



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 **Thursday, 6 December 2018** 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 - 12)

To approve as a correct record the minutes of the Ordinary Meeting of Council held on 11 October 2018.

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)**

1. **To Councillor Ives, Chairman of the Policy and Resources Committee, from Councillor Clark:**

“Will you please positively support the following points when the terms of reference are considered at Resources Working Party?”

Resources Working Party

Membership

- *To include all members of Policy and Resources*
- *Substitutes to be named at an equal number to members*
- *To include representatives from all political groups if possible*

Meeting Frequency

- *To meet each cycle prior to P&R*
- *Any recommendations to go to P & R with officers and other reports as recommended items*
- *All terms of reference and other constitutional items to be Part B items and thus by referred to Full Council*
- *Substitutes to be named at an equal number to members*
- *RWP has no authority to decide on any consultation/decision etc from P&R or any other committee*

Power to call meetings

- *Meetings can be called by the Chair*

Constitution Working Party

Membership

- *To be elected by Full Council and Annual Council for the ensuing year*
- *Chair of Full Council*
- *Group Leaders*
- *Substitutes - Vice Chair of Full Council*
1 named member per political group

Meeting Frequency

- *When required but to be a minimum of twice per year*
- *All recommendations to go to P&R as Part B items*

Power to call meetings

- *Constitution Working Party can be called by any 2 members of the working party*

Senior Management Contracts Sub Committee

Membership

- Group Leaders
- Others appointed by Full Council so as to achieve proportionality

Meeting Frequency

- Meet at least once per year

Power to call meetings

- Meetings can be called by the Chair or any two members

Corporate Governance Standards Sub-Committee

Membership

- 3 members to be appointed by Overview and Scrutiny
- 1 substitute to be appointed

Meeting Frequency

- Meet at least once per municipal year
- Produce an annual report
- Annual report to consider conduct
- Training etc when required

Power to call meetings

- Meetings to be called by the Monitoring Officer
- Monitoring Officer to call a meeting if requested by the Chair or the Independent Person

Grants Working Party

Membership

- 1 member from each party
- Plus 1 extra member from the controlling (or largest) group

Meeting Frequency

- At least 2 meetings per year

Appeals Sub Committee

Membership

- 1 member from each of the three largest groups
- 1 substitute for each members

Meeting Frequency

- As required by any appeals

Corporate Peer Challenge Improvement Plan Working Group

Same membership and other details as Resources Working Party above.”

Policy and Resources Committee – 15 November 2018

Minute 49 – Malton Livestock Market (page 13)

Minute 50 – Additional Funding for a Flood Risk Management Project Manager and RDC's Flood Grant Fund (page 21)

Minute 51 – Localisation of Council Tax Support Scheme (page 31)

Minute 52 – Introduction of Civil Penalties Notices for all Housing Act Offences (page 37)

Minute 53 – Appointment of a Deputy Electoral Registration Officer (page 73)

Minute 54 – Financial Strategy 2018-2023 (page 79)

Minute 55 – Revenue Budget Monitoring (page 95)

Minute 56 – Corporate Peer Challenge Revisit Feedback Report (page 103)

Minute 57 – Timetable of Meetings 2019/20 (page 137)

Policy and Resources Committee – 29 November 2018 (minutes to follow, reports attached)

Minute 66 – Update on One Public Estate (OPE) Programme – Public Service Hub and Ryedale House Site (page 143)

Note: Exempt Information

Certain information in appendix 2 of the above report is considered to be exempt as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). The information relates to the financial or business affairs of any particular person (including the authority holding that information).

Minute 67 – Financial Strategy 2018-23 (page 173)

Minute 68 – Temporary Appointment of a Deputy Chief Executive (page 181)

Overview and Scrutiny Committee – 22 November 2018

Minute 57 – Treasury Management Annual Report 2017-18 (page 187)

Minute 58 – Treasury Management Mid-Year Review (page 201)

10 Motions on Notice Submitted Pursuant to Council Procedure Rule 11 (Pages 215 - 218)

Motions Previously Referred to and Considered by Committees

Referred by Full Council on 6 September 2018 and considered by Policy and Resources Committee on 27 September 2018

1. Proposed by Councillor Clark and seconded by Councillor Thornton

There is increasing doubt about the environmental and health safety of glyphosate. A recent case related to the use of glyphosate resulted in a fine of £200m+.

On this basis it would seem prudent for the Council to cease any further use.

This Council therefore resolves:

- i. To stop with immediate effect all use of glyphosate on its properties including car parks, roads and pavements.
- ii. Call upon NYCC to not use glyphosate on NYCC properties, roads and pavements.
- iii. Calls upon all Ryedale Town and Parish Councils to not use glyphosate on their properties, roads and pavements.

11 **Report from the Overview and Scrutiny Committee - Climate Change** (Pages 219 - 220)

12 **Change to Committee Membership**

To change the Liberal Group substitute on the Policy and Resources Committee from Councillor Clark to Councillor Potter.

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



Stacey Bulet
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 11 October 2018**

Present

Councillors Acomb, Joy Andrews, Paul Andrews, Steve Arnold, Val Arnold (Vice-Chairman), Clark, Cleary (Chairman), Duncan, Farnell, Gardiner, Hope, Ives, Jowitt, Maud, Oxley, Potter, Raper, Thornton, Wainwright and Windress

In Attendance

Beckie Bennett, Stacey Bulet, Simon Copley, Anton Hodge, Jos Holmes and Anthony Winship

Minutes

33 Apologies for absence

Apologies for absence were received from Councillors Bailey, Cowling, Cussons, Frank, Goodrick, Jainu-Deen, Di Keal, Sanderson and Elizabeth Shields.

