58
Sinnington	138.79	1,200	8.65

PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2015/16 (CONTINUED)

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Slingsby	236.82	6,433	27.16
Southolme & Fryton	37.45	673	17.97
Spaunton	36.17	-	-
Sproxton	56.68	178	3.14
Stonegrave	49.73	-	-
Swinton	206.50	3,495	16.92
Terrington	240.95	3,085	12.80
Thixendale	76.55	700	9.14
Thornton-le-Dale	798.07	24,000	30.07
Thorpe Bassett	46.76	200	4.28
Warthill	112.71	1,000	8.87
Weaverthorpe	112.48	3,500	31.12
Welburn (Kirkbymoorside)	32.64	-	-
Welburn (Malton)	211.52	4,000	18.91
Westow	142.48	2,300	16.14
Wharram	41.80	-	-
Whitwell-on-the-Hill & Crambe	98.60	500	5.07
Willerby & Staxton	222.51	5,500	24.72
Wintringham	76.53	2,250	29.40
Wombledon	150.20	4,100	27.30
Council Tax Base	20,537.05		
Aggregate of Parish Requirements		749,259	

**RYEDALE DISTRICT COUNCIL
COUNCIL TAX BASE FOR THE YEAR 2015-2016**

BAND 'D' EQUIVALENT TOTALS FOR TOWN AND PARISH AREAS

Parish / Town	Band D Equivalent
ACKLAM	69.87
AISLABY MIDDLETON & WRELTON	312.85
ALLERSTON & WILTON	196.25
AMOTHERBY	142.54
AMPLEFORTH	356.03
APPLETON-LE-MOORS	97.21
APPLETON-LE-STREET	53.39
BARTON-LE-STREET	82.73
BARTON-LE-WILLOWS	86.69
BARUGHS AMBO	91.38
BEADLAM	96.98
BIRDSALL	74.11
BRANSDALE	29.26
BRAWBY	64.86
BROUGHTON	81.06
BULMER	91.96
BURYTHORPE	110.95
BUTTERCRAMBE	42.02
BYLAND WITH WASS & OLDSTEAD	124.12
CAWTON COULTON & GRIMSTONE	100.55
CLAXTON & SAND HUTTON	206.62
COLD KIRBY	52.22
CONEYSTHORPE	41.96
CROPTON	117.81
EBBERSTON & YEDINGHAM	255.46
EDSTONE	64.36
FADMOOR	58.61
FARNDALE EAST	49.85
FARNDALE WEST	48.51
FLAXTON	143.96
FOSTON & THORNTON-LE-CLAY	124.17
FOXHOLES with BUTTERWICK	90.48
GANTON with POTTER BROMPTON	82.21
GATE HELMSLEY & UPPER HELMSLEY	140.41
GILLAMOOR	68.22
GILLING EAST	103.20
HABTON	128.11
HAROME	123.38
HARTOFT	36.19
HARTON	40.85
HAWNBY	92.21
HELMSLEY	701.78
HENDERSKELFE	25.26
HESLERTON	144.74
HOVINGHAM & SCACKLETON	248.84
HOWSHAM	60.79
HUTTON-LE-HOLE	94.35
HUTTONS AMBO	130.53
KIRBYGRINDALYTHE	116.69

Parish / Town	Band D Equivalent
KIRBY MISPERTON	128.14
KIRKBYMOORSIDE	1150.15
LANGTON	37.02
LASTINGHAM	67.71
LEAVENING	136.67
LEVISHAM	52.80
LILLINGS AMBO	76.36
LOCKTON	123.62
LUTTONS	161.29
MALTON	1820.89
MARISHES	56.61
MARTON	96.28
NAWTON	263.93
NEWTON-ON-RAWCLIFFE & STAPE	127.79
NORMANBY	69.14
NORTON	2441.46
NUNNINGTON	122.83
OLD BYLAND & SCAWTON	73.29
OSWALDKIRK	120.79
PICKERING	2579.26
POCKLEY	44.39
RIEVAULX	41.59
RILLINGTON	374.48
ROSEDALE EAST & WEST	174.73
SALTON	34.98
SCAGGLETHORPE	95.20
SCAMPSTON with E & W KNAPTON	122.08
SCRAYINGHAM with LEPPINGTON	77.47
SETTRINGTON	132.43
SHERBURN	262.97
SHERIFF HUTTON with CORNBOROUGH	448.18
SINNINGTON	138.79
SLINGSBY	236.82
SOUTHOLME & FRYTON	37.45
SPAUNTON	36.17
SPROXTON	56.68
STONEGRAVE	49.73
SWINTON	206.50
TERRINGTON	240.95
THIXENDALE	76.55
THORNTON-LE-DALE	798.07
THORPE BASSETT	46.76
WARTHILL	112.71
WEAVERTHORPE	112.48
WELBURN (KIRKBYMOORSIDE)	32.64
WELBURN (MALTON)	211.52
WESTOW	142.48
WHARRAM	41.80
WHITWELL-ON-THE-HILL & CRAMBE	98.60
WILLERBY & STAXTON	222.51
WINTRINGHAM	76.53
WOMBLETON	150.20
COUNCIL TAX BASE	20537.05
(aggregate of band "D" equivalents)	

Annex B

**Ryedale District Council
Council Tax 2015-2016**

(District, Parish and Special Expenses only)

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	28.62	0.00	205.34	136.89	159.71	182.53	205.34	250.97	296.60	342.23	410.68
Aislaby, Middleton & Wrelton	176.72	7.56	7.63	191.91	127.94	149.26	170.59	191.91	234.56	277.20	319.85	383.82
Allerston & Wilton	176.72	15.29	7.63	199.64	133.09	155.27	177.46	199.64	244.01	288.37	332.73	399.28
Amotherby	176.72	22.52	0.00	199.24	132.82	154.97	177.11	199.24	243.51	287.79	332.06	398.48
Ampleforth	176.72	44.94	0.00	221.66	147.77	172.40	197.04	221.66	270.92	320.17	369.43	443.32
Appleton le Moors	176.72	18.11	0.00	194.83	129.88	151.54	173.19	194.83	238.12	281.42	324.71	389.66
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	8.46	0.00	185.18	123.45	144.03	164.61	185.18	226.33	267.48	308.63	370.36
Barton le Willows	176.72	10.96	0.00	187.68	125.12	145.97	166.83	187.68	229.39	271.09	312.80	375.36
Barughs Ambo	176.72	2.19	7.63	186.54	124.36	145.08	165.82	186.54	228.00	269.44	310.90	373.08
Beadlam	176.72	23.10	0.00	199.82	133.21	155.42	177.62	199.82	244.22	288.63	333.03	399.64
Birdsall	176.72	1.62	0.00	178.34	118.89	138.71	158.53	178.34	217.97	257.60	297.23	356.68
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	18.50	0.00	195.22	130.14	151.84	173.53	195.22	238.60	281.98	325.36	390.44
Bulmer	176.72	18.49	0.00	195.21	130.14	151.83	173.53	195.21	238.59	281.97	325.35	390.42
Burythorpe	176.72	17.12	0.00	193.84	129.22	150.77	172.31	193.84	236.91	279.99	323.06	387.68
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	6.53	0.00	183.25	122.16	142.53	162.89	183.25	223.97	264.69	305.41	366.50
Cawton, Coulton & Grimstone	176.72	6.15	0.00	182.87	121.91	142.23	162.56	182.87	223.51	264.14	304.78	365.74
Claxton & Sand Hutton	176.72	23.18	0.00	199.90	133.26	155.48	177.69	199.90	244.32	288.74	333.16	399.80
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	6.79	7.63	191.14	127.43	148.66	169.91	191.14	233.62	276.09	318.57	382.28
Eberston and Yedingham	176.72	19.18	7.63	203.53	135.69	158.30	180.92	203.53	248.76	293.98	339.22	407.06
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	6.82	0.00	183.54	122.36	142.75	163.15	183.54	224.33	265.11	305.90	367.08
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	19.35	0.00	196.07	130.71	152.50	174.29	196.07	239.64	283.21	326.78	392.14
Foston & Thornton le Clay	176.72	20.13	0.00	196.85	131.23	153.11	174.98	196.85	240.59	284.34	328.08	393.70
Foxholes and Butterwick	176.72	35.04	0.00	211.76	141.17	164.70	188.24	211.76	258.82	305.87	352.93	423.52
Ganton and Potter Brompton	176.72	12.16	0.00	188.88	125.92	146.91	167.90	188.88	230.85	272.82	314.80	377.76
Gate Helmsley & Upper Helmsley	176.72	13.53	0.00	190.25	126.83	147.97	169.12	190.25	232.53	274.80	317.08	380.50
Gillamoor	176.72	5.86	0.00	182.58	121.72	142.01	162.30	182.58	223.15	263.72	304.30	365.16

