



## COUNCIL

### Council Summons and Agenda

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You are hereby summoned to attend an **Ordinary Meeting of Ryedale District Council** to be held in the **Council Chamber, Ryedale House, Malton** on **Thursday, 6 October 2016** at **6.30 pm** in the evening for the transaction of the following business:

#### Agenda

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1 **Emergency Evacuation Procedure**

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

2 **Apologies for absence**

3 **Public Question Time**

4 **Minutes**

(Pages 5 - 20)

To approve as a correct record the minutes of the Ordinary Meeting of Council held on 1 September 2016.

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, the Leader 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)**

**9 To Receive a Statement from the Leader of the Council and to Receive Questions and Give Answers on that Statement** (Pages 21 - 22)

**10 To consider for Approval the Recommendations in respect of the following Part 'B' Committee Items:** (Pages 23 - 40)

**Policy and Resources Committee - 22 September 2016**

Minute 26 - Scrutiny Review - Council Property Assets (page 21)

[Exempt Information: That under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), the public be excluded from the meeting for any discussion of the annex to this item as there would be a likely disclosure of exempt information relating the financial or business affairs of any particular person (including the authority holding that information).]

**Licensing Committee - 27 September 2016**

Minute 5 - Deregulation Act 2015: Changes to Hackney Carriage and Private Hire Licensing Policy including Review of Fees (page 51)

**11 Notices on Motion Submitted Pursuant to Council Procedure Rule 11**

Proposed by Councillor Clark and seconded by Councillor Thornton

The Staff Champion is important not only to the employees of Ryedale District Council but also to the running of the council. So as to make this relationship even better and more democratic, the employees at Ryedale District Council should have the opportunity to elect their champion.

This council therefore resolves:

1. To agree in principal that future Staff Champions should be elected by the employees of Ryedale District Council.
2. That the Policy and Resources committee, after consultation with Unison and others, produces a structure and arrangements so that this process can take place.
3. The result of Policy and Resources deliberations be recommended to Full Council for decision.

**12 H.M. Treasury: Shale Wealth Fund Consultation** (Pages 41 - 46)

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

A handwritten signature in black ink on a light grey background. The signature reads "Janet Waggott" in a cursive script. The first letter 'J' is large and loops around. The name "Waggott" follows in a similar cursive style, ending with a horizontal line.

Janet Waggott  
Chief Executive

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## Council

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Minutes of Proceedings

At the **Ordinary Meeting of the District Council of Ryedale** held in the **Council Chamber, Ryedale House, Malton** on **Thursday 1 September 2016**

## Present

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Councillors    Acomb  
                  Joy Andrews  
                  Paul Andrews  
                  Steve Arnold  
                  Val Arnold  
                  Bailey  
                  Clark  
                  Cleary  
                  Cowling  
                  Cussons  
                  Duncan  
                  Farnell  
                  Frank  
                  Gardiner (Chairman)  
                  Goodrick  
                  Hope  
                  Ives  
                  Jainu-Deen  
                  Keal  
                  Maud  
                  Oxley (Vice-Chairman)  
                  Potter  
                  Raper  
                  Shields  
                  Thornton  
                  Wainwright  
                  Windress

## In Attendance

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Simon Copley  
Peter Johnson  
Janet Waggott  
Anthony Winship

## Minutes

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### 25    **Apologies for absence**

Apologies for absence were received from Councillors Burr, Jowitt and Sanderson.

### 26    **Public Question Time**

There were no public questions.

27 **Minutes**

The minutes of the Ordinary Meeting of Council held on 7 July 2016 were presented.

**Resolved**

That the minutes of the Ordinary Meeting of Council held on 7 July 2016 be approved and signed by the Chairman as a correct record, with the following amendments:

- (i) To record that Councillor Clark had requested that the notices on motion be brought forward on the agenda and that the Chairman did not agree to this request;
- (ii) To change the words "hundreds and thousand" to "hundreds of thousands" in Councillor Clark's question to the Leader on page 6 of the minutes (minute 20);
- (iii) To delete the resolved portion of the Part B item on Member Involvement of Appeal Panels (minute 22);
- (iv) To add the recorded vote for motion on Member Involvement of Appeal Panels (minute 22), as follows: For - Councillors Cowling, Cussons, Frank, Ives, Jainu-Deen, Wainwright; Against - Councillors Steve Arnold, Val Arnold, Cleary, Duncan, Gardiner, Hope, Oxley, Windress, Maud, Joy Andrews, Clark, Potter, Thornton, Keal, Paul Andrews, Burr; Abstentions - Farnell;
- (v) To note that the procedural motion which resulted in the closure of the meeting was dealt with in exempt session (minute 23).

28 **Urgent Business**

There were no items 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).

29 **Declarations of Interest**

The following interests were declared:

Councillor Farnell declared a personal non-pecuniary but not prejudicial interest in agenda item 11 minute 41 (Slingsby, South Holme and Fryton Design Statement) as a member of Slingsby, South Holme and Fryton Parish Council.

Councillor Clark declared a personal non-pecuniary but not prejudicial interest in agenda item 15 (Request for an Indemnity for Ryedale Citizens Advice

Bureau) as North Yorkshire County Council's representative on the Ryedale CAB Board.

Councillor Goodrick declared a personal non-pecuniary but not prejudicial interest in agenda item 15 (Request for an Indemnity for Ryedale Citizens Advice Bureau) as Ryedale District Council's representative on the Ryedale CAB Board.

## 30 **Announcements**

The Chairman made the following announcements:

- That agenda item 13 (Proposed Joint Public Assets Board for York, North Yorkshire and East Riding) would be brought forward and dealt with after agenda item 8.
- That he had been honoured to represent the Council at a number of excellent events over the past couple of months, including Yorkshire Day celebrations in Halifax and the Ryedale Show.

The Leader made the following announcement:

- To thank Phil Long, Corporate Director, for all his hard work over many years at his last meeting of Council before leaving.

The Chief Executive made the following announcement:

- That a response had been issued to the articles about bullying in the Yorkshire Post and the Mercury, and copies had been circulated to Members by email or in pigeonholes.