34 Public Question Time

There were no public questions.

35 Minutes

The minutes of the Ordinary Meeting of Council held on 6 September 2018 were presented.

Resolved

That the minutes of the Ordinary Meeting of Council held on 6 September 2018 be approved and signed by the Chairman as a correct record.

Councillor Clark advised the meeting that his motion on the use of glyphosate, which had been referred to the Policy and Resources Committee, would be coming back to the next meeting of Full Council, and also suggested that the Constitution Working Party should review the process for dealing with motions referred to committee from Full Council and how they come back.

36 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):

- A motion arising from the report of the IPCC on changes to climate change targets.

The reason for urgency was that the motion was prompted by an announcement made after the agenda had been published and therefore the motion could not have been included on the agenda, and the issue was of great concern to many Members of Ryedale District Council.

37 Declarations of Interest

No interests were declared.

The Chairman noted that there were a number of Members who were North Yorkshire County Councillors.

38 Announcements

The Chairman made the following announcement:

- To congratulate Next Steps on being awarded the Queens Award for Voluntary Service.

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

1. Councillor Wainwright submitted the following question:

To Councillor Farnell, Chairman of Planning Committee:

“In your role as the Staff Champion at RDC have you seen the Scrutiny Committee draft report into their investigation into alleged bullying at Ryedale District Council?”

The Chairman of Planning Committee, Councillor Farnell replied:

“The answer to that question is no.”

Councillor Wainwright asked the following supplementary question:

“Councillor Farnell, I believe that you as our Staff Champion and someone who's spoke strongly in favour of an investigation into bullying 18 months ago should have had sight of the report. Then you would have been able to answer any pertinent questions put to you by the staff to reassure them that if bullying has been found steps have been taken to prevent its recurrence. Don't you agree?”

Councillor Farnell replied:

“In actual fact no I don't agree because that report was asked for by the Overview and Scrutiny Committee not by myself. I am in regular contact with staff, through meetings regularly with the Chief Executive, with the Head of Human Resources and I attend a staff working group also on a regular basis.”

2. Councillor Wainwright submitted the following question:

To Councillor Clark, Chairman of Overview and Scrutiny Committee:

“Please will you inform members of any progress made since the last Full Council meeting of your Committees investigation into alleged bullying of Staff here at Ryedale District Council?”

The Chairman of Overview and Scrutiny Committee, Councillor Clark replied:

“May I start off by marking your homework the same as I did last time. You referred to last time, if you look at the minutes, you referred to it as his Committee and I pointed out to you that it is not my Committee. This time you've amended that to your Committee, it is still not my Committee, it is the Committee of this Council. That's the first point of clarification for you. The second correction is that you've just asked the Staff Champion has she seen the draft report into the investigation. Unfortunately there isn't a draft report into the investigation, so it's a little unreasonable to ask her to see a copy of a draft one that doesn't exist but never mind. Coming to your question that you've asked me, the answer is exactly the same as it was on pages 5 and 6 of the minutes that we've just agreed.”

Councillor Wainwright asked the following supplementary question:

“Thank you Councillor Clark for correcting my wrongful description of your Committee. So, my supplementary then is in answer to one of my previous questions you said that I'd twice voted against a Scrutiny investigation into alleged bullying and now you can understand why. I believe that at that time it was an impossible task and that no positive result would be forthcoming and that it would be waste of residents' money and with that I feel I was correct. I'm assuming that we have not had a Scrutiny report on this subject because it hasn't produced the results you wanted and that you are chivvying - I wouldn't be so bold as to say bullying - the producers of the report until they produce a report with the results you want. Do you agree with that?”

Councillor Clark replied:

“I don't really know where to start with this. It's no progress from where you're sitting and you know why that is, because it is in two items of exempt, both of which you are aware of and I am not going to put exempt information into the public domain just to make you comfortable with the answer. You consider it a waste of money, I would be delighted to know how much you think bullying - if it happens - is worth or not worth. I think that is an incredible statement. Not the result I wanted - that's another cracker. It really is. I have only ever wanted the bullying that I thought might be happening, the best part of five years ago now, to be looked into and nothing happened to look into it for three and a half of those years. So what that means as to how you were mind reading as to my expectations, I have no clue. I hope you are able to justify to those who may have been bullied, because if there have been people bullied that's a fairly heavy statement to make. Then the next one - chivvying the report authors - what exactly Chair is Councillor Wainwright alluding to? That when we ask for an independent, confidential report to be done that I would then try and influence and change that result. Because if that - through you Chair - is what Councillor Wainwright is alluding to, just put one slither of evidence on the table or withdraw either just the statement or this meeting because that is not the sort

of accusation that I am prepared to take from anybody without evidence and you have not got a jot of evidence for that for one very good reason. Through you Chair - there is no evidence.”

[Councillor Duncan arrived at the meeting.]

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

Policy and Resources Committee – 27 September 2018

Minute 33 – A Local Fund for Ryedale

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

That Ryedale District Council does not support the establishment of The Local Fund for Ryedale (LFR) in partnership with the Two Ridings Community Foundation (TRCF).

Upon being put to the vote the motion was carried.

Resolved

That Ryedale District Council does not support the establishment of The Local Fund for Ryedale (LFR) in partnership with the Two Ridings Community Foundation (TRCF).

Voting Record

20 For

0 Against

0 Abstentions

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

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

“Once every 3 months Policy and Resources and Overview and Scrutiny receive a report ‘Delivering the Council Plan’. It provides a list of performance indicators – some annual, some quarterly.