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	13.39	0.00	190.11	126.74	147.86	168.99	190.11	232.36	274.60	316.85	380.22
Habton	176.72	4.29	0.00	181.01	120.67	140.79	160.90	181.01	221.23	261.46	301.68	362.02
Harome	176.72	40.53	0.00	217.25	144.83	168.97	193.12	217.25	265.53	313.80	362.08	434.50
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
Hawnbly	176.72	8.68	0.00	185.40	123.60	144.20	164.81	185.40	226.60	267.80	309.00	370.80
Helmsley	176.72	88.35	0.00	265.07	176.71	206.17	235.62	265.07	323.97	382.88	441.78	530.14
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	21.69	0.00	198.41	132.27	154.32	176.37	198.41	242.50	286.59	330.68	396.82
Hovingham & Scackleton	176.72	24.18	0.00	200.90	133.93	156.26	178.58	200.90	245.54	290.19	334.83	401.80
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	52.00	0.00	228.72	152.48	177.89	203.31	228.72	279.55	330.37	381.20	457.44
Huttons Ambo	176.72	21.07	0.00	197.79	131.86	153.84	175.82	197.79	241.74	285.69	329.65	395.58
Kirbygrindalythe	176.72	8.57	0.00	185.29	123.52	144.12	164.71	185.29	226.46	267.64	308.81	370.58
Kirbymisperton	176.72	11.71	7.63	196.06	130.71	152.49	174.28	196.06	239.63	283.19	326.77	392.12
Kirkbymoorside	176.72	63.90	0.00	240.62	160.41	187.15	213.89	240.62	294.09	347.56	401.03	481.24
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	26.14	0.00	202.86	135.24	157.78	180.33	202.86	247.94	293.02	338.10	405.72
Leavening	176.72	10.98	0.00	187.70	125.13	145.99	166.85	187.70	229.41	271.12	312.83	375.40
Levisham	176.72	0.00	7.63	184.35	122.90	143.38	163.87	184.35	225.32	266.28	307.25	368.70
Lillings Ambo	176.72	2.88	0.00	179.60	119.73	139.69	159.65	179.60	219.51	259.42	299.33	359.20
Locketon	176.72	22.81	7.63	207.16	138.11	161.12	184.15	207.16	253.20	299.23	345.27	414.32
Luttons	176.72	20.80	0.00	197.52	131.68	153.63	175.58	197.52	241.41	285.30	329.20	395.04
Malton	176.72	58.20	2.67	237.59	158.39	184.80	211.19	237.59	290.38	343.19	395.98	475.18
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	4.36	7.63	188.71	125.81	146.77	167.75	188.71	230.65	272.58	314.52	377.42
Newton	176.72	20.43	0.00	197.15	131.43	153.34	175.25	197.15	240.96	284.77	328.58	394.30
Newton on Rawcliffe & Stape	176.72	16.43	7.63	200.78	133.85	156.16	178.47	200.78	245.40	290.01	334.63	401.56
Normanby	176.72	5.79	7.63	190.14	126.76	147.88	169.02	190.14	232.40	274.64	316.90	380.28
Norton	176.72	49.15	4.01	229.88	153.25	178.80	204.34	229.88	280.96	332.04	383.13	459.76
Nunnington	176.72	17.50	0.00	194.22	129.48	151.06	172.65	194.22	237.38	280.54	323.70	388.44
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	16.89	0.00	193.61	129.07	150.59	172.10	193.61	236.63	279.66	322.68	387.22
Pickering	176.72	60.48	0.00	237.20	158.13	184.49	210.85	237.20	289.91	342.62	395.33	474.40
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	4.81	0.00	181.53	121.02	141.19	161.37	181.53	221.87	262.21	302.55	363.06
Rillington	176.72	32.04	0.00	208.76	139.17	162.37	185.57	208.76	255.15	301.54	347.93	417.52
Rosedale East & West	176.72	26.90	7.63	211.25	140.83	164.30	187.78	211.25	258.20	305.14	352.08	422.50
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
Scaggleshorpe	176.72	16.64	0.00	193.36	128.90	150.39	171.88	193.36	236.33	279.30	322.26	386.72
Scampston & East and West Knaptons	176.72	18.43	0.00	195.15	130.10	151.78	173.47	195.15	238.52	281.88	325.25	390.30
Scrayingham and Leppington	176.72	0.00	0.00	176.72	117.81	137.45	157.09	176.72	215.99	255.26	294.53	353.44
Settrington	176.72	26.96	0.00	203.68	135.78	158.42	181.05	203.68	248.94	294.20	339.46	407.36
Sherburn	176.72	68.45	0.00	245.17	163.44	190.69	217.93	245.17	299.65	354.13	408.61	490.34
Sheriff Hutton with Comborough	176.72	34.58	0.00	211.30	140.86	164.35	187.83	211.30	258.25	305.21	352.16	422.60
Sinnington	176.72	8.65	7.63	193.00	128.67	150.11	171.56	193.00	235.89	278.77	321.67	386.00
Slingsby	176.72	27.16	0.00	203.88	135.92	158.57	181.23	203.88	249.19	294.49	339.80	407.76
Southolme & Fryton	176.72	17.97	0.00	194.69	129.79	151.43	173.06	194.69	237.95	281.22	324.48	389.38
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	3.14	0.00	179.86	119.90	139.89	159.88	179.86	219.83	259.80	299.76	359.72
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	16.92	0.00	193.64	129.09	150.61	172.13	193.64	236.67	279.70	322.73	387.28
Terrington	176.72	12.80	0.00	189.52	126.34	147.41	168.47	189.52	231.63	273.75	315.86	379.04
Thixendale	176.72	9.14	0.00	185.86	123.90	144.56	165.21	185.86	227.16	268.46	309.76	371.72
Thornton le Dale	176.72	30.07	7.63	214.42	142.95	166.77	190.60	214.42	262.07	309.71	357.37	428.84
Thorpe Bassett	176.72	4.28	0.00	181.00	120.66	140.78	160.89	181.00	221.22	261.44	301.66	362.00
Warthill	176.72	8.87	0.00	185.59	123.72	144.35	164.97	185.59	226.83	268.07	309.31	371.18
Weaverthorpe	176.72	31.12	0.00	207.84	138.56	161.65	184.75	207.84	254.03	300.21	346.40	415.68
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	18.91	0.00	195.63	130.42	152.16	173.90	195.63	239.10	282.57	326.05	391.26
Westow	176.72	16.14	0.00	192.86	128.57	150.00	171.44	192.86	235.72	278.57	321.43	385.72
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	5.07	0.00	181.79	121.19	141.39	161.60	181.79	222.19	262.58	302.98	363.58
Willerby and Staxton	176.72	24.72	0.00	201.44	134.29	156.68	179.06	201.44	246.20	290.97	335.73	402.88
Wintringham	176.72	29.40	0.00	206.12	137.41	160.32	183.22	206.12	251.92	297.73	343.53	412.24
Wombledon	176.72	27.30	0.00	204.02	136.01	158.68	181.36	204.02	249.36	294.69	340.03	408.04

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	5 FEBRUARY 2015
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	FINANCIAL STRATEGY 2015/2016
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report sets out the budget for 2015/16, 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 2015/2016.
- 1.2 Members should note that this report is prepared on the basis of the provisional Local Government Finance Settlement. Further updates will be provided to the meeting.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended:
- (i) To approve the Council's Financial Strategy (Annex A) which includes:
 - a. Savings/additional income totalling £402k (Financial Strategy Appendix A)
 - b. Growth Pressures totalling £294k (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 2015/2016 (Financial Strategy Appendix E)
 - (ii) a Revenue Budget for 2015/2016 of £6,895,350 which represents a 1.99% increase in the Ryedale District Council Tax, equivalent to £3.51 per band D property and taking the total charge to £180.23 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 £35,130;
 - (iv) to approve the use of the New Homes Bonus Reserve to finance the initial £120k funding shortfall for the capital programme (paragraph 6.30 of this report);

- (v) 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 2015/2016 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. A questionnaire was made available for residents to complete online via the Council website, and was also sent out to the members of the Citizens Panel. A summary of the result of the consultation is available for Members..
- 5.4 Member consultation has been through the Resources Working Party and Member Briefing.

REPORT

6.0 BACKGROUND AND INTRODUCTION

- 6.1 The Financial Strategy sets out the Council's financial position in the medium term in detail, including issues around the Local Government Finance Settlement and efficiencies as well as the principles and procedures adopted by the Council to manage its finances to a high standard.
- 6.2 Monitoring of the 2014/2015 budget has taken place through the Resources Working Party and this Committee who receive Revenue Budget Monitoring reports. There are currently no material issues arising from the current year's revenue budget.

KEY ASSUMPTIONS

- 6.3 In preparing the draft budget for consideration a number of pieces of key information are not yet known and government announcements are awaited. Key assumptions therefore are:
- The final settlement will not vary significantly from the draft announcement.

- The figures in this report are based on the draft NNDR1, the deadline for the NNDR1 is the 31 January.
- Capital receipts assumed in the capital programme for the sale of a property in Norton will be received.

Budget and Council Tax for 2015/2016

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 1.2%
- Council Tax 1.99%
- Fees and Charges up to 4.5%, with exceptions considered by the Policy and Resources Committee (all Fees and Charges were set within the parameters).

6.5 Council resolved on the 9 October 2014 that the budget be prepared on the assumption of a 1.99% rise in Council Tax.

6.6 The referenda limit for 2015/16 was proposed at 2% as part of the Local Government Finance Settlement announced on 18th December. 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 The Government also confirmed the criteria for the Council Tax Freeze Grant. If a Council chooses to freeze Council Tax it receives a grant equivalent to 1% of the basic amount of council tax set for 2014-15 multiplied by the amount calculated as the authority's council tax base for 2015-16 but not taking into account reductions to be awarded under council tax reduction schemes equivalent, in RDC's case £39k.

6.8 The budget as presented with this report therefore assumes an increase in the RDC part of the Council Tax of 1.99%. Should members wish to revert to take the freeze grant, the adjustment to the figures is relatively straightforward, with the shortfall being seen through a £33k increase in the New Homes Bonus required to support the revenue budget.

Grant Settlement and specific grants

6.9 The Provisional Local Government Finance Settlement was announced on the 18 December 2014, at the time of writing this report the final announcement had not been received.

6.10 The Council received indicative figures for Revenue Support Grant (RSG) for 2015/2016 as part of last years financial settlement. The draft announcement on the 18 December was better than expected mainly through the inclusion of additional grant for rural service delivery of £28k. This brings the total rural service delivery funding to £109k within RSG. The new funding is welcomed, although is still far from compensating for lost grant for rural areas through the formula damping system.

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

6.12 In addition to the above there are the following significant specific grant movements

for RDC:

Grant	£k
Loss of Community Right to Challenge New Burdens Grant	(9)
Loss of Community Right to Bid New Burdens Grant	(8)
Loss of Benefits Administration Subsidy	(32)
Add New Burdens Funding LCTS	(47)

Retained Business Rates

- 6.13 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 (£5.131m in 15/16). 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.
- 6.14 Members are also aware that the Council has formed a business rates pool with North Yorkshire County Council (NYCC), Richmondshire District Council, Scarborough Borough Council, Hambleton District Council and Craven District Council. The benefit of forming the pool is that the levy rate on growth above target is reduced to zero. This benefit is shared between the pool members in accordance with the agreement, the level of benefit is dependent on the performance of each member of the pool (excluding NYCC), having particular regard to the level of business rate appeals.

Council Tax Income

- 6.15 Council Tax income, including the projected surplus on the collection fund is estimated at £3.805m. The Council Tax Base has increased by 2.27% for 2015/2016 and provides additional income to assist the Council's financial position.

Base Budget Adjustments

- 6.16 These are as follows:

Issue	£k	Comments
Pay and Price Inflation	150	3% Price and 1.2% Pay
Cost of Borrowing	22	Brambling Fields Junction Improvements
Total	172	

Growth Items

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

Savings/Cuts/Additional Income

- 6.18 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 £178k have been identified, as well as offsetting small growth items with savings elsewhere.
- 6.19 At Council in October 2013 members approved the following cuts/additional income:
- Charging for Garden Waste Collection. Revised estimated savings of £192k in 2015/16 (£120k in 2014/15).
 - Reduction in the parish grant (relating to the implementation of LCTS), saving £32k in 2015/16 (£32k in 2014/15).