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

1. Councillor Potter submitted the following question:

To Councillor Cowling, the Leader of the Council:

*“In September 2015 you and the Chief Executive signed the Annual Governance Statement. How many times in the next 9 months did you discuss this matter with the Chief Executive and what were the outcomes of your discussions?”*

The Leader of the Council, Councillor Cowling replied

*“The annual governance statement is signed by the Chief Executive and myself in my role as Leader, in line with the requirements of the Code of Practice on Local Authority Accounting and it is a very important document in providing adequate controls within this Council. As a member of the Overview & Scrutiny*

*Committee you will know that in its audit role the Committee has delegated responsibility to review the Council's corporate governance arrangements. An update was presented to your committee on 16 January, at which you were present I believe. In answer to your question, I do not keep a note of how often the Chief Executive and I discuss the annual governance statement. It is such an integral part of the everyday work of this Council, I doubt if we ever meet without touching on several areas that are covered by this document. I do, however, try to stick to my Member role which is policy and leave delivery to the Chief Executive."*

Councillor Potter asked the following supplementary question:

*"Going back to what we were doing at Scrutiny, because we were looking at this quite recently, we pay a substantial amount of money for the auditors and I hope all Members agree that this is essential to assure us of sound financial management and scrupulously accurate budgets, which you might have seen from the minutes from earlier on, that I asked last time. This annual governance statement sets out written concerns of the auditors about Council performance, including contracts that are missing, no copies of contracts, service level agreements missing, audit actions not carried out for over two years, no corporate monitoring of contracts but one specific item that I noted from Scrutiny was that regarding our payroll agreement with City of York it said last year in agreed actions bi-monthly monitoring through the Management Team to continue to 2015/16 and beyond. So could I just ask that you confirm that you have at least 6 meetings in the last year to address these issues please?"*

Councillor Cowling replied that:

*"I don't understand why you're asking me that. The Chief Executive and I meet far more than that, we've had far more than 6 meetings and I don't really think it's my role to be monitoring the actions in the action plan. That is for the Chief Executive and the Chief Financial Officer."*

2. Councillor Potter submitted the following question:

To Councillor Keal, Chairman of the Overview and Scrutiny Committee:

*"Do you consider that the draft minutes of the Overview and Scrutiny meeting on the 28th July 2016 do justice to the questioning of the Audit Report or the Annual Governance Statement?"*

The Vice Chairman of the Overview and Scrutiny Committee, Councillor Acomb replied on Councillor Keal's behalf

*"The draft minutes of the Overview and Scrutiny Committee meeting on the 28th July 2016 have not been approved by the Committee. The draft minutes will be considered by the Overview and Scrutiny Committee meeting on 8 September 2016. It is at the meeting on 8 September 2016 that Members of the Overview and Scrutiny Committee will be able to consider whether or not the draft minutes are a true and accurate record of the meeting. It is not the role of Full Council to consider the accuracy of the draft minutes of a committee before the committee has had an opportunity of approving them. Nor is it the*



*role of Council to debate the accuracy of the minutes of a Committee after they have been approved.*

*The minutes of a committee meeting provide a record of decisions of the meeting.*

*The minutes are not a verbatim record of the committee meeting.*

*Anyone wishing to know what questions were put to Officers by Councillors on the Committee and the answers received may listen to the audio recording of the committee meeting which is available on the website of Ryedale District Council. The local library also have equipment to facilitate this.*

*Against that background the short answer to your question is that it is for the Overview and Scrutiny Committee meeting on 8 September 2016 to decide if the draft minutes are an accurate record of decisions of the committee. They are not meant to be a record of all questions and answers."*

Councillor Potter asked the following supplementary question:

*"I was actually asking the Chair of the Overview & Scrutiny Committee if he considers that the draft minutes represent an accurate record of that occasion and he hasn't really given me an answer to that..... As I conducted a very lengthy question and answer session at that meeting, scrutinising the many weaknesses noted in writing from our internal auditors, do you consider that this line of questioning didn't warrant mentioning in the minutes or even in the draft minutes?"*

Councillor Acomb replied:

*"As far as I'm concerned the draft minutes list the decisions made, the detail as I explained is already recorded for you to look at and the Committee will discuss that on the 8th."*

3. Councillor Clark submitted the following question:

To Councillor Cowling, the Leader of the Council:

*"Do you agree with the Internal Auditors comments on Contract Management Corporate Arrangements and can you, as Leader, give an explanation as to how it has got into this 'state'?"*

The Leader of the Council, Councillor Cowling replied

*"First of all Councillor Clark I don't agree with you that we are in a 'state' as you put it. The audit found that the arrangements for managing risk are satisfactory. The whole purpose of carrying out an audit is to flush out any weaknesses and to identify where improvements can be made. This is what audit did and those improvements are being actioned."*

Councillor Clark asked the following supplementary question:

*"For once I find myself in agreement with the Leader of Council - yes - audit is designed to flush out weaknesses, so not this year, not last year but the year before, so that would be 14/15 the internal auditors flushed out a weakness with the payroll arrangements. Not a proper contract monitoring, no service level agreement in a TECKAL type arrangement - my words not theirs. Last year is was brought to Councillors by the way, last year the internal auditors said, in your words Chair, flushed out that the arrangements with York had not got proper monitoring of the contract. There was no service level agreement, in other words it wasn't good enough, more flushing. This year we have a report from the internal auditors, by the way each of those last 2 years you have signed the annual governance statement to say what this Council would be doing .... and on that basis what good was the flushing out of the internal auditors if for now we're into the 3rd year when under your leadership and your signature on the annual governance statement, nothing has happened to improve the situation and we are 1 level above unacceptable in internal audit, ie it's gone down since the good old days of Cllr Wainwright's stewardship."*

Councillor Cowling replied:

*"I'm absolutely sure I can rely on my members of Overview and Scrutiny to make sure that the action plan is implemented."*

## 32 **Business from the Last Council Meeting on 7 July 2016**

1. It was moved by Councillor Clark and seconded by Councillor Thornton

*"The proposed 2020 programme will introduce very significant changes. These changes will impact on policies and the strategy of RDC. These changes will also impact on the residents of Ryedale. The voice of these people is represented on RDC by the elected councillors. Management of the options and changes is clearly the responsibility of the management at RDC. The options and changes themselves are the responsibility of the councillors.*

*In order to deliver the above Full Council, this calls for a minimum of 2 special Policy and Resource meetings.*

- 1. P and R information and "way forward" meeting, including e.g. the consultations*
- 2. 2nd P and R meeting to recommend to Full Council before and after any consultations (including consultations with the public)*
- 3. 3rd P and R meeting if needed*

*Areas to be covered by first P and R meeting:*

- Share with members the presentation made "to the Heads of Service and SUMs on the 06/06/16*
- Share with members the option appraisals*
- Present to members the tendering document which resulted in "iese consultants" being appointed*

- *Share with members the reasons for appointing iese*
- *Share with members a copy of the contract to iese*
- *Share with members the work done so far at a cost of £50,000*
- *Share with members the intended work for £90,000*
- *Share with members the intended work for the £40,000 on Human Resources*
- *Consult with members their priorities for the future of RDC*
- *Obtain agreement from members before the consultation with employees is commenced*
- *Explain to members what is meant by "behaviour based assessment"*
- *get agreement from members before any consultation or implementation of "culture change"*
- *Obtain agreement from members before "ceasing any activities"*
- *Obtain agreement from members before making any decisions on what is the "best for customers" before any consultation etc is taken*
- *Inform members of the design principles of T2020*
- *Before the process starts discuss with members what "working closely with members to support customers re present demand" means in relation to members, officers and public*
- *Explain to members what is meant by "behaviour of staff"*
- *Explain to members what is meant by "less reliance on higher paid specialists"*
- *Explain to members what is meant by "focus on demand prevention"*
- *Explain to members what is meant by need to focus on "finance and performance"*
- *Explain to members what is meant by "Town Team's"*
- *Explain to members what is meant by "combined teams wider than Ryedale"*
- *Explain to members what is meant by "growing the economy"*
- *Explain to members what is meant by "appropriate range of housing"*
- *Explain to members what is meant by "one council - members and officers - members and officers working together to concentrate on doing what matters for Ryedale""*

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

#### **Recorded Vote**

##### For

Councillors Joy Andrews, Paul Andrews, Clark, Potter and Thornton.