The indicators are measured against targets; red for not achieving target; amber for very close to target; green for targets achieved.

Some appear as red or amber on a repeat basis. Some may be “not available”.

Council, while recognising improvements made over the last year, resolves to improve this monitoring process further by ensuring that on a repeat of

“unavailable”, red or amber a report is produced for the appropriate committee. An explanation to be given as to why the target is close or missed on more than one occasion. Members to agree / recommend to Full Council appropriate changes so that actions can be implemented.”

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

Recorded Vote

For

Councillors Joy Andrews, Paul Andrews, Clark, Farnell, Hope, Jowitt, Maud, Potter, Raper, Thornton, Wainwright and Windress.

Against

Councillors Steve Arnold, Val Arnold, Cleary, Duncan, Gardiner and Ives.

Abstentions

Councillors Acomb and Oxley.

Resolved

That the Council further improves its quarterly monitoring process of performance indicators relevant to ‘Delivering the Council Plan’ by ensuring that on a repeat of “unavailable”, red or amber a report is produced for the appropriate committee. An explanation to be given as to why the target is close or missed on more than one occasion. Members to agree / recommend to Full Council appropriate changes so that actions can be implemented.

[Councillor Paul Andrews left the meeting.]

42 Any other business that the Chairman decides is urgent

There was one item of urgent business:

A procedural motion was moved by the Chairman and seconded by Councillor Clark to suspend Council Procedure Rule 11 to allow the motion to be considered.

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

Voting Record

13 For

2 Against

1 Abstention

Councillor Clark proposed and Councillor Thornton seconded the following motion:

“The IPCC has changed its target from 2°C to 1.5°C. This Council wishes to play its part in the delivery of this objective.

Council therefore requests Overview and Scrutiny to carry out an initial scoping exercise as to the RDC position in relation to this change. If time permits O and S is also requested to look at changes/impacts across Ryedale.

Council requests O and S to produce a report (or interim) by the next meeting of Full Council.”

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

Recorded Vote

For

Councillors Acomb, Joy Andrews, Steve Arnold, Val Arnold, Clark, Cleary, Farnell, Gardiner, Jowitt, Maud, Oxley, Potter and Thornton.

Against

Councillors Hope, Raper and Wainwright.

Abstentions

Councillors Duncan, Ives and Windress.

Resolved

Council requests Overview and Scrutiny to carry out an initial scoping exercise as to the RDC position in relation to this change. If time permits O and S is also requested to look at changes/impacts across Ryedale.

Council requests O and S to produce a report (or interim) by the next meeting of Full Council.

There being no further business, the meeting closed at 8pm.



REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES COMMITTEE ON 15 NOVEMBER 2018

49 Malton Livestock Market

Considered – Report of the Specialist Services Lead

Recommendation to Council

2.1 That Council makes available up to £50k from reserves to commission an independent options appraisal report (comprised of up to two stages) to determine the viability of a relocated livestock market and recommend a preferred option (including not moving forward).

2.2 On completion of the Stage 1 options appraisal report (if a positive outcome is received) the Council's Specialist Services Lead, in consultation with the Chairman of Policy and Resources Committee, is delegated to proceed to authorise further work on the Stage 2 options appraisal. In the event of an unfavourable or unclear outcome of the Stage 1 options appraisal process, the matter shall be referred back to Members of the Policy and Resources Committee for further consideration

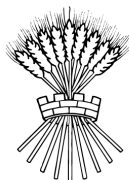
2.3 That the final outcome of the Stage 1 and Stage 2 options appraisal process be the subject of a further officer report to a future meeting of the Policy and Resources Committee and Council.

Voting record

9 For

1 Against

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	SPECIALIST SERVICES LEAD GARY HOUSDEN
TITLE OF REPORT:	MALTON LIVESTOCK MARKET
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report seeks support from Council to carry out an options appraisal with the aim of identifying a preferred option for a relocated livestock market for Ryedale.

2.0 RECOMMENDATION

- 2.1 That Council makes available up to £50k from reserves to commission an independent options appraisal report (comprised of up to two stages) with the aim of recommending a preferred option for a relocated livestock market for Ryedale.
- 2.2 On completion of the Stage 1 options appraisal report (if a positive outcome is received) the Council's Specialist Services Lead, in consultation with the Chairman of Policy and Resources Committee, is delegated to proceed to authorise further work on the Stage 2 options appraisal. In the event of an unfavourable or unclear outcome of the Stage 1 options appraisal process, the matter shall be referred back to Members of the Policy and Resources Committee for further consideration
- 2.3 That the final outcome of the Stage 1 and Stage 2 options appraisal process be the subject of a further officer report to a future meeting of the Policy and Resources Committee and Council.

3.0 REASON FOR RECOMMENDATION

- 3.1 The Malton livestock market is the last remaining livestock market in Ryedale and is greatly valued by the local farming and wider community. The livestock market is considered to be integral to the District's economy, its cultural heritage and its identity. Its presence in Ryedale provides a sustainable focus for the sale and purchase of livestock, has the potential to help to reduce food miles and encourage the trend towards local food production. The local livestock market also helps to reduce the distance that livestock is transported including store stock which is considered to be beneficial in terms of animal welfare matters.

- 3.2 The retention of a livestock market within the District is considered to be a vital part of the Council's approach to the land based economy which seeks to support the traditional components of economic activity based around agriculture and associated businesses.

4.0 SIGNIFICANT RISKS

- 4.1 The strong possibility remains that the retention of a livestock market in Ryedale on a relocated site will not be possible without support and some level of intervention by the Council. It is unlikely that the Malton livestock market operating in its current location in the centre of Malton is sustainable in the longer term.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Council Plan – Priorities - Sustainable Growth.