New Homes Bonus

- 6.20 Provisional figures for 2015/16 show an increase in New Homes Bonus from

£1.127m to £1.387m. To date the Council has used £175k to support the revenue budget, the plans approved last year identified the gradual increase in use of this revenue funding to protect services. It is 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).

- 6.21 The budget as proposed includes an additional £260k in NHB receipts and uses an additional £317k of the 2015/2016 NHB to support the revenue budget and a further £288k to fund the shortfall on the capital programme. There is therefore £608k 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 an additional £432k of New Homes Bonus would be required this year to fund the revenue budget.
- 6.22 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

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

Issue	£k
Base Budget Brought forward	7,176
Add:	
Base Budget Adjustments	172
Growth items	294
Total 'Cost'	7,642
Less:	
Retained Business Rates	1,775
Council Tax Income	3,805
Revenue Support Grant	1,315
Efficiencies/Savings/Additional Income	402
Movement in New Homes Bonus	345
Balance	0

- 6.24 Given the significant efficiencies already within the proposed budget and Financial Strategy it will be difficult to identify additional robust deliverable efficiency savings for the 2015/16 budget. Therefore any Member proposals for additional expenditure will necessitate allocation of more of the 2015/2016 New Homes Bonus or cuts to existing services.

MTFS projections to 2019/20

- 6.25 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 £600k of cuts being required in the four year period 2016/17 to 2019/2020. This would provide an estimated cumulative £1.8m of New Homes Bonus available over the 5 years for members to consider.
- 6.26 Annually when updating the capital programme a further year is added, which equates to around £500k. At present there is around a £288k shortfall in funding each additional year and the proposed capital programme has 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 associated revenue cost and affordability test under the prudential code.

Capital Programme

- 6.27 The Financial Strategy provides a detailed breakdown of the Council's Capital Programme (appendix D) up to 2018/2019 totalling £5.817m. External funding of £1.308m is included, leaving a balance of £4.509m to be financed by the Council's funds and reserves as follows:

Funding Source	£
Capital Fund (incl £288k from NHB)	1,821k
Capital Receipts	618k
Borrowing	2,070k
	4,509k

- 6.28 The principle of the capital plan is that only those schemes which are fully worked up, evaluated and approved by Members and as such would not require further Member approval to proceed (other than in meeting constitutional requirements) are within the Capital Programme. The Capital Programme, as profiled above, necessitates borrowing to be undertaken in 2014/2015.
- 6.29 Members should note that there are only £14k unallocated capital resources available for investment in new schemes based on existing assumptions of capital receipts and investment interest receipts. 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.
- 6.30 The 4 year capital programme is based upon the full capital receipt from the sale of Norton Bowls Club. This is assumed within the capital programme at a value of £350k, of which £120k is deferred to be paid by instalments over 10 years, therefore **Members are recommended to approve the use of the New Homes Bonus Reserve to initially fund this shortfall** and as a result to reduce the required ongoing contribution from the New Home Bonus Reserve to the Capital programme from £300k to £288k over the next 10 years in order to recoup this initial funding.
- 6.31 The capital programme as proposed also includes the predicted final payment towards the Brambling Fields junction improvements. The final cost is now estimated to be £250k 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 2015/2016

- 6.32 The Pay Policy for RDC for 20105/2016, 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 2014.

Special Expenses

- 6.33 As in previous years, the Council undertakes the management of street lighting in the areas of the former Malton and Norton Urban District Councils and Pickering Rural

District Council. The special expenses are a specific charge to the residents of the Parishes concerned and are estimated as follows:-

<u>Town/Parish</u>	£
Malton	4,870
Norton	9,780
Pickering Rural	<u>20,480</u>
TOTAL SPECIAL EXPENSES	<u>35,130</u>

National Non-Domestic Rates (NNDR)

- 6.34 For 2014/15 the NNDR multipliers are: a small business non-domestic rate multiplier of 47.1p and a non-domestic rate multiplier of 48.2p. For 2015/16 the draft multipliers are 48.0 and 49.3p respectively.

Prudential Code

- 6.35 Under the Local Government Act 2003 it is necessary for the Council to agree a series of prudential indicators mainly related to capital but taking account of affordability of the revenue consequences. Appendix B of the Financial Strategy lists the various indicators.
- 6.36 These indicators can be amended during the year if they are found to be inadequate.

Funds & Reserves

- 6.37 As part of the budget setting process, it is necessary to give Members an indication of the levels of reserves and balances and comment thereon. Appendix C in the Financial Strategy sets out the projected major Funds and Reserve balances. The Council's revenue budget for 2015/2016 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. 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 – Finance Manager (s151))

In setting the Revenue budget for 2015/2016 **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 £402k. 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 2015/2016 budget that the 3 month moratorium £31k 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, Planning and Ryecare to enable action to be taken in year where necessary.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

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

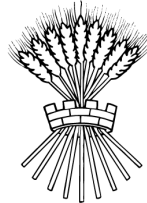
**Peter Johnson
Finance Manager (s151)**

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Background Papers:
None

Background Papers are available for inspection at:
N/A

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REPORT TO: FULL COUNCIL

DATE: 24 FEBRUARY 2015

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES COMMITTEE ON 5 FEBRUARY 2015

49 Financial Strategy 2015 - 2016

Considered – Report of the Finance Manager (s151)

Recommendations to Council

That Council be recommended:

- (i) To approve the Council's Financial Strategy (Annex A) which includes:
 - a. Savings/additional income totalling £402k (Financial Strategy Appendix A)
 - b. Growth Pressures totalling £294k (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 2015/2016 (Financial Strategy Appendix E)
- (ii) A Revenue Budget for 2015/2016 of £6,823,260 which represents a nil increase in the Ryedale District Council Tax, maintaining the total charge at £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 £35,130;
- (iv) To approve the use of the New Homes Bonus Reserve to finance the initial £120k funding shortfall for the capital programme (paragraph 6.30 of this report);
- (v) To note the financial projection for 2015/16 – 2019/20 (Annex B).
- (vi) That this Council sets a nil increase in Council Tax for 2015/16 and accepts the offer of Council Tax Freeze Grant and that the contribution to the New Homes Bonus Reserve be reduced to balance the difference in income.

Voting record

5 for
2 against
2 abstentions

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



REPORT TO: FULL COUNCIL
DATE: 24 FEBRUARY 2015
SUBJECT: PART 'B' REFERRALS FROM OVERVIEW AND SCRUTINY COMMITTEE ON 29 JANUARY 2015

67 s151 - Treasury Management Statement and Investment Strategy

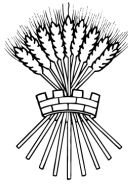
Considered – Report of the Finance Manager (s151).

Recommendation to Council

That Council be recommended to:

- (i) Members receive the 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;
- (iv) That the Prudential Indicators in the report be approved by the Council.

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REPORT TO:	COUNCIL
DATE:	24 FEBRUARY 2015
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2015/16
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 2015/16.

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 2015/16

6.5 The strategy for 2015/16 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 2015/16 – 2017/18

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	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Capital Programme	3.331	2.328	1.263	0.782	0.749

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	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Total	3.331	2.328	1.263	0.782	0.749
Financed by:					
Capital receipts	-0.321	0	-0.407	-0.030	-0.135
Capital grants	-1.885	-0.508	-0.200	-0.200	-0.200
Revenue	-1.125	-0.030	-0.376	-0.552	-0.327
Net financing need for the year	0	1.790	0.280	0	0.087

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 £0.254m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Capital Financing Requirement					
CFR – non Housing	0.254	2.306	2.686	2.764	2.620
Total CFR	0.254	2.306	2.686	2.764	2.620
Movement in CFR	-0.041	2.052	0.380	0.078	-0.144

Movement in CFR represented by					
Net financing need for the capital programme	0	1.790	0.280	0	0.087
Net financing need – other long term liabilities	0.152	0.416	0.316	0.316	0
Less MRP and other financing movements	-0.193	-0.154	-0.216	-0.238	-0.231
Movement in CFR	-0.041	2.052	0.380	0.078	-0.144

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 2014 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	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Fund balances / reserves	3.604	3.364	3.316	2.939	2.830
Capital receipts	0.155	0.605	0.240	0.252	0.159
Other	0	0	0	0	0
Total core funds	3.759	3.969	3.556	3.191	2.989
Working capital*	1.100	1.500	1.750	2.000	2.000
Under/over borrowing	0	0.280	0	0	0
Expected Investments	4.859	5.749	5.306	5.191	4.989

*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.

%	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Non HRA	1.80%	2.71%	3.91%	2.81%	2.06%

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

£	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Council tax – band D	£1.08	£1.40	£1.82

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 2014, 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.

	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
External Debt					
Debt at 1 April	0	0	2.070	2.028	1.987
Expected change in debt	0	2.070	-0.042	-0.041	-0.041
Other long term liabilities (OLTL)	0.295	0.254	0.516	0.658	0.777
Expected change in OLTL	-0.041	0.262	0.142	0.119	-0.190
Actual gross debt at 31 March	0.254	2.586	2.686	2.764	2.533
Capital financing Requirement	0.254	2.306	2.686	2.764	2.620
Under / (over) borrowing	0	(0.280)	0	0	0.087

- 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 2015/16 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 Finance Manager (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	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Debt	5.000	5.000	5.000	5.000
Other long term liabilities	0.600	0.700	0.800	0.600
Total	5.600	5.700	5.800	5.600

- 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	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Debt	20.000	20.000	20.000	20.000
Other long term liabilities	0.900	1.000	1.100	0.900
Total	20.900	21.000	21.100	20.900

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 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.30	4.60	4.60

Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

6.22 UK GDP growth surged during 2013 and the first half of 2014. Since then it appears to have subsided somewhat but still remains strong by UK standards and is expected to continue likewise into 2015 and 2016. There needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. One drag on the economy has been that wage inflation has only recently started to exceed CPI inflation, so enabling disposable income and living standards to start improving. The plunge in the price of oil brought CPI inflation down to a low of 1.0% in November, the lowest rate since September 2002. Inflation is expected to stay around or below 1.0% for the best part of a year; this will help improve consumer disposable income and so underpin economic growth during 2015. However, labour productivity needs to improve substantially to enable wage rates to increase and further support consumer disposable income and economic growth. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen early in 2015.