##### Against

Councillors Acomb, Steve Arnold, Val Arnold, Bailey, Cleary, Cowling, Cussons, Farnell, Frank, Gardiner, Goodrick, Hope, Ives, Jainu-Deen, Keal, Maud, Oxley, Raper, Shields, Wainwright and Windress.

##### Abstentions

Councillor Duncan.

2. It was moved by Councillor Clark and seconded by Councillor Thornton

*"The issue of bullying has been raised at Full Council on at least three occasions. There has been no satisfactory response from the Leader of the Council. If there is bullying or a culture of bullying in any department(s) at Ryedale District Council it must be stopped. This motion will assist in the actions required. It will legitimise any necessary action by the Chief Executive.*

*So as to attempt to clarify the situation this council resolves:*

*"The Chief Executive is requested to:-*

- Have discussions with the union representatives to ascertain if they believe there is a culture of bullying*
- Have discussions with managers and other employees to ascertain if they believe there is a culture of bullying*
- Carry out an impact assessment of the Harassment Policy - the following is required:-*
  - 1. Number of times people have been investigated under this policy*
  - 2. The outcome of each of these investigations*
  - 3. A list of measures taken*
- Report all of the above to the Policy and Resources committee as a part B item within one month"*

An amendment was moved by Councillor Potter and seconded by Councillor Joy Andrews:

Delete after "at least" and replace with:

*"...four occasions, There has been no satisfactory response from the Leader of Council - nothing materialised.*

- i. Clearly the administration has neither the ability nor the jurisdiction to address this issue*
- ii. The Leader and her group have clearly no will to have the issue examined.*

*This Council therefore resolves to bring in an outside organisation to carry out an initial survey into the possibility of bullying from 1st April 2014 to date. Any such body to be acceptable to the Chief Executive, Unison and the political groups on the Council.*

- i. To report back (interim or final) to RDC by the end of 2016.*
- ii. To be funded to a maximum cost of 1/20th of the final redundancy package of the 165 post.*
- iii. The report to go to Policy and Resources as a Part B item."*

Upon being put to the vote the amendment was lost.

**Recorded Vote**

For

Councillors Joy Andrews, Paul Andrews, Clark, Duncan, Potter and Thornton.

Against

Councillors Acomb, Steve Arnold, Val Arnold, Bailey, Cleary, Cowling, Cussons, Farnell, Frank, Goodrick, Hope, Ives, Jainu-Deen, Keal, Maud, Oxley, Raper, Shields, Wainwright and Windress.

Abstentions

None.

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

**Recorded Vote**

For

Councillors Joy Andrews, Paul Andrews, Clark, Duncan, Potter and Thornton.

Against

Councillors Acomb, Steve Arnold, Val Arnold, Bailey, Cleary, Cowling, Cussons, Farnell, Frank, Gardiner, Goodrick, Hope, Ives, Jainu-Deen, Maud, Oxley, Raper, Wainwright and Windress.

Abstentions

Councillors Keal and Shields.

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

Councillor Cowling, the Leader of the Council, presented the following statement:

*"I hope you have all had a good summer and been able to take in some of our local agricultural shows. We have a very diverse range of shows, which all provide a magnificent showcase for our food and farming industry, but I will have to single out the Ryedale show for special mention. It was fabulous - especially looking back on the history of the show. It was great to see the Duchess of Kent attend the show in its 150th year.*

*Following on with the agricultural theme, I am pleased that the Government has announced that it will continue to pay farm and other subsidies currently received from Brussels after Britain leaves the European Union until 2020 .*

*The £40million pound fund to help tourism is also very welcome and recognises the importance of tourism to our economy - tourism was worth in excess of 22billion pounds to the country last year.*

*The Treasury has also promised it will fully fund structural and investment funds, which are significant to our LEP area and our growth plans, which we*

*have agreed in the Ryedale Economic Action Plan . This should be good news for the extension of Thornton Road Industrial Estate - which is one of the schemes which has been prioritised for progression through the application for Local Growth Deal funding.*

*We have quite a sizeable agenda tonight and I do not intend to talk at any great length. My last topic for tonight will be Ryedale District Council.*

*For more than 25 years now I've watched Ryedale develop into the successful and efficient organisation it now is. It never ceases to amaze me that every 4 years we have new Members who are prepared to put their heads above the parapet and give over their time to help make Ryedale a better place to live. Perhaps if they attended a few of our full Council meeting they would think twice.*

*But more than that I'm immensely proud of the staff of Ryedale District Council who continue to rise to the challenge of continuous change in order to deliver front line services to the residents of Ryedale. Their dedication and versatility is unbelievable. We are a very small organisation and many of us have known each other for many years. It makes me very sad to see Members of this Council accusing staff and Members of condoning bullying, abuse of powers of delegation and breaking the Council's Constitution. Because of the controls we have in place it would be almost impossible for this to happen without the knowledge of a considerable number of staff and Members. So it follows that Councillor Clark is accusing many of us, I've already said some of this but, that Members, if you really have knowledge of such incidents, is fully aware of the procedures to follow. I would say that he not only has a moral duty but a legal duty to report such incidents. So Councillor Clark, bring your evidence forward. I'm absolutely confident that there is no culture of bullying in Ryedale District Council. The only bullying I see is that by a certain Member towards officers of this Council, officers who have no right of reply. We've all witnessed it tonight, absolutely unacceptable behaviour. Bullying by a failed anarchist who has timed his allegations to perfection in a calculated move to try and inflict harm when our organisation is at a vulnerable stage in its development. Both Members and staff alike are feeling the strain of change. It is fairly obvious that Councillor Clark is trying to damage this Council and is prepared to go to any lengths to do so. Quite why he wants to do that I haven't yet worked out but the rest of the Members and the staff need to stand united and join me in condemning his actions."*

The following question was received on the Leader's Statement:

1. From Councillor Clark

*"Is this addendum to your statement going to be in the minutes, in the additional bit to the minutes or are we going to get a copy of it of not? Because if we're going to make accusations it would be nice to see what's written down. If not, don't worry about it. It would be nice through you Chair, if we knew if we were going to have a copy of this or not."*

The Chairman confirmed that it would be in the minutes.

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

**Planning Committee - 7 June 2016**

**Minute 5 - Ryedale Community Infrastructure Levy - Payment Instalment Policy**

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

That Council be recommended to approve:

- (i) The key elements of a CIL payment instalment policy as outlined in paragraph 6.5 of the report to Committee.