The Council seeks to promote a strong economy with thriving businesses and supporting infrastructure for future generations. Capitalising on our culture, leisure and tourism opportunities.

- 5.2 LDF – The Ryedale Plan - Local Plan Strategy was adopted in September 2013.

Para 2.28 of the plan states,

Within Ryedale a significant proportion of the workforce is employed in traditional manufacturing and agricultural sectors. Although these activities have experienced decline over the past decade they remain core elements of Ryedale's economy and are likely to experience further restructuring in the future.

The Aspirations and Strategy section of the plan goes on to state,

Aim 1.

To create opportunities to retain and create jobs, skills and prosperity and to develop adverse and resilient economy that supports an ability to live and work in Ryedale.

Objective 8.

Support new and existing businesses with the provision of a range of employment sites and premises, including higher quality purpose built sites, principally at the market towns.

Ryedale Plan Local Plan Strategy - Section 5 The Economy

- 5.1 A strong and healthy economy is integral to the quality of life, prosperity and sense of personal security of residents of the District.

- 5.2 A large part of Ryedale's economy is inextricably linked to its geography. As a predominantly rural area, agriculture is a traditional sector of the economy across the District. Tourism has a strong presence particularly in northern Ryedale where it is centred on specific visitor attractions, the picturesque settlements of Helmsley, Pickering and Thornton-le-Dale and attractive landscapes, including the North York Moors National Park. Throughout history the District's Market Towns have been hubs of economic activity. They are the main centres of manufacturing, retailing and service and leisure based economic activity. The City of York exerts influence in the southern and

western parts of Ryedale in terms of commuting patterns and retail expenditure.

- 5.3 Ryedale's economy appears strong; enjoying relatively high levels of business start-ups and low levels of unemployment. Underlying these headline figures however, the District's economic base remains dependent on traditional sectors or a small number of large businesses which are vulnerable to wider national and international changes. To help to increase local wage levels, retain and attract young people, reduce out commuting and ensure a more skilled workforce in the longer term, it will be essential to diversify the District's economy to reduce dependence on vulnerable sectors and to foster a wider choice of employment opportunities. Lifting wage levels locally will also assist in addressing some of the significant housing needs of young and working people through the open market.

Paras 5.34 -36 go on to state;

- 5.34 Land-based economic activity is integral to the District's economy, cultural heritage and identity. Farming, forestry and the equine industry, in particular horse racing, have all been longstanding and traditional components of economic activity. Many of these activities have helped to ensure that Ryedale's valued landscapes are carefully and sensitively managed. In Ryedale the role of local Estates has been a significant factor in influencing rural economic activity and management of the landscape.
- 5.35 However the land-based sector, and in particular agriculture, has undergone considerable restructuring over the post war period, and is set to continue to restructure as a consequence of both local and global changes. These changes are happening at a rapid rate, can be difficult to predict and are likely to exert a combination of positive and negative pressures on the District's rural economy. This Strategy is intended to support and be flexible to the needs of those who rely on the land-based economy. It also supports new opportunities that may arise from future changes. These range from alternative cropping to renewable energy schemes. It is essential that these new land uses and economic activity must be supported and encouraged where appropriate if Ryedale's countryside is to continue as the living and working countryside that is intrinsic to Ryedale's cultural identity.
- 5.36 Malton Livestock Market is the last remaining livestock market in Ryedale and is greatly valued by the local farming and wider community. It provides a local sustainable focus for the sale and purchase of livestock, reducing food miles and encouraging the trend towards local food production. The Council considers that the current livestock market is an important use that should be retained in Ryedale. Following the grant of outline planning consent for redevelopment of the current livestock market site, it is very likely that the livestock market will vacate its current location. It is important that any new site for a livestock market reflects the balance of maintaining links to a Market Town in Ryedale but also ensures that it is acceptable taking into account other matters such as highways, amenity, visual impact, character and setting.

Policy SP6 of the Local Plan Strategy makes the focus for employment allocations at Malton and Norton on sites within and adjacent to the built up areas of the towns,

Policy SP9 The Land Based and Rural Economy goes on to state that the land based economy will be sustained and diversified with support fornew

buildings that are necessary to support land based activity and in a working countryside, including farming.

And indirectly by supporting.... The retention of a livestock market within Ryedale on a site which is convenient to users, well related to the road network and in allocation which is close to a market town but will not harm its character, landscape setting or the amenities of nearby residents.

5.3 Ryedale Economic Action Plan 2016-20

The Plan was first developed in conjunction with the Local Enterprise Partnership (LEP). Local Growth funding has been achieved at Eden Camp for an agri-business park and there has been a Food Enterprise Zone (FEZ) designated.

The current Plan focuses on “Doing what Matters for Ryedale”-dealing with concepts and priorities that have a particular resonance for Ryedale. Delivery of the FEZ is one of the identified priority projects for between now and 2020.

5.4 Financial Strategy – use of assets for income generation

The Council’s Financial Strategy notes that:

“The Council’s policy is to maintain its contingencies, balances and reserves at levels that are prudent but not excessive. With the outlook for 2017/18 and beyond being very tough, and the scale and risk of achieving cost reduction being high, any reserves identified as being surplus should be prioritised to invest-to-save schemes and, if required, to smooth the curve of cost reduction in the light of timescales needed to drive costs out.”