The US, the biggest world economy, has generated stunning growth rates of 4.6% (annualised) in Q2 2014 and 5.0% in Q3. This is hugely promising for the outlook for strong growth going forwards and it very much looks as if the US is now firmly on the path of full recovery from the financial crisis of 2008. Consequently, it is now confidently expected that the US will be the first major western economy to start on central rate increases by mid 2015.

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

Greece: the general election on 25 January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify;

As for the Eurozone in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. 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 2015/16 and beyond; Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years, however borrowing interest rates are now forecast to be 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 £2.07m 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 reached the point where they were insufficient to meet capital expenditure. Following advice from Treasury Advisors and having regard to an overall forecast for increases in long term borrowing rates over the next few years, the Council has now undertaken £1.75m of its total borrowing requirement. The Chief Financial Officer will monitor interest rates in conjunction with Treasury Advisors and seek to borrow the remaining £320K at the most advantageous point in time. Any decision 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:

%	2015/16 £'000	2016/17 £'000	2017/18 £'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 2015/16			
	Lower %	Upper %	
Under 12 months	0%	0%	

12 months to 2 years	0%	0%
2 years to 5 years	0%	0%
5 years to 10 years	0%	0%
10 years to 20 years	36%	52%
20 years to 30 years	0%	15%
30 years to 40 years	0%	15%
40 years to 50 years	48%	64%

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 bankers 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-. 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 4 of 2015. Bank Rate forecasts for financial year ends (March) are:

- 2014/2015 0.50%
- 2015/2016 0.75%
- 2016/2017 1.25%
- 2017/2018 2.00%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

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			
	2015/16	2016/17	2017/18
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.

Peter Johnson

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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. These are considered low risk assets where the possibility of loss of principal or investment income is small.

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

This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

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

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

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- 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.

UK. After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then in 2014 0.7% in Q1, 0.9% in Q2 2014 (annual rate 3.2% in Q2), Q3 has seen growth fall back to 0.7% in the quarter and to an annual rate of 2.6%. It therefore appears that growth has eased since the surge in the first half of 2014 leading to a downward revision of forecasts for 2015 and 2016, albeit that growth will still remain strong by UK standards. For this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster than expected. The MPC is now focusing on how quickly slack in the economy is being used up. It is also particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back significantly above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Unemployment is expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in wage growth at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.0% in November 2014, the lowest rate since September 2002. Forward indications are that inflation is likely to remain around or under 1% for the best part of a year. The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed until November. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated.

Eurozone (EZ). The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In November 2014, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. It now appears likely that the ECB will embark on full quantitative easing (purchase of EZ country sovereign debt) in early 2015.

Concern in financial markets for the Eurozone subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout 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 (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause of concern, especially as some 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 likely to

continue 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: the general election due to take place on 25 January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify. 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 which have high unemployment rates. There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti austerity policies. Any loss of market confidence in either of the two largest Eurozone economies after Germany would present a huge challenge to the resources of the ECB to defend their debt.

USA. The U.S. Federal Reserve ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 and Q3 of 4.6% and 5.0% have been stunning and hold great promise for strong growth going forward. It is therefore confidently forecast that the first increase in the Fed. rate will occur by the middle of 2015.

China. Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has indicated a marginally lower outturn for 2014, which would be the lowest rate of growth for many years. There are also concerns that the Chinese leadership has only started to address an unbalanced economy which is heavily over 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 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. Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession in Q2 and Q3. The Japanese government already has the highest debt to GDP ratio in the world.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall 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 eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK strong economic growth is weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.

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

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the economic and debt management policies adopted by the new government
- ECB either failing to carry through on recent statements that it will soon start quantitative easing (purchase of government debt) or severely disappointing financial markets with embarking on only a token programme of minimal purchases which are unlikely to have much impact, if any, on stimulating growth in the EZ.
- The commencement by the US Federal Reserve of increases in the central rate in 2015 causing a fundamental reassessment by investors of the relative risks of

holding bonds as opposed to equities, leading to a sudden flight from bonds to equities.

- A surge in investor confidence that a return to robust world economic growth is imminent, causing a flow of funds out of bonds into equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

UK INTEREST RATE FORECAST

Capita Asset Services Interest Rate View													
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	2.10%
6 Month LIBID	0.70%	0.70%	0.80%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.30%
12 Month LIBID	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.60%
5yr PW IB Rate	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
10yr PW IB Rate	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
50yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	-	-	-	-	-
5yr PW IB Rate													
Capita Asset Services	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
Capital Economics	2.20%	2.50%	2.70%	3.00%	3.10%	3.20%	3.30%	3.40%	-	-	-	-	-
10yr PW IB Rate													
Capita Asset Services	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
Capital Economics	2.80%	3.05%	3.30%	3.55%	3.60%	3.65%	3.70%	3.80%	-	-	-	-	-
25yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.25%	3.45%	3.65%	3.85%	3.95%	4.05%	4.15%	4.25%	-	-	-	-	-
50yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.30%	3.50%	3.70%	3.90%	4.00%	4.10%	4.20%	4.30%	-	-	-	-	-

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: 24 FEBRUARY 2015
SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES
COMMITTEE ON 5 FEBRUARY 2015

51 The future of Pickering Tourist Information Centre

Considered – Report of the Head of Corporate Services

Recommendations to Council

That Council be recommended to approve:

- (i) That Pickering TIC be closed from 6 September 2015, with no Sunday opening
- (ii) That a visitor information point be established in Pickering

Voting record

6 for

3 abstentions

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	5 FEBRUARY 2015
REPORT OF THE:	HEAD OF CORPORATE SERVICES CLARE SLATER
TITLE OF REPORT:	FUTURE OF PICKERING TOURIST INFORMATION CENTRE
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 Following the implementation of the decisions resulting from the review of visitor information services it is now proposed to close Pickering TIC at the end of the summer season 2015 and support the development of a visitor information point in Pickering.

2.0 RECOMMENDATION(S)

- 2.1 That Council is recommended to approve:
- (i) That Pickering TIC be closed from 6 September 2015, with no Sunday opening.
 - (ii) That a visitor information point be established in Pickering.

3.0 REASON FOR RECOMMENDATION(S)

3.1 The TIC continues to experience a reduction in levels of accommodation bookings, enquiries and footfall. This rate of reduction has been steady over the last 5 years and has not been impacted by the focus of TIC services at Pickering. Whilst delivering visitor information services and supporting the development of the visitor economy continues to be a priority for the Council, the TIC is no longer considered to be the most effective means of meeting the needs of visitors or business partners. Supporting the operation of the TIC is therefore no longer considered to be a priority for the use of Council resources. It is anticipated that other organisations providing information services such as Pickering Library may be able to benefit from the provision of some of the services currently provided by the TIC.

3.2 Closure of Pickering TIC will enable consideration of the future management of Ropery House as part of the Councils property portfolio. Additional income could be

achieved for the Council from the rental of the unit currently occupied by the TIC. The TIC occupies approximately a third of Ropery House Alternatively the Council could at some point in the future consider the sale of the asset for a capital receipt. Neither option is possible with the TIC in situ.

- 3.3 Continuing to operate the TIC service results in an implication for the revenue budget in the region of £17,670, if the projected sales target was met for 2015/16. The implication of retaining the service until September 2015 would be £8,835.
- 3.4 Ceasing delivery of TIC services directly by the Council results in a small saving in non-salary running costs of £15,000 with existing staff retained in the Access to Services team of the Business Support Hub.
- 3.5 It is proposed to cease the operation of the TIC at the end of the summer season for 2015. This will enable the transfer to the new arrangements for promoting Ryedale and inclusion of new contact details on literature for 2016/17.

4.0 SIGNIFICANT RISKS

- 4.1 Possible negative impact on economy or tourism industry will be mitigated through the development of a VIP in Pickering. Liaison with Businesses will continue through the tourism service, along with further development of the online offer to visitors.
- 4.2 Risk to budget due to failure to meet income targets. Closure therefore removes the risk to balancing the budget.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Tourism is a non-statutory function for a local authority.
- 5.2 The Council has agreed an economic action plan for Ryedale. In relation to the visitor economy it identifies hospitality (tourism) as one of Ryedale's key economic sectors.

Within a list of growth sectors to consider is included 'visitor and creative economy – links to the high landscape value of the Moors, Wolds and howardian Hills'

The Economic Action Plan includes the following action points:

- a) B5 Sector Specific Support: Visitor and Creative Economy – supporting business led initiatives, product development and community owned facilities. Creative Economy Commissioning project.
 - b) B6 Market Towns – promotion of vital and viable town centres through engaging with local businesses and supporting private sector initiatives. Working with businesses and residents on their local initiatives, particularly those aspirations identified in the LDF such as promotion of local heritage, retailing or social enterprise facilities
- 5.3 The Council has undertaken consultation with representatives of the tourism industry linked to the development of the Tourism Commissioned services and also the development of the Ryedale Economic Action Plan.

In 2013 the Council undertook a detailed budget consultation with members of the public and an area for savings identified was the direct provision of Tourist Information services by the Council.

Consultation has also been undertaken with tourism operators regarding the design and delivery of visitor information services in Ryedale.

REPORT

6.0 REPORT DETAILS

6.1 In September 2013, the Commissioning Board concluded a review of visitor information services ([link to CB papers](#)). The resolution of Council was as follows:

- (i) That the Visitor Information Services review at Annex B be endorsed; and
- (ii) That the Council's primary visitor information services be supported, utilising existing budgets, through the following commissioned tourism services:
 - establishment of Visitor Information Points in Malton and Helmsley;
 - electronic marketing initiatives be undertaken including the development and enhancements to on-line visitor information and website (utilising funding currently used to support the 'Visit North Yorkshire' paper guide);
- (iii) Support marketing and information services for the Wolds and Malton and Norton, and local activities in partnership with Scarborough Borough Council and the North York Moors National Park Authority.

6.2 Following implementation in April 2014 of the resolutions made by Council, an evaluation of the operation of Pickering TIC has been undertaken. A summary of this evaluation is as follows with further information attached at annex A:

- a) Pickering TIC has not received an increase in calls or other business following the changes to the provision of visitor information services in Malton and Helmsley.
- b) The majority of transactions through Pickering TIC are in relation to RDC services such as parking permits. These represent the highest value of transactions as well as greatest volume. In other market towns parking permits are available through a range of outlets including shops and the post office. This can be arranged for Pickering.
- c) The other top selling items can all be purchased from other retailers in the town.
- d) The decline in footfall, sales and contacts made through Pickering TIC can be seen over a number of years.
- e) Bookings for accommodation made through the TIC have declined.