Upon being put to the vote the motion was carried.

**Resolved**

That Council approve:

- (i) The key elements of a CIL payment instalment policy as outlined in paragraph 6.5 of the report to Committee.

Voting Record

21 For

0 Against

3 Abstentions

**Planning Committee - 2 August 2016**

**Minute 41 - Slingsby, South Holme and Fryton Design Statement**

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

That Council be recommended to:

Adopt the Slingsby, South Holme and Fryton Village Design Statement as a Supplementary Planning Document.

Upon being put to the vote the motion was carried.

## **Resolved**

That Council:

Adopt the Slingsby, South Holme and Fryton Village Design Statement as a Supplementary Planning Document.

### Voting Record

24 For

0 Against

0 Abstentions

## **Overview and Scrutiny Committee - 28 July 2016**

### **Minute 22 - Counter Fraud Policy and Anti Money Laundering Policy**

It was moved by Councillor Acomb and seconded by Councillor Wainwright that the following recommendations of the Overview and Scrutiny Committee be approved and adopted.

That the updated Counter Fraud and Corruption Policy and Anti Money Laundering Policy be referred to Full Council with a recommendation for approval.

Upon being put to the vote the motion was carried.

## **Resolved**

That Council approve:

The updated Counter Fraud and Corruption Policy and Anti Money Laundering Policy.

### Voting Record

24 For

0 Against

0 Abstentions

## **35 Treasury Management Annual Report 2015-16**

The Finance Manager (s151) submitted a report (previously circulated) which presented the annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16.

Councillor Keal moved and Councillor Acomb seconded the recommendations in the report.

## **Resolved**



That Council:

- (i) Note the annual treasury management report for 2015/16; and
- (ii) Approve the actual 2015/16 prudential and treasury indicators in this report.

Voting Record

25 For  
0 Against  
0 Abstentions

**36 Proposed Joint Public Assets Board for York, North Yorkshire and East Riding**

The Head of Economy and Infrastructure submitted a report (previously circulated) which considered a proposal from the York, North Yorkshire and East Riding LEP Infrastructure Board to also take on the role of Joint Public Assets Board for the York, North Yorkshire and East Riding LEP area.

Councillor Cowling moved and Councillor Steve Arnold seconded the recommendations in the report.

**Resolved**

That Ryedale District Council supports:

- (i) the proposal for the LEP Infrastructure Board to take on the role of Joint Public Assets Board for the YNYER LEP area and become known as the LEP Infrastructure and Joint Assets Board: and
- (ii) the draft terms of reference for the LEP Infrastructure and Joint Assets Board.

Voting Record

26 For  
0 Against  
1 Abstentions

**37 Exempt Information**

**Resolved**

That under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following item as there would be a likely disclosure of exempt information relating the financial or business affairs of any particular person (including the authority holding that information).

Voting Record

23 For

0 Against

0 Abstentions

**38 Request for an Indemnity for Ryedale Citizens Advice Bureau**

The Chief Executive submitted a report (previously circulated) which presented a request for an indemnity from Ryedale Citizens Advice Bureau.

Councillor Cowling moved and Councillor Steve Arnold seconded the following motion:

*"The Council agrees to indemnify RCAB, up to a maximum value of £20k, subject to an indemnity agreement clearly detailed as a written contract (a service level agreement)*

- 1. The whole organisation to be restructured and definite plans to be put in place to merge with one or more CABs in the local area by 5th April 2017, in order to give a long term sustainable future for the CAB and to improve it's ability to attract funding.*
- 2. Frontline services being maintained at 3 drop in sessions plus 1 in Pickering*
- 3. RCAB is released from its obligation to have a paid charity worker if it is felt that this position can be filled by a volunteer.*

*And that a sum of £20k be ringfenced within the New Homes Bonus reserve as funding should the indemnity be required."*

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

**Resolved**

That Council agrees to indemnify RCAB, up to a maximum value of £20k, subject to an indemnity agreement clearly detailed as a written contract (a service level agreement)

1. The whole organisation to be restructured and definite plans to be put in place to merge with one or more CABs in the local area by 5th April 2017, in order to give a long term sustainable future for the CAB and to improve it's ability to attract funding.
2. Frontline services being maintained at 3 drop in sessions plus 1 in Pickering
3. RCAB is released from its obligation to have a paid charity worker if it is felt that this position can be filled by a volunteer.

And that a sum of £20k be ringfenced within the New Homes Bonus reserve as funding should the indemnity be required.

Voting Record

22 For

0 Against

1 Abstentions

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

There being no other business, the meeting closed at 10.12pm.

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# Agenda Item 9

## LEADER'S STATEMENT - COUNCIL 6 OCTOBER 2016

It is only 5 weeks since our last full council meeting - so I don't have a lot to report to you.

All the outside meetings I have attended have been around the subject of housing - the LGNY&Y Housing Board and Forum. Steve and I also attended a conference on rural housing

It is increasingly clear that there is funding out there to aid the delivery of an increased supply of new homes, we just have to be ready to grasp the opportunities.

The new buzz word is community led housing. Funding for CLH is being made available, particularly in rural and coastal villages and small towns that have a high proportion of second homes. Work is ongoing to encourage communities to take up this opportunity. so I have asked Peter Duncan, who works for the consultants promoting this concept, if he would attend our Parish Liaison Meeting on the 19th October. I am pleased to say he has confirmed he can come to Ryedale - so I would be very grateful if you could encourage the parishes that you represent to attend that meeting.

At the conference and at the LGNY&Y meeting, building firms both large and small told us of the frustrations they face in being able to deliver new build housing. The problems range from lenders being unwilling to fund development, lack of skilled labour, the intricacies of the planning system and not least the cost added to open market housing by the provision of affordable homes.

I would like to remind you that in two weeks time we shall be in the middle of our Local Government Association Corporate Peer Challenge (information sent out to you on the 28th September) and we shall be looking forward to the preliminary findings of the Peer Challenge. All Members are invited to the feedback session on Friday the 21st of October at 1pm. It would be good to see as many of you as possible there.

Tonight on our agenda we are being asked to agree a policy for our property assets. Our O&S committee have provided us with an excellent piece of background work to help us make that decision.

Lastly, when we get to item 12 - the Shale Wealth Fund Consultation - I hope we shall not start reliving the debate about fracking. We need to concentrate on giving relevant responses to the consultation.

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**REPORT TO:** FULL COUNCIL  
**DATE:** 6 OCTOBER 2016  
**SUBJECT:** PART 'B' REFERRALS FROM POLICY AND RESOURCES COMMITTEE ON 22 SEPTEMBER 2016

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**26 Scrutiny Review - Council Property Assets**

Considered - Report of the Chairman of Overview and Scrutiny Committee

**Recommendation to Council**

That Members agree the policy for the future management of the Council's property portfolio as recommended in the report of the Scrutiny review of Council assets.