The Council’s Commercialisation and Income Generation Policy notes that:

“Developing business opportunities for the Council and optimising income” is a Council priority and that to maximise business opportunities and income generation, the Council’s action will include:

- Supporting investment opportunities including in major projects to deliver a return on investment to support the revenue budget
- Developing new opportunities for chargeable services, which are competitive within the local market

5.5 Regular briefings held with Resources Working Party and Group Leaders, a number of meetings with all interested parties

REPORT

6.0 REPORT DETAILS

6.1 In addition to the policy context set out above Members will be aware that planning permission was granted in March 2015 for a new livestock market and associated commercial development on an extensive site at Land off Edenhouse Rd, Old Malton under planning permission reference 14/00426/MOUTE. This was an outline planning permission and to date no reserved matters have been submitted in respect of the livestock market element of the proposal. The permission however has an extended period for the submission of reserved matters and remains extant. The livestock market was shown on a parcel of land to the west of Eden House Rd. and this remains the

proposed location of the livestock market and associated facilities.

- 6.2 The above mentioned planning permission was the subject of 'linked' developments elsewhere in the town and is the subject of a s106 agreement which derived a significant developer contribution toward the relocation of the livestock market and associated infrastructure at Eden Camp. A sum of £500k remains available towards the provision of the livestock market and this is referred to in the costings set in more detail in the report below.
- 6.3 The FEZ Local Development Order (LDO) was adopted in February 2016. The effect of the order is to grant detailed planning permission to particular classes of development which are specified in the order. Subject to meeting the requirements of the LDO and the accompanying design code this means that there are greater freedoms for business on the site. Nevertheless despite initial infrastructure being carried out on site, including significant roadworks and a new roundabout together with a surface water attenuation lagoon, development on site and take up of the FEZ Local Development Order has been slow. More recently development has commenced on six speculative business units which can be used for a range of uses within Classes B1, B2 and B8.
- 6.4 Members will recall that this matter was reported to P&R on 26 July 2018 and then considered by Council on 6 September 2018 when members resolved to refer the matter back to a future meeting of P&R.

The P&R recommendation to Council in July 2018 had stated:

That the Council approves in principle to lead the development of a relocated livestock market for Ryedale Conditional upon:

- a) The preparation of a business case for the new Malton Livestock Market and*
- b) The preparation of a detailed specification for the new MLM, to include additional facilities to support sustainability and delivery return to the Council and a revised cost plan based on this.*

That £150k to be made available to support the developmental a business case, specification and procurement exercise for the preferred Option 2 (this estimated figure had been reduced to £50k by the time the matter was considered at the Council meeting on 6 September 2018)

- 6.5 Following the Council decision on 6 September 2018 officers met with representatives of all interested parties including the Auctioneers Partnership (both auctioneers), the Fitzwilliam Malton Estate, the Fitzwilliam Trust Corporation and the Malton and Ryedale Farmers Livestock Market Company. The meeting enabled those attending to make known their respective positions and to use this as a basis for the reconsideration of a potential range of options available for a development including a new livestock market. The meeting held on 5 October 2018 was also attended by officers representing Align Property Partners (APP), a company listed on NYCC's framework agreement.
- 6.6 After the meeting RDC officers have received a fee proposal for a two stage assessment process of an options report from APP in order to derive a recommended option for a new Livestock Market facility. This includes;
- Stage 1 appraisal - sifting from a longer list of options to a short list of proposals and providing relevant high level details in support of these.

Stage 2 appraisal - recommending a preferred option for the new LSM and to prepare a business case as a second stage of this process.

The fees for Stage 1 would be £19,965 and fees for Stage 2 would be £26,925

- 6.7 Officers are advised by APP that the total time period for carrying out the appraisal process of Stages 1 and 2 combined would take in the order of 10 weeks to complete meaning that the outcome of this work would not be known until early in the New Year assuming work on the options appraisal commences immediately.
- 6.8 Members will be aware from the earlier report to P&R in July 2018 that officers remain concerned about the impact of any further delays in progressing this work and perceive a need to maintain momentum if a successful outcome is to be achieved.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

The Council's earmarked reserves are £12.8m as at 31 March 2018. Over the last year these have increased from £8.7m, largely as a result of the in-year revenue underspend (£2.1m) and New Homes Bonus (£1.3m).

Any other financial implications relating to the level of Ryedale District Council involvement will only become apparent after the receipt of the options appraisal work. This would be the subject of a future report to P&R and Council.

b) Legal

None at this stage

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

All other implications have been accounted for in the report.

8.0 NEXT STEPS

- 8.1 Development of an options appraisal leading to the recommendation of a preferred option.
- 8.2 A further report to Council via Policy and Resources Committee to seek support and next steps.

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Background Papers:

[Council Plan](#)

[Ryedale Plan – Local Plan Strategy](#)

[Economic Action Plan](#)

[Financial Strategy](#)

[Food Enterprise Zone Local Development Order](#)

[Planning Application reference 14/00426/MOUTE](#)

[Livestock Markets in the 21st Century](#)



REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES
COMMITTEE ON 15 NOVEMBER 2018

50 Additional Funding for a Flood Risk Management Project Manager and RDC's Flood Grant Fund

Considered – Report of the Delivery and Frontline Services Lead

Recommendation to Council

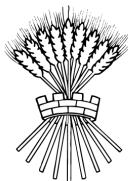
That Council;

- a) Approves additional revenue funding of £13,000 to support a shared one year fixed term contract for a joint Flood Risk Management Project Manager with NYCC; and
- b) Approves £20,000 additional funding into the current Flood Grant Fund from reserves.