These findings are supported by other research into the future design of visitor information services which suggest that the direct provision of visitor information centres may not be the best means for developing the visitor economy available to a local authority.

6.3 An evaluation of the operation of the two visitor information points has also been undertaken. The information point in Helmsley is located in the Cut-price Bookstore in Helmsley market place. This is working successfully in terms of meeting customer requests and has had a positive impact on the host business. Following discussion with a number of retailers in Malton town centre the visitor information point in Malton is now located in Ryedale House, the take up of information by visitors is low. The location of the Malton information point is being kept under review. Analysis of phone

contacts made with the Council has shown that the anticipated increase in phone calls at Pickering TIC has not materialised. It is therefore proposed that a visitor information point be developed for Pickering using the same principles as those used to develop the one currently operating in Helmsley, with the possibility of locating this in a community setting such as Pickering Library to be explored.

6.4 Financial implications

The financial implications of closure of the TIC are minimal. If the closure takes place in September 2015 then half of the budget provision will be required in 2015/16.

Option	Non salary costs 15/16
1. Continue to operate Pickering TIC	17,670.00
2. Cease to operate Pickering TIC	2,690.00*

*ongoing requirement for RDC to pay business rates until unit is let or asset is sold

The TIC is currently staffed by members of the Access to Services Team of the Business Support Hub. No staff would be made redundant as a result of closure of the TIC.

6.5 The table included in Annex A illustrates the lower level of footfall and transactions on a Sunday through Pickering TIC. Operating the TIC on a Sunday places increased pressure on the resources available to support the TIC within the Access to Services Team. During a consultation with staff who work in the TIC undertaken in November 2013 the view of all staff was that the TIC should be closed on a Sunday throughout the year. The resources available to the TIC can be more efficiently utilised in supporting the transition to new arrangements if the TIC is closed on a Sunday.

6.6 A successful precedent has been established for the operation of Visitor Information Points in Ryedale by the North York Moors National Park in Thornton Dale and Hutton le Hole. The Council now operates a VIP in Helmsley and would like to extend the provision of VIP's to Kirkbymoorside.

6.7 The Council will continue to support the development of the visitor economy in partnership with other organisations and the private and community sectors, in line with the Ryedale Economic Action Plan.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

The closure of Pickering TIC will enable the council to offer the vacated unit at the Ropery House, Pickering, for rental or potentially release the whole site for sale. The Council will continue to have a liability for business rates until the unit is let or the whole asset is sold.

b) Legal

There are no legal implications

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

An impact assessment has been undertaken and no other impacts have been identified.

8.0 NEXT STEPS

- 8.1 It is proposed that Pickering TIC be closed in September 2015 to enable the promotion of new arrangements for visitor information to be promoted in the literature produced for the promotion of Ryedale as a visitor destination.

Clare Slater
Head of Corporate Services

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Background Papers:

<http://democracy.ryedale.gov.uk/ieListDocuments.aspx?CId=258&MID=1119#AI7830>

Commissioning Board Papers – 19 September 2013

Ryedale Economic Action Plan

Council Business Plan

Background Papers are available for inspection at:

www.ryedale.gov.uk

Annex A

Summary of data relating to operation of Pickering TIC

Fig 1 Value of transactions by type (April 2014 to date):

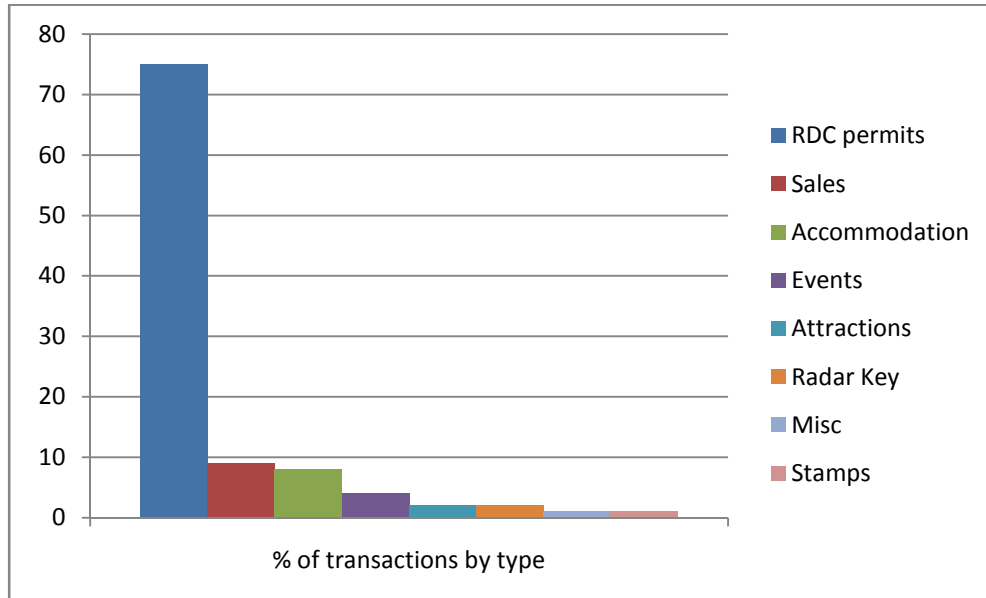


Fig 2 Value of sales by type of goods (April 2014 to date):

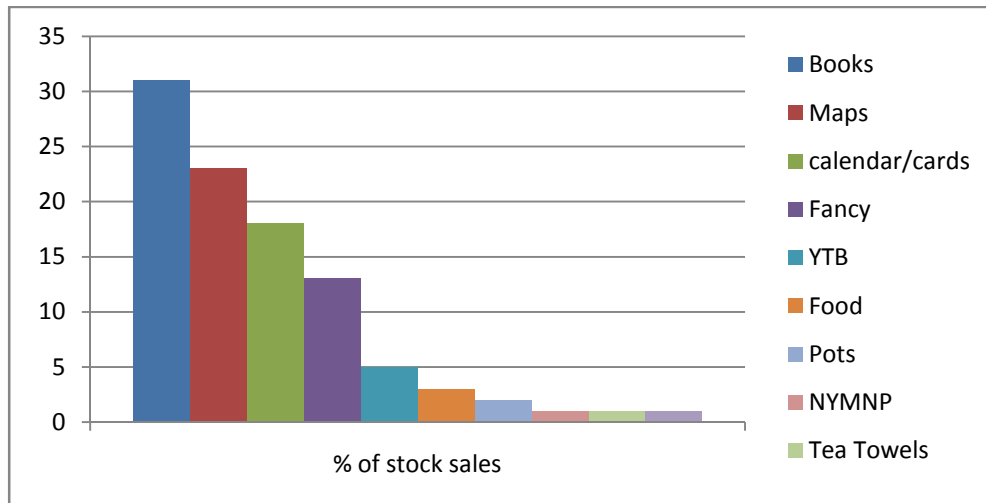
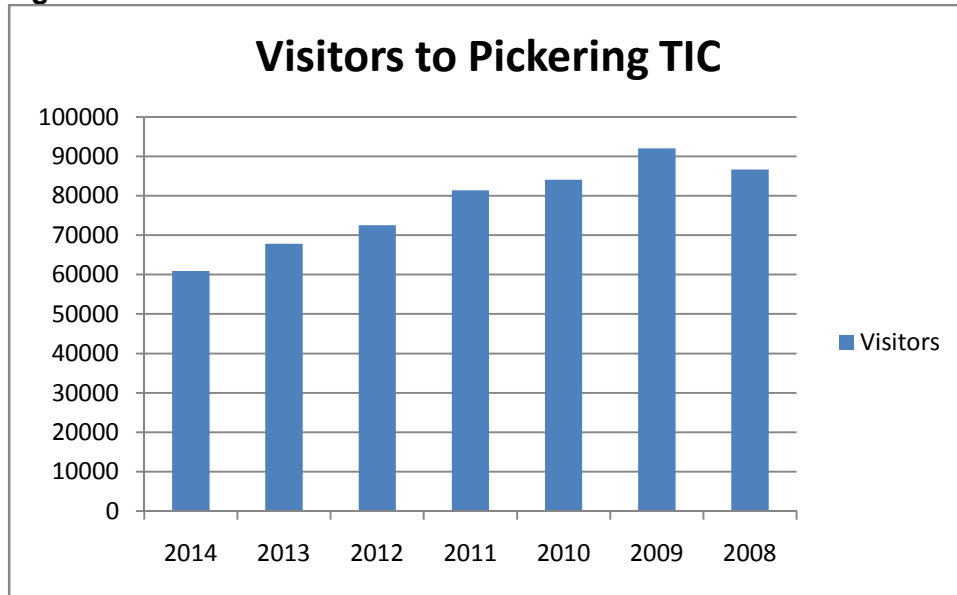