Policy and Resources Committee recommends that Council consider a change to the final bullet point of Principles (page 2 of the Report) to say;

"That the proceeds of the sale of any of the assets be used to support the delivery of the Council's priorities."

**Voting record**

For 6

Against 3

**Recorded vote**

For - Councillors S Arnold, Bailey, Cowling, Ives, Oxley and Raper

Against - Councillors J Andrews, P Andrews and Clark

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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>22 SEPTEMBER 2016</b>
<b>REPORT OF THE:</b>	<b>CHAIRMAN OF OVERVIEW AND SCRUTINY COMMITTEE CLLR DI KEAL</b>
<b>TITLE OF REPORT:</b>	<b>SCRUTINY REVIEW – COUNCIL PROPERTY ASSETS</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report includes the recommendations to Council arising from the review of the Councils Property Asset Portfolio, with a focus on the assets which have potential to be used for the delivery of Council services.

### **2.0 RECOMMENDATION**

- 2.1 It is recommended that members agree the policy for the future management of the Council property portfolio as recommended in the report of the Scrutiny review of Council assets

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 To enable the Council to deliver its best value duty in relation to the management of its property asset portfolio and achieve value for money from this. Also to establish a policy which can be implemented in support of the Transformation of the Council.

### **4.0 SIGNIFICANT RISKS**

- 4.1 There are no significant risks in considering the recommendations.

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

- 5.1 The proposals are to establish a policy framework for the management of the Council property portfolio.

## **REPORT**

### **6.0 REPORT DETAILS**

- 6.1 Attached to this report is the Final report of the review undertaken by the Scrutiny Committee into the Councils Property Portfolio. This was agreed by the Committee on 8 September 2016.

The aim of the review was to try to answer the following questions:

- What sort of property does the Council own or lease?
- What do we use it for or how do others use it?
- How much does the current property portfolio cost?
- What is the condition of the property and the planned preventative maintenance
- How much income does the current portfolio of property assets generate and is there scope to generate additional income?
- An appraisal of the options available to ensure the best use of these property assets now and into the future, linked to the future provision of council services
- Current property portfolio and policy on property rationalisation

The outcomes of the review are recommendations for a new Asset Management Policy and supporting strategy including a vision, policy and principles, linked to the delivery of the Councils priorities.

## **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:

a) Financial

The policy recommended would support the financial sustainability of the Council, reducing the risk from liabilities associated with assets which are not delivering best value.

b) Legal

There are no significant legal issues in considering this report.

c) Other

There are no significant other issues in considering this report.

**Clare Slater**  
**Head of Corporate Services**

**Author:** Clare Slater, Head of Corporate Services  
**Telephone No:** 01653 600666 ext: 347  
**E-Mail Address:** [clare.slater@ryedale.gov.uk](mailto:clare.slater@ryedale.gov.uk)

**Background Papers:**

See the review report attached

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

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**REPORT TO:** FULL COUNCIL

**DATE:** 6 OCTOBER 2016

**SUBJECT:** PART 'B' REFERRALS FROM LICENSING COMMITTEE ON 27 SEPTEMBER 2016

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**5 Deregulation Act 2015: Changes to Hackney Carriage and Private Hire Licensing Policy including Review of Fees**

Considered - Report of the Head of Environment, Streetscene and Facilities

**Recommendation to Council**

1. That Council approves the fees set out in Appendix 1 to this report and they be introduced on 1 December 2016.
2. That a proposed new budget structure of three separate accounts for each licence type (1) dual drivers licence (2) hackney carriage vehicle and (3) private hire vehicle and operators be approved and adopted.
3. That a 3 year dual hackney carriage / private hire drivers licence be introduced and that licensing officers use the Department for Transport Best Practice Guidance when considering whether a licence should be issued for a lesser period and that policy be amended to reflect this.
4. That a 5 year private hire operators licence be introduced and that licensing officers use the Department for Transport Best Practice Guidance when considering whether a licence should be issued for a lesser period and that policy be amended to reflect this.
5. That the associated changes affecting school transport licences be phased in linked to the expiry dates of current NYCC contracts.

[For 7

Against 0

Abstain 0]

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<b>PART B:</b>	<b>RECOMMENDATION TO COUNCIL</b>
<b>REPORT TO:</b>	<b>LICENSING COMMITTEE</b>
<b>DATE:</b>	<b>27 SEPTEMBER 2016</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ENVIRONMENT, STREETSCENE &amp; FACILITIES BECKIE BENNETT</b>
<b>TITLE OF REPORT:</b>	<b>DEREGULATION ACT 2015 CHANGES TO HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING POLICY INCLUDING REVIEW OF FEES 2016/17.</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report follows a previous report to Licensing Committee on 5 July 2016 which detailed proposed changes to the hackney carriage and private hire fees and policy as a result of the Deregulation Act 2015. This report reviews the results of consultation which has since taken place and puts forward proposals for 2016/17 taking these into account.

### **2.0 RECOMMENDATIONS**

- 2.1 That the Licensing Committee approves the fees set out in Appendix 1 to this report and they be introduced on 1 December 2016 or within 2 months of that date.
- 2.2 That a proposed new budget structure of three separate accounts for each licence type (1) dual drivers licence (2) hackney carriage vehicle and (3) private hire vehicle and operators be approved and adopted.
- 2.3 That a dual hackney carriage / private hire drivers licence be introduced for a period of 3 years and that licensing officers use the Department for Transport Best Practice Guidance when considering whether a licence should be issued for a lesser period and that policy be amended to reflect this.
- 2.4 That a private hire operators licences be introduced for a period of 5 years and that licensing officers use the Department for Transport Best Practice Guidance when considering whether a licence should be issued for a lesser period and that policy be amended to reflect this.
- 2.5 That the associated changes affecting school transport licences be phased in linked to the expiry dates of current NYCC contracts.

### 3.0 REASON FOR RECOMMENDATION

3.1 The recommended changes are a response to changes in the law.

### 4.0 REPORT

4.1 The fee change proposals contained within this report have been subject to consultation by placing a public notice in the press giving 28 days for views to be submitted in accordance with the requirements of Section 70 of the Local Government (Miscellaneous Provisions) Act 1976. A copy of the notice is attached at Appendix 2 for information.

4.2 The fees and changes to policy have been published for comment on the Councils website, the trade have been emailed / written to and the matter has been presented to members of taxi businesses.

4.3 All the comments received are attached at Appendix 3 for consideration.

4.4 In summary there is support from existing licensed drivers to the proposed fees for licences which actually present financial savings when compared to the current annual licence fees.

4.5 The changes however do present an increase in costs to 9 school transport providers who are legally required to hold a private hire operators licence which has the potential to impact on current school contracts with North Yorkshire County Council (NYCC).

4.6 Officers are currently in liaison with NYCC to try to coordinate a joint approach to minimise the impact of these changes where RDC phases in the fee increases to licence the school transport providers to expire at the same time their existing school contracts expire.