Voting record

Unanimous

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	DELIVERY & FRONTLINE SERVICES LEAD BECKIE BENNETT
TITLE OF REPORT:	ADDITIONAL FUNDING FOR A FLOOD RISK MANAGEMENT PROJECT MANAGER (WITH NORTH YORKSHIRE COUNTY COUNCIL) AND RYEDALE DISTRICT COUNCIL'S FLOOD GRANT FUND
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report seeks a decision from Members as to whether they wish to support a jointly funded flood risk project manager with North Yorkshire County Council (NYCC) on a 50/50 basis and agree to topping up the current Flood Grant Fund to support other potential applications.

2.0 RECOMMENDATION(S)

- 2.1 To recommend to Council:
- a) The approval of additional revenue funding of £13,000 to support a shared one year fixed term contract for a joint Flood Risk Management Project Manager with NYCC; and
 - b) £20,000 additional funding into the current Flood Grant Fund from reserves.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 On 8 December 2016, following the Scrutiny Review of the Council's role in Flood Management, Council agreed to commit £12,000 funding to resource a project manager (up to a maximum of 20%) to progress delivery of the Malton, Norton and Old Malton Flood Study Project (MNOMFSP) and drive partnership working, on the basis that match funding would be forthcoming from partners of the Malton and Norton Project Group (Minute No 37).
- 3.2 Over the past two years officers from NYCC and RDC have been working together to progress various actions to improve flood response in Malton, Norton and Old Malton.
- 3.3 The work has reached a point where In order to progress with actions and options identified in the MNOMFSP a dedicated full time project manager is required for one

year. The post would be technically supported by NYCC, managed jointly by NYCC and RDC and based at RDC in Malton the majority of the time.

- 3.4 The recommendation seeks to amend the original Council decision to increase the commitment to 50% and increase the amount of funding by £13,000 from £12,000 to £25,000.
- 3.5 NYCC, as Lead Flood Risk Authority, are also working with a number of parishes in Ryedale and surface water studies are being undertaken in Gilling, Hovingham, Kirkbymoorside, Sinnington and Thonrton-le-Dale. It is likely that each parish will submit an application to the RDC Flood Grant Fund for £5,000 each which will be match funded by NYCC. The Forestry Commission are also likely to apply for £5,000 towards their Enclosed Beaver Trial project.
- 3.6 The balance of the Flood Grant Fund is £17,300 therefore it is recommended the fund is topped by £20,000 to cover these potential applications whilst also leaving a balance of £7,200 for any other future applications.

4.0 SIGNIFICANT RISKS

- 4.1 There is a significant risk that without a dedicated resource the delivery of the options identified in the MNOMFSP will take many years as there is lack of resource capacity to make meaningful progress at NYCC and RDC.
- 4.2 There is also a risk that there will be insufficient funds in the RDC Grant Fund to meet the level of applications likely to be received which has the potential for parishes and other partner organisations being unable to implement flood resilience measures to reduce the flood risk affecting communities in the Ryedale district.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 This report relates to all the Council's priorities; managing the environment of Ryedale with partners and supporting improvements to enhance and deliver sustainable growth; making the best use of resources to ensure maximum benefit for all customers and communities and building capacity in partnership.

REPORT

6.0 REPORT DETAILS

- 6.1 At its meeting on 8 December 2016, the Council made a number of decisions following the Scrutiny Review of the Council's role in Flood Management which are attached in Annex 1 (Minute No 37).
- 6.2 The Council committed £12,000 funding (upto a maximum of 20%) to resource a project manager to progress delivery of the MNOMFSP.
- 6.3 Following this decision, NYCC commissioned consultants to make progress with the MNOMFSP which has identified a range of actions which require a dedicated resource to progress with detailed designs through to implementation together with engaging residents and local stakeholders to identify areas that may attract additional funding or property level resilience measures which can be implemented to reduce the risk and/or impacts from future ground water flooding in Malton, Norton and Old Malton.

- 6.4 The Council also resolved to consider funding which may be allocated from the New Homes Bonus towards the funding gap estimated at that time to be £1.8m of the approved Grant In Aid (GIA) Scheme on the Defra Programme for the alleviation of flooding in Malton, Norton and Old Malton where any contribution should be to a maximum of 20% of any funding gap.
- 6.5 Since this decision, scheme costs have been rationalised and are presently valued at £1.6m (originally £3m). Whilst there are still business cases to submit to secure funding, the original commitments from a mixture of NYCC, Environment Agency, Local Enterprise Partnership Growth Fund contribution and RDC are now forecast to fully fund the MNOMFSP.
- 6.6 Excellent progress has been made and the work has reached a point where in order to deliver actions and options a dedicated full time project manager is required for one year. The post would be technically supported by NYCC, managed jointly by NYCC and RDC and based at RDC in Malton the majority of the time.
- 6.7 The recommendation seeks to amend the original Council decision to increase the commitment to 50% and increase the amount of funding by £13,000 from £12,000 to £25,000 to enable NYCC to progress with the recruitment of a project manager.
- 6.8 The Council also resolved to allocate £50,000 to a Flood Grant Fund which has supported the delivery of local flood solutions in Malton, Norton and Brawby. The balance of the Flood Grant Fund is now £17,300.
- 6.9 NYCC, as Lead Flood Risk Authority, are currently working with a number of parishes in Ryedale and surface water studies are being undertaken in Gilling, Hovingham, Kirkbymoorside, Sinnington and Thonrton-le-Dale. It is likely that each parish will submit an application to the RDC Flood Grant Fund for £5,000 each which will be match funded by NYCC. The Forestry Commission are also likely to apply for £5,000 towards their Enclosed Beaver Trial project.
- 6.10 In order to meet the level of applications likely to be received, it is therefore recommended the fund is topped by £20,000 which will leave a small balance of £7,200 for any other future applications.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
Revenue: There is already budget provision of £12,000 to support a project manager post. A further £13,000 is required to provide a total of £25,000 towards a jointly funded one year fixed term contract post with NYCC..
In order to top of the current grant fund by £20,000, a further contribution would be required from reserves.
 - b) Legal
There are no legal implications.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None.