Fig. 3



All years refer to a calendar year from January to December

Fig. 4

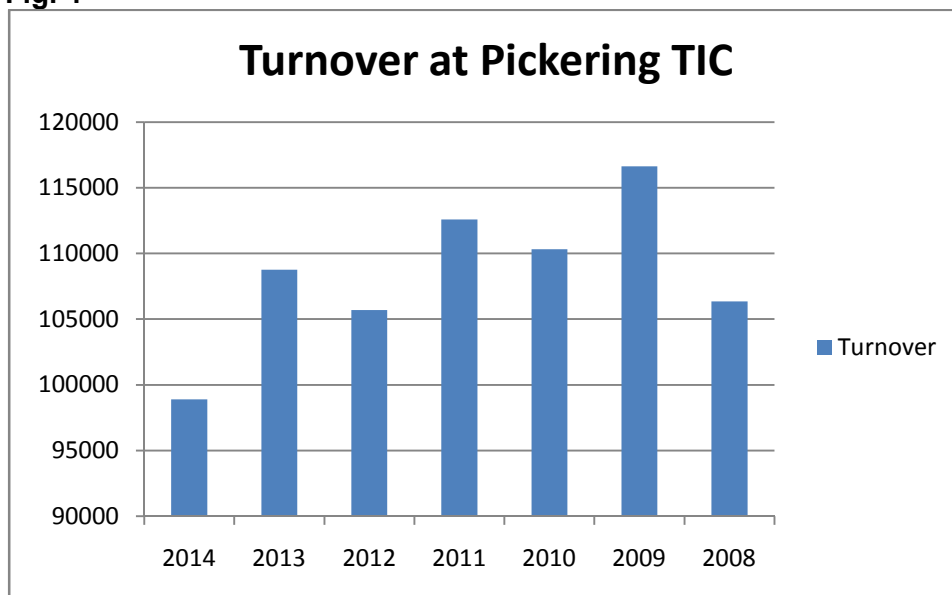
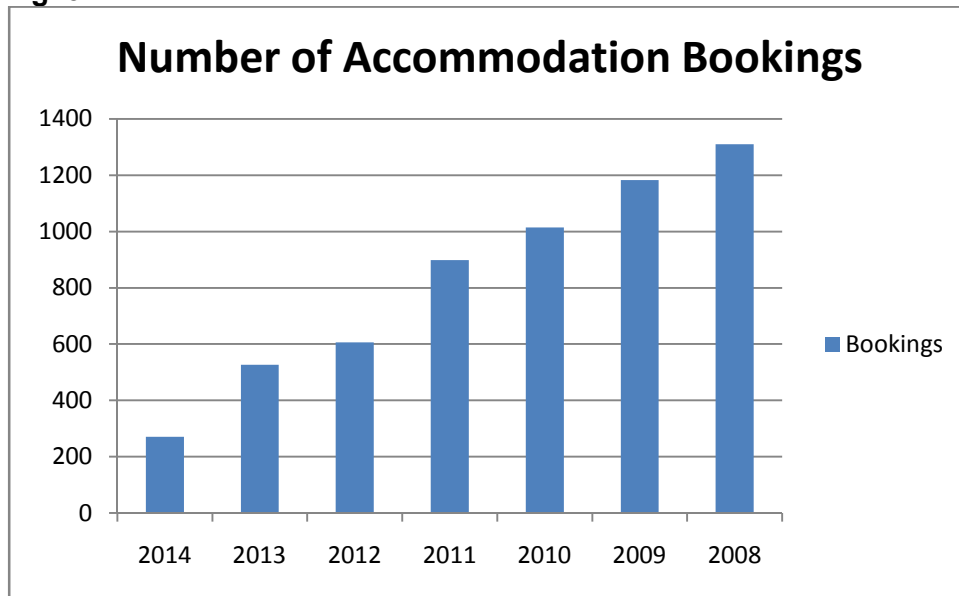


Fig. 5



Contacts made with Pickering TIC by type:

Fig.6

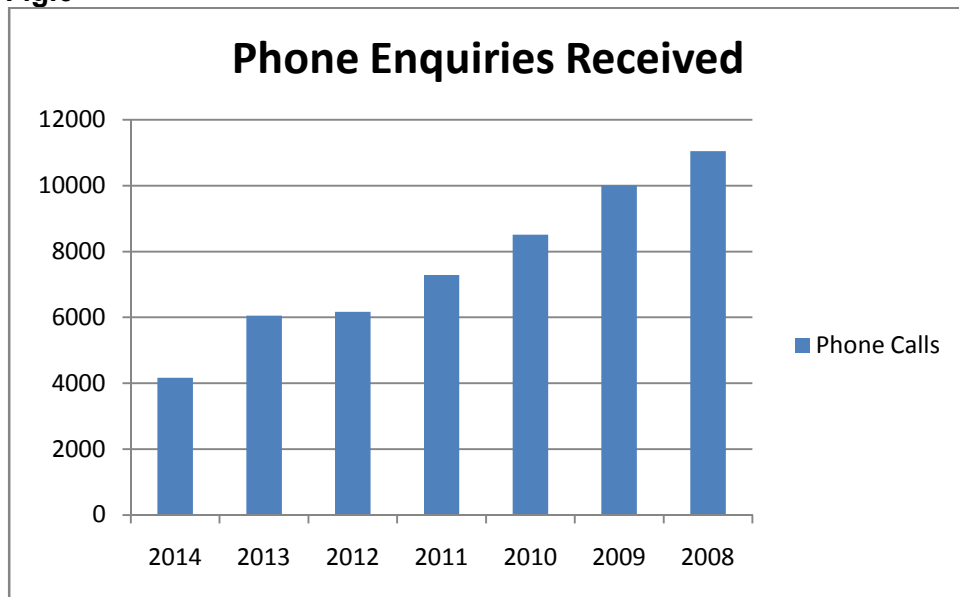


Fig.7

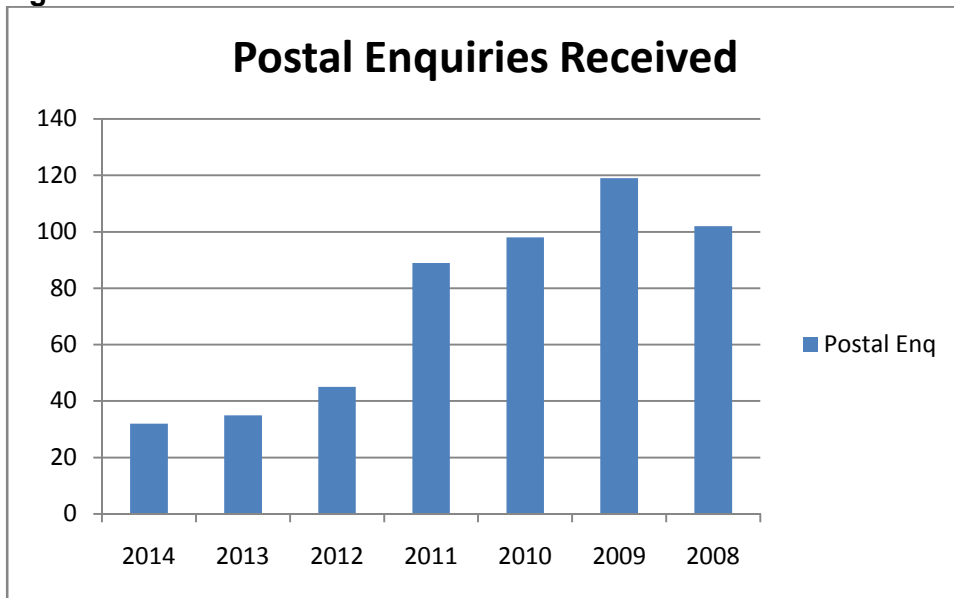
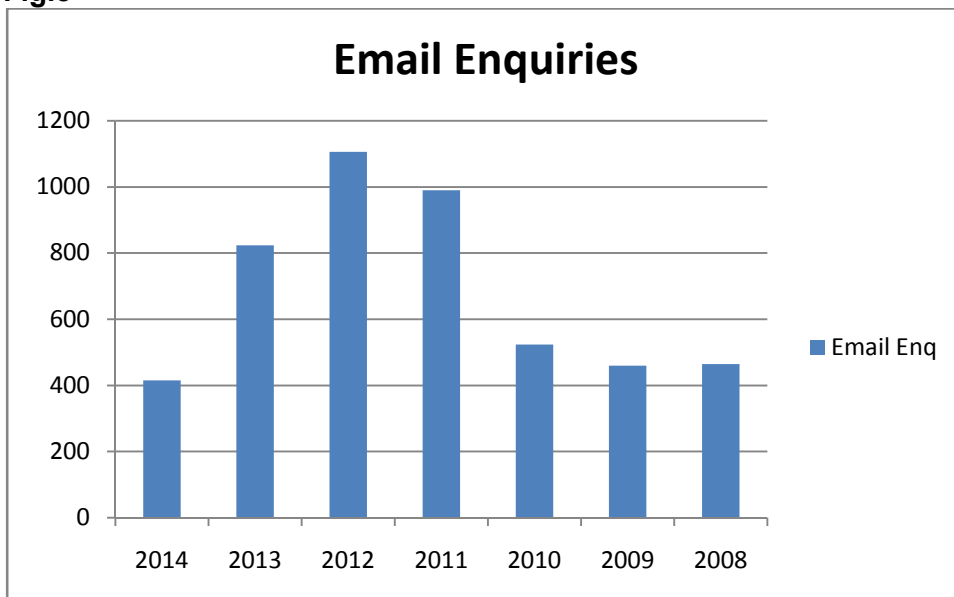
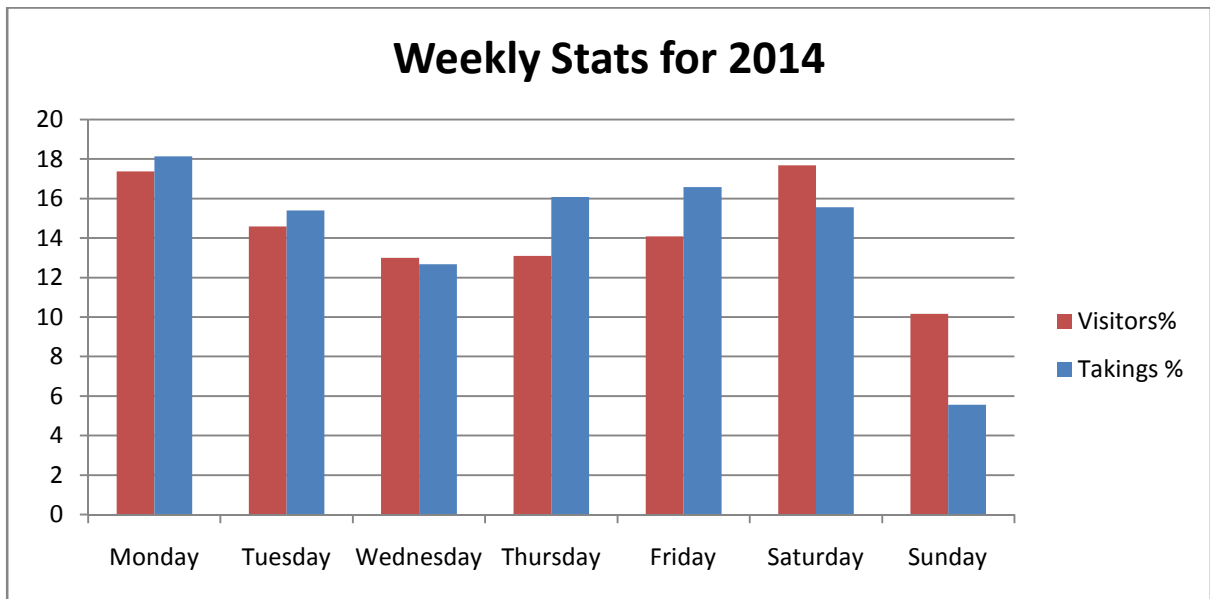


Fig.8



Weekly Data
Fig. 9





REPORT TO: FULL COUNCIL
DATE: 24 FEBRUARY 2015
SUBJECT: PART 'B' REFERRALS FROM PLANNING COMMITTEE ON 10 FEBRUARY 2015

171 Part B - Developer Contributions from Small Sites

Decision

Council is recommended to resolve:

- (i) Not to seek financial contributions from small residential sites through the planning process towards affordable housing on sites of five dwellings or less under Policy SP3 of the Ryedale Plan;
- (ii) To continue to negotiate the on-site provision of affordable housing in line with Policy SP3 of the Ryedale Plan with the exception that affordable housing contributions will not be sought from sites of 10 dwellings or less and which have a maximum combined gross floorspace of no more than 1,000square metres in Malton, Norton and Pickering;
- (iii) To continue to negotiate the on-site provision of affordable housing in line with SP3 of the Ryedale Plan with the exception that on sites of between six and ten dwellings, in parishes outside of Malton, Norton and Pickering, financial contributions will be sought in lieu of the existing on-site policy requirement and that financial contributions of an equivalent of 40% of provision will be sought on such sites in west and south west Ryedale;
- (vi) Not to seek financial contributions towards open space provision from sites of ten dwellings or less;
- (vii) To authorise the Head of Planning and Housing to approve the planning applications listed in Paragraph 6.13 without the completion of the Section 106 agreements specified and not to seek affordable and open space contributions from any further applications on relevant small sites which are due to be determined in the interim.