4.7 There are no proposed changes from the fees presented at the 5 July committee meeting which it is recommended come into effect from 1 December 2016.

Licence Type	2016/17
Driver Grant	£380 three year, £290 one year
Driver Renewal	£249 three year, £192 one year
Vehicle Grant/Renewal	£330 one year
Operator Grant/Renewal	£1100 five year, £270 one year

4.8 Separated accounts - The point is raised in relation to separation of accounts and reference is made to the case of Cummings et al v City of Cardiff which concluded in 2014. This case clarified that:



- 4.8.1 (1) A local authority when determining hackney carriage and private hire licence fees under s53 and 70 of the LG(MP) Act 1974 must take into account any surplus or deficit generated from fees levied in previous years in respect of meeting the reasonable costs of administering the licence fees as provided by s.53 and 70 above.
- 4.8.2 (2) A local authority must keep separate accounts for and ensure when determining hackney carriage and private hire vehicle licences fees under s.53 and 70 of the LG(MP) Act 1976 that any surplus or deficit accrued under each of the hackney carriage and private hire licensing regimes are only accounted for and taken into account within the regime under which they have accrued and a surplus from one licensing regime shall not be used to subsidise a deficit in another.
- 4.8.3 Accounts should be separated as described above. In response it is proposed that the budgets be split into (1) dual drivers licence (2) hackney carriage vehicle and (3) private hire vehicle and operators.
- 4.8.4 In line with established practice fees will be reviewed again in 2017. This will provide an opportunity to assess whether the new proposed fees have been set at the right level and make any adjustments necessary to ensure that the reserve is kept at an appropriate level. Continued annual reviews will also provide the opportunity to assess the long term impact.

## **5.0 IMPLICATIONS**

### **5.1 Financial**

Councils are required to demonstrate in accordance with legislation how they have set an appropriate fee sufficient to cover its costs and the proposed new fees are fully compliant in that they have been calculated to reflect:

- the estimated costs of issue and administration of drivers` licences
- how the Council has estimated its reasonable costs in respect of:
  - vehicle and operators` licences
  - inspection of vehicles
  - the provision of hackney carriage stands
  - the administration and other costs relating to vehicle and operators` licences and
  - control and supervision (enforcement) of vehicle licences.

5.1.1 The current 2016/17 net budget for taxi licensing is a small surplus of £1,330. The proposed new fees are not expected to have a significant impact on the current net budget however it is assumed current number of applications and licence renewals remain constant. As the Council is required to set fees to recover costs the future budget will be compliant in accordance with prescribed legislation.

5.1.2 It is also expected that once the new regime is in place, as processes are streamlined and the use of technology is maximised as part of the T2020 programme there will be efficiencies in the administration of licensing in the future however it is difficult to quantify at this stage.

5.1.3 The new licensing regime will be introduced over a 12 month period and the level of fees and associated costs will be carefully assessed and reviewed again in 2017 to ensure future fees are set to fully comply with legislation.

## 5.2 Risk assessment

To set the fees too high risks the Council being challenged in the Courts by those licensed, while to set the fees too low would mean that the Council Tax payer is subsidising local businesses. The proposed fees detailed in Appendix 1 have been calculated based on predicted levels of licence transactions by individual officers involved with the service at a very detailed level ensuring the process to implement the required changes introduced by the Deregulation Act has been as transparent as possible and to ensure the actual costs of administering licences are reflected in the licence fees payable.

## 5.3 Legal

The Council is required to make these changes in accordance with legislation

## 5.4 Other

School transport providers are affected the most by the required changes in legislation and will need to liaise directly with NYCC regarding current contract arrangements and the impact of the changes to the licence fees. Officers will continue to liaise with NYCC to phase in the changes and offer flexibility wherever possible to minimise the impact on the school transport providers.

## 6.0 **CONCLUSIONS**

- 6.1 This report follows a previous report to Licensing Committee on 5th July 2016 and provides the outcome of consultations on the proposed changes to hackney carriage and private hire fees and policy for 2016/17 resulting from the Deregulation Act 2015.
- 6.2 This report recommends a change in fee structure and policy taking into account the comments made.

**Beckie Bennett**  
**Head of Environment, Streetscene and Facilities**

**Authors:** Robert Robinson/Ronnie McClure Environmental Health  
**Telephone No:** 01653 600666 ext: 300/250  
**E-Mail Address:** robert.robinson@ryedale.gov.uk / ronnie.mcclure@ryedale.gov.uk

### **Background Papers:**

Report to Licensing Committee 12 April 2016 and 5 July 2016

	Unit of Charge	Current Fee 16/17 (1 Year)	Proposed New Fees wef 1 Dec 2016	Annual difference	3 year saving	5 year difference
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**Licence Fees**

**Hackney Carriages**

Vehicle - 1 yr licence includes all required inspections	Year	367.40	<b>330.00</b>	<b>-37.40</b>		
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Driver - 3 yr licence						
Grant Taxi or PHV		183.77	<b>380.00</b>		<b>-39.09</b>	
Renewal Taxi or PHV		94.60	<b>249.00</b>		<b>-34.80</b>	
Grant Dual		212.30	<b>380.00</b>		<b>-124.89</b>	
Renewal Dual		117.70	<b>249.00</b>		<b>-104.10</b>	
<b>N.B. Post de-regulation all drivers will be dual</b>						

**Private Hire**

Operator - 5 Yr licence	5 Year	293.70	<b>1,100.00</b>			<b>-368.50</b>
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**School Transport**

One Vehicle	5 Year	132.00	<b>1,100.00</b>			<b>(+) 440.00</b>
Two Vehicles	5 Year	204.60	<b>1,100.00</b>			<b>(+) 77.00</b>

**N.B Post de-regulation all operators will be Private Hire Operators.**

**Hackney Carriage/Private hire Other Charges**

Licence Amendment Fee	Per change	50.60	50.60	0.00		
Vehicle inspection e.g. Failure or special request	Per inspection	50.60	50.60	0.00		
Re-inspection Charge	Per inspection	50.60	50.60	0.00		
Failure to attend	Per inspection	50.60	50.60	0.00		
Change of Vehicle	Per Vehicle	146.30	146.30	0.00		
Replacement Plates	Per Plate	59.40	14.70	-44.70		
Cancellation Charge	Per Vehicle	146.30	14.70	-131.60		
Short Notice Test	Per Vehicle	388.30	N/A			

**N.B. Where a minus (-) is shown before a figure = a saving; Where a (+) is shown before a figure = an increased cost.**

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## APPENDIX 2

THE COUNCIL OF THE DISTRICT OF RYEDALE - VARIATION TO THE MAXIMUM FEES FOR THE LICENCES OF HACKNEY CARRIAGE VEHICLES, PRIVATE HIRE VEHICLES, PRIVATE HIRE OPERATORS AND HACKNEY CARRIAGE/PRIVATE HIRE VEHICLE DRIVERS

**NOTICE IS HEREBY GIVEN** that the Council of the District of Ryedale acting in accordance with Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 and all other powers enabling in that behalf did at its meeting held on 5 July 2016 resolve that the following variations to the above fees should apply, subject to public consultation and full Council approval of the variations to the licensing fee structure.