Beckie Bennett
Delivery and Frontline Services Lead

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Background Papers:
Scrutiny Review of the Councils Role in Flood Management considered by Council on 8 December 2016 – [insert link to the final report](#)

APPENDIX A

Scrutiny Review of the Councils Role in Flood Management considered by Council on 8 December 2016 - [link to final report](#)

Recommendations as agreed by Council	UPDATE ON PROGRESS
<p>1. That RDC commits £12,000 funding (up to a maximum of 20%) to resource a project manager to progress delivery of the Malton, Norton and Old Malton Flood Study project and drive partnership working, and seeks match funding from the partners of the Malton and Norton Project Group</p>	<p>NYCC commissioned consultants to make progress with the MN and OM flood study which has identified a range of actions which require a dedicated resource to progress with detailed designs through to implementation together with engaging with residents and local stakeholders to identify areas that may attract additional funding or property level resilience measures which can be implemented to reduce the risk and/or impacts from future ground water flooding</p>
<p>2. RDC commits £2.5k (20%) funding towards a CCTV monitoring survey to understand the drainage system in Old Malton.</p>	<p>A CCTV survey in Old Malton commissioned by NYCC has been completed and RDC contributed £2000. There is one outstanding action due to some areas being hard to reach and requiring more specialist investigation. This action is expected to take place during quarter 4 which will then inform capital improvements to take forward concerning the function of Riggs Road Drain.</p> <p>This work has also identified that water from the A64 does contribute to the flow in Riggs Road Drain and Highways England have indicated that a proportionate financial contribution to the improvements would be appropriate.</p>
<p>3. That Natural Flood Management (NFM) considerations should be integral to all local flood management solutions and that RDC continues to facilitate links across the various partners and interested stakeholders endorsing a whole catchment approach</p>	<p>Ongoing involvement by RDC and NYCC in a number of projects across Ryedale including attendance at the Yorkshire Derwent Partnership Board and the Ryevitalise Landscape Partnership.</p>

APPENDIX A

	<p>Work is presently being undertaken by the Derwent catchment Partnership using natural flood management techniques in Thornton Le Dale, Sinnington, Hovingham, and Gilling East.</p>
<p>4. That RDC allocates a sum of £50,000 to a grant fund to support local flood solutions which will be allocated through Resources Working Party (similar to the arrangements for the allocation of Community Grants) where the criteria for allocation will also be agreed.</p> <p>Town and Parish Councils would be eligible to apply (including Malton and Brawby), as should any fully constituted community group, with any grant conditional on the preparation of a Community Resilience Plan to ensure sustainability and linkage to NYCC and other flood risk management partner organisations.</p> <p>Any contribution RDC makes towards a local solution involving equipment is on the basis that:</p> <ol style="list-style-type: none"> a) The community group or parish council engage with NYCC to set up a community resilience group (CRG) with a Community Resilience Plan (CRP) b) The CRG undertake training and take responsibility for deploying and insuring the pump with sign off from NYCC c) That the Resources Working Party make recommendations to the Policy & Resources Committee on the grant applications for this fund, and that the criteria be similar to that used for the Community Grant applications ie; 	<p>There have been 3 bids to the flood grant fund which have all been successful totalling £32,700. Malton and Norton Town Council's have both purchased a portable pump and Brawby Parish have installed a permanent pumping solution in Brawby.</p> <p>The current balance in this fund is £17,3 00</p> <p>There are still a number of schemes which are work in progress and it is expected that an additional 6 applications will be made to this fund.</p> <p>NYCC have been working with Gilling, Hovingham, Kirkbymoorside, Sinnington and Thornton-le-Dale Parish Councils and surface water studies are being undertaken. It is likely that each parish will submit an application to the RDC Flood Grant Fund for £5000 each which will be match funded by NYCC.</p> <p>In addition, the Forestry Commission are also likely to bid to the RDC Flood Grant Fund for £5,000 towards their Enclosed Beaver Trial Project (total scheme cost of £190,000)</p>

APPENDIX A

<p>i. Grant must not exceed £5000.00 or 25% of the total cost - whichever is the lowest</p> <p>ii. Grants up to £1000 may be 100% of the total cost.</p> <p>iii. In certain circumstances the above criteria may be waived if it is felt that an application will be of exceptional benefit to a community.</p> <p>5. That the above spending be funded from the New Homes Bonus Reserve</p>	
<p>6. That Council may consider that funding be allocated from the New Homes Bonus towards the funding gap of £1.8m of the approved GiA scheme for the alleviation of flooding in Malton, Norton and Old Malton. That any contribution should be to a maximum of 20% of the funding gap.</p>	<p>Scheme costs have been rationalised and are presently valued a £1.6m. Whilst there are still business cases to submit, this is presently assumed to be fully-funded from a mixture of NYCC, RDC, EA and LEP Growth funding contribution.</p> <p>£500k has been allocated in the growth funding programme for measures in Malton, Norton and Old Malton. NYCC will submit the full business case to assurance at the end of Oct.</p> <p>The work of the Project Manager will be to complete the EA business case, to rationalise costs further, to project manage the production of detailed designs and delivery of the measures and to engage with the community on behalf of NYCC and RDC.</p>

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REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES COMMITTEE ON 15 NOVEMBER 2018

51 Localisation of Council Tax Support Scheme

Considered – Report of the Section 151 Officer

Recommendation to Council

That Council approves;

- (i) a Local Council Tax Support Scheme for 2019/20 to include a minimum payment of 8.5%, and with the changes proposed:- disregard payments paid by the Thalidomide Trust, disregard payments paid by the Infected Blood Schemes, disregard payments paid by either WLMEF & LET and disregard the new Bereavement Support payments.
- (ii) to authorise the Finance Manager in consultation with the Chairman of Policy and Resources Committee to undertake the necessary consultation work to design a scheme for 2020/21, in light of the experience in previous years, to be presented to Policy and Resources Committee in December 2019.