[For 7

Against 1

Abstain 2]

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	PLANNING COMMITTEE
DATE:	10 FEBRUARY 2015
REPORT OF THE:	HEAD OF PLANNING AND HOUSING GARY HOUSDEN
TITLE OF REPORT:	DEVELOPER CONTRIBUTIONS FROM SMALL SITES
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 For Members to consider the implications of a recent Ministerial Statement to Parliament and changes to the national Planning Practice Guidance (PPG) and to subsequently agree this Council's position.

2.0 RECOMMENDATION(S)

- 2.1 That Council resolves:

- (i) Not to seek financial contributions from small residential sites through the planning process towards affordable housing on sites of five dwellings or less under Policy SP3 of the Ryedale Plan
- (ii) To continue to negotiate the on-site provision of affordable housing in line with Policy SP3 of the Ryedale Plan with the exception that affordable housing contributions will not be sought from sites of 10 dwellings or less and which have a maximum combined gross floorspace of no more than 1,000square metres in Malton, Norton and Pickering
- (iii) To continue to negotiate the on-site provision of affordable housing in line with SP3 of the Ryedale Plan with the exception that on sites of between six and ten dwellings, in parishes outside of Malton, Norton and Pickering, financial contributions will be sought in lieu of the existing on-site policy requirement and that financial contributions of an equivalent of 40% of provision will be sought on such sites in west and south west Ryedale
- (vi) Not to seek financial contributions towards open space provision from sites of ten dwellings or less

- (vii) To authorise the Head of Planning and Housing to approve the planning applications listed in Paragraph 6.13 without the completion of the Section 106 agreements specified and not to seek affordable and open space contributions from any further applications on relevant small sites which are due to be determined in the interim.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Ministerial Statement presents a significant clarification of national planning policy in respect of pooled financial developer contributions from small sites. This Council has Development Plan policies which seek to secure financial contributions from small sites towards affordable housing and open space. It is important that members are aware of the implications of the recent change and that consequently, the Council clarifies its position in relation to the implementation of these policies.

4.0 SIGNIFICANT RISKS

- 4.1 The ministerial statement and change to the PPG are a significant material planning consideration. It is considered that significant weight needs to be given to this in the decision making process. Failure to do so would lead to an increase in planning appeals and increase the risk of costs being awarded against the authority in any appeal situation.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 This report specifically relates to Policies SP3 (Affordable Housing) and SP11 (Community Facilities and Services) of the Ryedale Plan. Although Policy SP22 of the Ryedale Plan covers Planning Obligations, Developer Contributions and the Community Infrastructure Levy, it is generic and covers key principles. It is not specific to contributions from small sites.

6.0 REPORT DETAILS

Background

- 6.1 The coalition government is committed to freeing up the planning system, supporting growth and increasing housing supply. The recent ministerial statement and changes to the PPG are aimed at supporting small-scale developers and helping people to get the home they want by reducing what the government describes as 'disproportionate burdens' on developer contributions. Following a government consultation in March 2014, the ministerial statement confirms that:

- For sites of 10 units or less and which have a maximum combined gross floorspace of 1,000 square metres, affordable housing and tariff style contributions should not be sought
- In designated rural areas (under Section 157 of the Housing Act 1985), authorities may choose to implement a lower threshold of five units or less, beneath which affordable housing and tariff style contributions should not be sought. If this threshold is implemented then affordable housing and tariff contributions on developments of between 6-10 units should be sought as a financial payment only and only be commuted until after the completion of units within the development

- Affordable housing and tariff style contributions should not be sought in relation to residential annexes and extensions
- 6.2 Members are aware that the recently adopted Ryedale Plan- Local Plan Strategy (adopted on the 5th September 2013) specifically seeks to secure the following contributions from residential development sites:

SP3: In the Market Towns and Service Villages

- Pro-rated financial contributions from all residential development below the threshold of 5 dwellings/ 0.2ha
- 35% of dwellings on-site to be affordable on sites of 5 dwellings/ 0.2ha (with a financial contribution equivalent to a further 5% of provision in west and south west Ryedale)

SP11: Financial contributions towards open space provision

- 6.3 Members are aware that outside of the Market Towns and Service Villages, where a Local Needs Occupancy condition is applied to new dwellings, affordable housing contributions are not sought under SP3.

Implications for the implementation of the Ryedale Plan and the decision making process

- 6.4 Policies SP3 and SP11 form part of the adopted development plan. Members are aware that Local Planning Authorities are required to make decisions in accordance with the development plan unless material considerations indicate otherwise. Officers consider this recent clarification/change in national policy to be a significant material consideration which in effect, outweighs the provisions of the development plan in respect of those policies that seek to secure financial contributions from smaller residential development sites.
- 6.5 The changes have met with some consternation from a number of Authorities, particularly rural authorities with acute affordable housing need. There is a possibility that Authorities may seek to challenge the Government on this issue and the consultation undertaken to justify the policy change. Additionally, some have expressed the view that as the Government has made these changes to the practice guidance rather than the National Planning Policy Framework itself that it is questionable about whether there has been a change in national policy. It is considered that the PPG is designed to be used to in conjunction with the NPPF and has the effect of clarifying the intent of national policy and the position in terms of interpreting and implementing national policy. For this reason, together with the fact that they have been introduced through a Ministerial Statement, Officers are confident that for all intents and purposes these changes have the effect of clarifying national planning policy. Consequently, elements of SP3 and SP11 are now inconsistent with national policy.
- 6.6 Ryedale receives a steady stream of applications to which this national policy change would apply. For this reason, it is considered important that the Council clarifies its position in relation to this matter. In essence, the Council has two options. It could selectively review the development plan and bring policies in line with national policy or, alternatively it can recognise the implications of national policy and formally agree a position to be applied through the decision making process.

- 6.7 It is emphasised that officers do not consider a 'do nothing' scenario to be realistic or appropriate. It is considered that the primacy which is afforded to the development plan can only remain intact for as long as its policies reflect current national policy. A good test to apply in such circumstances would be to consider whether current development plan policies would be found to be sound if examined against current national policy.
- 6.8 It is inevitable that national policy changes will occur over the life of a development plan. Given the complexity, cost and length of time involved in the plan making process, any decision to review a plan requires careful consideration. It is considered that in this instance, the national policy changes do not warrant a review of the plan. They are limited in the extent to which they affect the Plan as a whole. Additionally, this may be an area of national policy which may be subject to further change or revision in the future.
- 6.9 As an alternative, it is considered that Council could formally resolve to acknowledge the implications of these national policy changes and to agree a position in terms of the implementation of Policies SP3 and SP11. These policies would not be formally changed but Council would resolve to implement them in a different way, having regard to national policy.
- 6.10 The impact of the national changes on Policy SP11 is relatively limited. Although financial contributions towards open space from all residential development, the policy is designed to operate in conjunction with the Community Infrastructure Levy. Once CIL is in place, it would be the mechanism by which developers contribute to off-site open space provision.
- 6.11 Most of Ryedale (with the exception of Malton, Norton and Pickering) is a designated rural area under the Housing Act 1985 and as such, the national policy changes would support the authority seeking to secure financial contributions for sites of between 6-10 dwellings (as oppose to the current position where on-site provision is sought on sites of 5 or more). The authority would no longer be able to secure affordable housing contributions from sites of 5 dwellings or less. The provisions of SP3 to seek on-site affordable housing provision on larger sites would continue to apply.
- 6.12 A less straightforward element of SP3 relates to the differential policy target which applies across the District. Policy SP3, in effect seeks a 40% affordable housing contribution in west and south west Ryedale which is split in terms of on-site provision and a financial contribution. It is considered that this should be applied as a 40% financial contribution from sites of between 6-10 houses in order to reflect national policy.
- 6.13 There is some risk that the Council will be accused of amending its affordable housing policy out with the plan making process. However the suggested way forward is less onerous on developers and landowners than current local policy which itself has been recently justified in terms of housing need and development viability. Additional, the approach would only bring the implementation of the existing development plan policy in line with national policy. For this reason, this risk is considered to be relatively low.