Any objections to the proposals may be made by letter to the undersigned no later than 28 days from the date of publication of this Notice. If no objections are received within the above-mentioned period the said variations will take effect on 1<sup>st</sup> October 2016, subject to full Council approval of the variations to the licensing fee structure. A copy of this Notice will be kept at Ryedale District Council offices, Ryedale House, Old Malton Road, Malton and will be open for public inspection without payment on any weekday during the usual office hours of 28 days from and after the date of publication of this notice.

### EXISTING MAXIMUM FEE

£367.00 for a one year Hackney or Private Hire Vehicle Licence.

£294.00 for a one year Private Hire Vehicle Operators Licence

£140.00 grant / £95.00 renewal for a one year Hackney Carriage/Private Hire drivers licence

### PROPOSED MAXIMUM FEE

£330.00 grant / renewal for a one year Hackney or Private Hire Vehicle Licence.

Grant or renewal of a five year Private Hire Vehicle Operators licence:

£1100.00.

Grant or renewal of a one year Private Hire Vehicle Operators licence:

£270.00.

£380.00 for a three year, £290.00 for a one year grant of dual Hackney Carriage/Private Hire drivers licence.

£249.00 for a three year, £192.00 for a one year renewal of dual Hackney Carriage/Private Hire drivers licence.

**BECKIE BENNETT  
HEAD OF HEALTH & ENVIRONMENT,  
STREETSCENE AND FACILITY  
Ryedale District Council  
Ryedale House  
Old Malton Road,  
Malton  
North Yorkshire  
YO18 7HH**

(13<sup>th</sup> July 2016)

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# Agenda Item 10

## Appendix 3

### Responses to consultation on Deregulation Act 2015 - Changes to Hackney Carriage and Private Hire Licensing Policy and review of fees 2016/17

Date response received	Capacity	Comment
13 July 2016	Licensed Driver	Can you let me know how much it will cost me for the year to get licence my car i am a sole operative school transport only. do i now have to pay for me to use my car as in a private hire basis?
14 July 2016	Licensed Driver	The only comment I would have is that this will most likely make it even more difficult to employ people due to the massive outlay, especially if someone only wants to do it short term
13 July 2016	32 Licensed Drivers	I am writing with regard to the above we strongly agree with all the listed fee changes however we do feel that all operators who have a base to take bookings via the telephone should be liable for a private hire operators license as they are accepting private hire bookings via the telephone even if sending a hackney carriage on the booking this fee should not apply to those vehicles who only work from the rank and flag downs but should we feel apply to all other operators as we all accept private hire bookings via the telephone. We would like to put this forward as a proposal with the fee's increase. This letter is sent on behalf of the following licensed drivers who have given full permission for me to put this forward on their behalf
10 August 2016	Licensed Driver	<p>I am just wondering why I have not received any correspondence what so ever on this topic. It is my signature on the cheques which you receive and it is always my name on the Private Hire Operator Licence, School Transport Vehicle Operator, and all four of our individual licences for our vehicles!</p> <p>Could you please inform me how much we will be paying for the equivalent of the business we are running now i.e. 3 Private Hire Drivers Badges, 2 Private Hire Vehicles, 2 School Transport Vehicles, 1 School Transport Driver Badge for 1 year (as in annual test), 3 years (whatever that applies to) and 5 years (whenever that applies).</p> <p>Could you also let me know what happens if we retire (or die) before the 5 year licences (whichever they apply to) have ended? Do our beneficiaries receive some money back from you for the years to work that you have not provided a service for?</p>

<p>10 August 2016</p>	<p>Liz Tyerman  Team Leader Compliance  NYCC Integrated Passenger Transport</p>	<p>There are 14 taxi operators in the Ryedale area who currently have school transport contracts with NYCC. Of those, up to 8 operate the contracts on school transport licences issued by Ryedale District Council. Some of the routes operated by these 8 companies pick up children in very isolated areas and communities. At least one of the vehicles has to have 4-wheel drive due to the extremely difficult terrain, especially in the winter months. Only a very small number of operators are able to meet our requirements for contracts which require 4-wheel drive capabilities. The proposed changes to the Licensing Policy and fees will significantly affect the school transport licence holders and it is considered that a number of these operators will not re-license under the proposed new Policy.</p> <p>The cost of school transport taxi contracts to NYCC in Ryedale following the re-tendering of these school transport contracts, as well as any new contracts in the area, is likely to increase significantly as a result of the proposed changes to Policy and fees. In addition, we may struggle to obtain quotes or tender submissions for those routes which service extremely isolated properties/communities or encompass very difficult terrain. This could potentially cause difficulties for NYCC in facilitating the children in these properties and communities accessing education.</p>
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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>COUNCIL</b>
<b>DATE:</b>	<b>6 OCTOBER 2016</b>
<b>REPORT OF THE:</b>	<b>HEAD OF PLANNING AND HOUSING GARY HOUSDEN</b>
<b>TITLE OF REPORT:</b>	<b>HM TREASURY: SHALE WEALTH FUND CONSULTATION</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 To agree this Council's response to the consultation.

### **2.0 RECOMMENDATION**

2.1 That Council delegates approval of the response to the consultation to the Head of Planning and Housing, in liaison with the Group Leaders.

### **3.0 REASON FOR RECOMMENDATION**

3.1 To ensure that the views of this Council on this matter are forwarded to the Government and that any detailed comments can be fed into the response in an efficient way.

### **4.0 SIGNIFICANT RISKS**

4.1 There are no significant risks associated with this report. The report covers a response to a Government consultation.

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

5.1 The consultation sets out Government proposals for a shale wealth fund and seeks views on how this may be administered. Responses are invited by 25 October 2016.

### **6.0 REPORT**

6.1 The Government is of the view that communities and regions that host shale gas activity should directly benefit from a share of the revenues and tax that come from shale production. The proposed Shale Wealth fund delivers on the government's

manifesto commitment of ensuring that local communities share in the proceeds of shale developments, and that proceeds from shale are invested for the future of those areas in which it is developed, including the north of England where the most significant volume of shale gas is located. The consultation reminds the reader that it is not uncommon for those living in communities which host energy and infrastructure developments to receive community benefit provisions.

6.2 The Government has announced that it will create the Shale Wealth Fund which will initially consist of up to 10% of tax revenues arising from shale gas production to be used for the benefit of communities which host shale sites. The Government anticipates that the Shale Wealth Fund could provide up to £1 billion of funding in total, a proportion of which could be paid out to each community over 25 years.

6.3 Through the consultation, the Government is seeking views on the priorities for the Shale Wealth Fund. It has proposed that there should be two priorities for the fund as follows:

"Priority 1: Locally focused benefits: The government is clear that the communities which are local to shale developments should benefit. These local communities should be the first to benefit from the Shale Wealth Fund, and they should have the opportunity to decide how a proportion of the funding is used."