Implications for planning applications pending Section 106 agreements

- 6.14 Members should be aware that there are a number of planning applications relating to small residential sites which are awaiting the completion of Section 106 agreements. These include a combination of applications which have been considered by the Planning Committee and those which fall under the scheme of delegation. They are as follows:

Application	Section 106 Contribution
14/00983/FUL. Land east of Ivy Cottage, Main Street, Whitwell-on-the Hill	Open Space
14/00501/FUL. 47-49 St. Hildas Street, Sherburn	Open Space Affordable Housing
14/00822/FUL. Norton Lodge, 109 Beverley Road, Norton	Open Space
14/00814/FUL. Aucklands Garage, Main Street, Staxton	Open Space Affordable Housing
14/00703/FUL. Land Adj Rose Cottage, Main Street, Acklam	Open Space
14/00392/FUL. West Nook Cottage, 98 Scarborough Road, Norton	Open Space Affordable Housing
13/01087/FUL. Woodyard Barns, Ruffin Lane, Eddlethorpe	Open Space
14/00051/FUL. Barns to rear of Ford View, Brookside, Hovingham	Open Space Affordable Housing
14/00609/FUL. Land Adj to the Meadows, Back Lane South, Middleton	Open Space
13/00728/FUL. The Croft, Main Street, Welburn	Open Space
13/01425/FUL. Land to rear of 43 Scarborough Road, Rillington	Open Space Affordable Housing
13/00650/FUL. Land to rear of 44 Scarborough Road, Rillington	Affordable Housing
14/00584/FUL. Shotton Hall, Oliver Lane, Great Habton	Open Space
14/00585/FUL. Shotton Hall, Oliver Lane, Great Habton	Open Space
14/00983/FUL. Land East of Ivy Cottage, Main Street, Whitwell on the Hill	Open Space
14/00522/FUL. Land at Middlecave Lodge, Middlecave Road, Malton	Open Space Affordable Housing

- 6.15 This report seeks the authority to determine/issue the decision notices for these applications without the section 106 contributions.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:

a) Financial

The national policy change has undoubted implications for Policies SP3 and SP11 of the Ryedale Plan and if appropriate weight is not given to this, this will give rise to additional planning appeals and potential costs on appeal.

- b) Legal
The national policy change is a significant material consideration which has implications for the weight which can be afforded to relevant development plan policies.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
Under the approach less financial contributions will be sought towards affordable housing provision. However, Members are reminded that the Ryedale Plan does not rely on small residential sites to deliver significant contributions to affordable housing or to make significant contributions to housing land supply.

8.0 NEXT STEPS

- 8.1 Officers will prepare some text to clarify the Council's response to the Government's changes and to clarify the implementation of Policies SP3 and SP11, which will be placed on the Ryedale Plan pages of the web-site.

Gary Housden
Head of Planning and Housing

Author: Jill Thompson, Forward Planning Manager
Telephone No: 01653 600666 ext: 327
E-Mail Address: jill.thompson@ryedale.gov.uk

Background Papers:

Written ministerial statement to Parliament by Brandon Lewis MP on support for small-scale developers, custom and self-builders. Delivered on 28 November 2014. First published 1 December 2014. (DCLG)

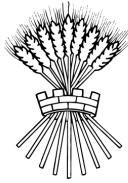
Planning Practice Guidance. Planning Obligations. Paragraph 012

Background Papers are available for inspection at:

<https://www.gov.uk/government/speeches/small-scale-developers>

<http://planningguidance.planningportal.gov.uk/revisions/23b/012>

Paper copy available in RDC Members Room



REPORT TO:	COUNCIL
DATE:	24 FEBRUARY 2015
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	TREASURY MANAGEMENT MID-YEAR REVIEW
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To report on the treasury management activities to date for the financial year 2014/15 in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code).

2.0 RECOMMENDATIONS

- 2.1 It is recommended that:
- (i) Members receive this report; and
 - (ii) The mid-year performance of the in-house managed funds to date is noted.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Council has adopted the Code. A provision of the Code is that a mid-year review report must be made to the Full Council relating to the treasury activities of the current year.

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 strategy these are minimised. The employment of Treasury Advisors also helps reduce the risk.

REPORT

5.0 BACKGROUND AND INTRODUCTION

- 5.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensures this cash flow is adequately planned, with surplus monies being invested in

low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

5.2 The second major function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide towards whether the Council has a borrowing need, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short term loans or using longer term cash flow surpluses.

5.3 Treasury management in this context is defined 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."

5.4 The CIPFA Code of Practice on Treasury Management 2009 was adopted by this Council on 22 February 2010 and this Council fully complies with its requirements.

5.5 The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Full Council of an annual Treasury Management Strategy Statement (including the Annual Investment Strategy and Minimum Revenue Provision Policy) for the year ahead, a Mid-Year Review Report and an Annual Report covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body, which in this Council is the Overview and Scrutiny Committee.

5.6 This mid-year report has been prepared in compliance with CIPFA's Code of Practice and covers the following:

- An economic update for the first six months of 2014/15;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2014/15;
- A review of compliance with Treasury and Prudential Limits for 2014/15.

6.0 POLICY CONTEXT

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

7.0 CONSULTATION

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

8.0 REPORT DETAILS

Economic Update

- 8.1 After strong UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1 and 0.9% in Q2 2014 (annual rate 3.2% in Q2), it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors, are very encouraging and business investment is also strongly recovering. The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.
- 8.2 Also encouraging has been the sharp fall in inflation (CPI), reaching 1.5% in May and July, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q1 or Q2 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008. The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19. However, monthly public sector deficit figures have disappointed so far in 2014/15.
- 8.3 In September, the Federal Reserve continued with its monthly \$10bn reductions in asset purchases, which started in December 2014. Asset purchases have now fallen from \$85bn to \$15bn and are expected to stop in October 2014, providing strong economic growth continues. First quarter GDP figures for the US were depressed by exceptionally bad winter weather, but growth rebounded very strongly in Q2 to 4.6%

(annualised). The U.S. faces similar debt problems to those of 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 too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions.

- 8.4 The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt). Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.
- 8.5 The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	2.00%	2.00%
5yr PWLB rate	2.70%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%
10yr PWLB rate	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%
25yr PWLB rate	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%
50yr PWLB rate	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%

Capita Asset Services undertook a review of its interest rate forecasts in mid August, after the Bank of England's Inflation Report. By the beginning of September, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, had caused a further flight into safe havens like gilts and depressed PWLB rates further. However, there is much volatility in rates as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 1 of 2015.

Treasury Management Strategy Statement and Annual Investment Strategy Update.

- 8.6 The Treasury Management Strategy (TMSS) for 2014/15 was approved by this Council on 25 February 2014. There are no policy changes to the TMSS, the details in this report update the position in the light of the updated economic position and budgetary changes already approved. Council's Annual Investment Strategy, which is

incorporated in the TMSS, outlines the Council's investment priorities as follows:

- Security of capital
- Liquidity

8.7 The Council will also aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (maximum loan period of 12 months) and only invest with highly credit rated financial institutions, using Sector's suggested creditworthiness approach, including sovereign rating and credit default swap (CDS) overlay information provided by Sector.

8.8 Investments during the first six months of the year have been in line with the strategy and there have been no deviations from the strategy.

8.9 As outlined above, there is still some uncertainty and volatility in the financial and banking market, both globally and in the UK. In this context, it is considered that the strategy approved on 25 February 2014 is still fit for purpose in the current economic climate.

Investment Portfolio 2014/15

8.10 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

8.11 As set out earlier in the report, it is a very difficult investment market in terms of earning the level of interest rate commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate.

8.12 The Council's investment position at the beginning of the financial year was as follows:

Type of Institution	Investments (£)
UK Clearing Banks	4,910,000
Local Authorities	0
Building Societies	0
Total	4,910,000

8.13 A full list of investments held as at 30 September 2014, compared to Sectors counterparty list and changes to Fitch, Moodys and S&P's credit ratings during the first six months of 2014/15 is shown in annex B and summarised below:

Type of Institution	Investments (£)
UK Clearing Banks	10,660,000
Foreign Banks	0
Building Societies	0
Local Authorities	0
Total	10,660,000

8.14 As illustrated in the economic background section above, investment rates available in the market are at a historical low point. The average level of funds available for investment purposes in the first six months of 2014/15 was £10.9m. These funds

were available on a temporary basis and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

- 8.15 The table below compares the investment portfolio yield for the first six months of the year against a benchmark of the average 7 day LIBID rate of 0.35%.

	Average Investment (£)	Average Gross Rate of Return	Net Rate of Return	Benchmark Return	Interest Earned (£)
Cash Equivalents	6,026,667	0.50%	n/a	n/a	15,118
Fixed Term Deposits	817,500	0.76%	n/a	0.35%	18,447

- 8.16 The Council's budgeted investment return for 2014/15 is £68k and performance during the financial year to 30 September 2014 is £34k, **which is on target to achieve the budget.**
- 8.17 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Compliance with Treasury and Prudential Limits

- 8.18 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Strategy Statement (TMSS).
- 8.19 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's TMSS and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in annex A.
- 8.20 The Council currently has no long-term borrowing, however it is likely that borrowing will take place in this financial year before forecast increases in PWLB rates. There have been no temporary borrowing transactions in the year.

9.0 IMPLICATIONS

- 9.1 The following implications have been identified:

- a) Financial
The results of the investment strategy affect the funding of the capital programme. The investment income return to 30 September 2014 was £34k, which is in line with the budgeted return.
- b) Legal
There are no additional legal implications within this report.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
There are no additional implications within this report.

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Background Papers:

None

Background Papers are available for inspection at:

N/a

PRUDENTIAL AND TREASURY INDICATORS

Prudential Indicators

	2013/14	2014/15		
	Actual	Original Estimate	Current Position	Revised Estimate
Capital Expenditure	£3.331m	£1.375m	£1.007m	£2.405m
Net borrowing requirement	-£4.708m	-£2.334m	-£10.406m	-£2.317m
Capital Financing Requirement as at 31 March	£0.254m	£2.616m	n/a	£2.633m
Annual change in Capital Financing Requirement	-£0.041m	£1.524m	n/a	£2.379m

Treasury Management Indicators

	2014/15	
	Original Limits	Revised Estimate
Authorised Limit for external debt -		
Borrowing	£20.0m	£20.0m
Other long term liabilities	£1.0m	£1.0m
Total	£21.0m	£21.0m
Operational Boundary for external debt -		
Borrowing	£5.0m	£5.0m
Other long term liabilities	£0.7m	£0.8m
Total	£5.7m	£5.8m

Investment Portfolio as at 30 September 2014

Investment by Institution	Investment £	Duration of Investment	Latest Sector Duration Band Rating	Sovereignty Rating
UK Clearing Banks				
National Westminster Bank	5,660,000	On Call	12 Months	AA+
Bank of Scotland	1,000,000	12 Months	12 Months	AA+
Bank of Scotland	1,000,000	12 Months	12 Months	AA+
Bank of Scotland	500,000	6 Months	12 Months	AA+
National Westminster Bank	1,000,000	95 Day Notice	12 Months	AA+
Bank of Scotland	500,000	6 Months	12 Months	AA+
National Westminster Bank	1,000,000	60 Day Notice	12 Months	AA+
Grand Total	10,660,000			

Fitch and Moodys Sovereignty Rating for the UK is AA+ while S&P's is AAA.
All the above borrowers met the required credit rating at the time of investment.

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