"Priority 2: Enhancing the regional economy. The government is keen to explore how the Shale Wealth Fund could contribute to a significant legacy to areas hosting shale developments. A thriving shale industry represents a real opportunity to enhance specific regional economies; a wider regional aspect to the Shale Wealth Fund could represent additional investment, boosting the local and regional economy further, and leaving a legacy from shale development."

6.4 The questions posed by the consultation are framed around these two priorities and they are outlined in Appendix 1 together with a proposed RDC response.

6.5 Additionally, the consultation makes it clear that the Shale Industry itself has committed to make payments to communities which host shale gas development and the current community benefit offer is as follows:

- Exploration phase: Operators will provide £100,000 at each well site where hydraulic fracturing takes place
- Production Phase: If a site progresses into commercial production, the operator will make 1% of total revenues available to provide benefits for the local community

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

- a) Financial  
No direct implications associated with the recommendation of the report
- b) Legal  
No direct implications associated with the recommendation of the report
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
No direct implications associated with the recommendation of the report

## **8.0 NEXT STEPS**

- 8.1 The consultation document makes it clear that the Government intends to publish its response to the consultation later in the year. Once this is available, this will be reported to Members.

**Gary Housden**  
**Head of Planning and Housing**

**Author:** Gary Housden  
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**Background Papers:**  
HM Treasury Shale Wealth Fund Consultation. August 2016.

**Background Papers are available for inspection at:**  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/544241/shale\\_wealth\\_fund\\_final\\_pdf-a.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544241/shale_wealth_fund_final_pdf-a.pdf)

## Appendix 1

### Priorities

**Consultation Question 1:** Do you think that providing opportunities for both local and regional investments are the right priorities for the Shale Wealth Fund?

Yes, in principle, providing the Government stands by its commitment to ensuring that SWF represents new money and that it would not be used to replace existing public investment in the local and regional economy.

**Consultation Question 2:** Do you agree that a more local level should receive revenues before a more regional level (establishing the 'trickle up' principle)?

Yes. This authority agrees with the principle of the 'trickle up' concept.

**Consultation Question 3:** Over the lifetime of the Shale Wealth Fund, what do you think the proportion of funding allocated between these two priorities should be?

**Consultation Question 4:** Should the government retain flexibility regarding the proportion of funding between delivering benefits at local and regional levels, to enable learning from the industry pilot schemes and once the magnitude of shale revenues becomes clearer?

In combination with the industry community benefit scheme, there is the opportunity to deliver against both priorities. However, the Council recognises that the SWF has the potential to provide significant investment for the regional/ sub-regional economy and a source of funding for major infrastructure improvements. On this basis, it is considered that, in principle, a larger proportion of the SWF should be directed towards providing regional level benefits. It is appropriate that flexibility over the precise proportions is retained until the magnitude of revenue is known.

### The SWF at a local level

#### Consultation Question 5

Do you have views on how the "local community" to a shale site should be defined for the purposes of the Shale Wealth Fund?

It is important that 'local community' is not defined across too great or indeed narrow geographical scales. It is considered that a district-wide catchment provides a maximum geographical extent. The negative impact that the industry has on the image of this District cannot be underestimated. Ryedale has a significant tourist industry and the damage to our 'brand' is a real and significant threat, particularly as the name of the District is synonymous with 'fracking'. This would allow for a proportion of local community benefits money to be used to across the District to mitigate the negative impact on the image of the area and the visitor economy as a whole as well as ensuring that benefits can be directed to communities at a sub-district geographical scale which are located in closer proximity to activity associated with shale gas development.

#### Consultation Question 6

Do you agree that the "local community" should be defined on a case-by-case basis?

Yes - but within the maximum geographical extent of the District

#### Consultation Question 7

Do you think a set of principles should be developed to ensure consistency of approach for different shale developments?

As above.

#### Consultation Question 8

If possible, should the government seek to align any "local community" element of the Shale Wealth Fund with the industry's community benefits scheme?

No. The two schemes should be kept separate. The alignment of the two schemes is not necessary for the money to be spent or managed locally. Keeping both schemes separate will assist transparency into the future and should prevent a situation whereby all SEF revenue is directed to the regional level.

**Consultation Question 9**

Do you agree that at a local level, it should be for local people to determine how the Shale Wealth Fund is spent?

Yes

**Consultation Question 10**

How could the government ensure that all local residents benefit as directly as possible from the Shale Wealth Fund?

By ensuring that the geographical scope of the 'local community' is appropriate and that a range of environmental, community or economic/infrastructure projects can be funded from the fund.

**Consultation Question 11**

At the local level, should expenditure from the Shale Wealth Fund be subject to any ring-fences for a specific purpose? If so, should these be locally or centrally determined, and do you have views on what they should be?

Given the source of the SWF, it would be appropriate if a proportion of the money is made specifically available to improving the energy efficiency of the existing building stock and measures to counter the impact of climate change.

**Consultation Question 12**

At the local level, would an appropriate use of the Shale Wealth Fund be to make direct payments to households?

It is considered that use of the fund to deliver community benefit would be preferable. This would not prevent the fund being used to provide for example, grants for home improvement/energy efficiency measures which could be available to individual households.

**Consultation Question 13**

Do you have views on who should make decisions on Shale Wealth Fund allocation at a local level? Do you have a preference between an existing body (such as a parish or district council), using the same community led panel as the industry scheme, or creating a new body?

A community-led panel which includes locally elected representatives would be appropriate.

**Consultation Question 14**

How can the government ensure that decisions are as directly influenced by local residents as possible?

By ensuring that the governance arrangements established to administer money locally reflect a cross section of the community and to ensure that any local panel is required to consult on principles/priorities for expenditure.

**Shale Wealth Fund at a regional level**

**Consultation Question 15**

Do you have a view on how the boundaries should be defined for a regional strand of the Shale Wealth Fund?

Alignment with the LEP boundary will ensure synergies with existing identified economic and infrastructure priorities.

**Consultation Question 16**

What kind of investments do you think should be made from a regional level of the Shale Wealth Fund?

This Council would be particularly keen to see the fund used to deliver meaningful improvements to sub-regional transport infrastructure, flood defences and renewable energy investment.

**Consultation Question 17**

Do you think a regional level of the Shale Wealth Fund should be administered by direct grants to specific organisations, or through an open bidding process? How can the views of residents across the regions be best taken into account?

**Consultation Question 18**

Do you have views on how a regional level of the Shale Wealth Fund should be governed? Are there existing regional organisations or local or national governance structures that would be particularly suited to oversight of such a fund?

A bidding process with an appropriate decision making mechanism, such as the LEP board would be appropriate. There is a danger that direct grants to specific organisations would result in a piecemeal approach to spending the fund. The existing LEP governance arrangements could be utilised.