Voting record

Unanimous

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	SECTION 151 OFFICER ANTON HODGE
TITLE OF REPORT:	LOCALISATION OF COUNCIL TAX SUPPORT 2019/2020 SCHEME
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report seeks approval of the scheme for 2019/20. There are a number of proposed changes to the scheme which has operated in 2018/19.

2.0 RECOMMENDATIONS

2.1 That members recommend to Council

- (i) a Local Council Tax Support Scheme for 2019/20 to include a minimum payment of 8.5%, and with the changes proposed:- disregard payments paid by the Thalidomide Trust, disregard payments paid by the Infected Blood Schemes, disregard payments paid by either WLMEF & LET and disregard the new Bereavement Support payments.
- (ii) to authorise the Finance Manager in consultation with the Chairman of Policy and Resources Committee to undertake the necessary consultation work to design a scheme for 2020/21, in light of the experience in previous years, to be presented to Policy and Resources Committee in December 2019.

3.0 REASON FOR RECOMMENDATIONS

3.1 The Council must approve a scheme of its choice for 2019/20.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks in approving the scheme as recommended.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 The Council will need to approve a Local Scheme for Council Tax Support (CTS).

6.0 REPORT DETAILS

- 6.1 Council Tax Support (CTS) is a discretionary means-tested reduction to help residents on low incomes to pay their Council Tax bill.
- 6.2 The current scheme provides that all working age customers have a maximum award of 91.5% of their Council Tax liability, which means that every working age household is required to pay at least 8.5% of their Council Tax bill.
- 6.3 The scheme affects all precepting authorities (District Councils, County Councils, Fire Authorities, Police Authorities and Parish Councils) through the Council Tax Base (CTB) which is reduced by the cost of the scheme.
- 6.4 The following table sets out the estimated claimant breakdown for 2018/19:

Claimant Type	Number	Annual Cost	% total spend
1. Over Pension Age	1654	£1720k	60%
2. Working Age – Household Vulnerable	226	£179k	6%
3. Working Age: Vulnerable	593	£628k	23%
4. Working Age: Employed	209	£91k	3%
5. Working Age: - Other	334	£228k	8%
	3016	£2846k	

1. Pensionable age – where claimant or partner meet the criteria.
2. Working Age Household Vulnerable – there is a child under 5 in the household.
3. Working age Vulnerable – where disability premiums are included in the assessments.
4. Working age Employed – Working 16 hours or over.
5. Working Age Other – All other working age claimants.

- 6.5 The Council must now consider a scheme for 2019/20. In order to inform this process consultation has again taken place on the preferred maximum liability for Council Tax and options for aligning the scheme with four changes to Housing Benefit. Public Consultation took place between 23 July 2018 and 2 September 2018 via the Council's website. Sixteen responses were received to the questionnaire.

The scheme for Pension Age Applicants is set by Government.

- 6.6 For 2019/20, year 7, there is again a mixed picture of approaches from Local Authorities. Proposed 2019-20 schemes within the North Yorkshire Districts are as follows:

	2019/20	2018/19
Craven	10%	10%
Hambleton	20%	20%
Harrogate	0%	0%
Richmondshire	15%	15%
Ryedale	8.5%	8.5%

Scarborough	12.5%	12.5%
Selby	10%	10%
York	12.5%	12.5%

6.7 Those with the greater cuts have generally seen the greatest impact on collection rates and increased administrative costs, as well as the impact on claimants. The billing authority (RDC) alone bears these increased administrative costs.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

There are no significant new financial implications of the recommendation. There may however be an impact on staff resources and the time taken to process applications. The Council is currently operating two schemes, one for Housing Benefit and one for Local Council Tax Support, but with the same principles. There would be a significant impact on the time taken to process applications if required to operate two schemes with significant differences. The recommended approach would maintain the alignment of operating principles.

b) Legal

The scheme is a detailed legal document of the Council which will only require minor amendment as a result of changes to legislation. The amendments over which the Council has discretion are included in the report.

c) Other

All other impact is covered in the report

**Anton Hodge,
Section 151 Officer**

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Background Papers:

[Ryedale District Council Council Tax Reduction Scheme - S13A and Schedule 1a of the Local Government Finance Act 1992](#)

http://www.ryedale.gov.uk/attachments/article/795/Ryedale_S13a_Scheme_Complete_v1.93.pdf

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REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES
COMMITTEE ON 15 NOVEMBER 2018

52 Introduction of Civil Penalties Notices for all Housing Act Offences

Considered – Report of the Specialist Services Lead

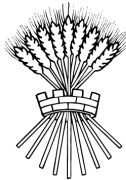
Recommendation to Council

That Council is recommended to:

- (i) Consider the new powers in line with Government guidance.
- (ii) Approve the policies attached to the report.

Voting record
Unanimous

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES
DATE:	15 NOVEMBER 2018
REPORT OF THE:	SPECIALIST SERVICES LEAD GARY HOUSDEN
TITLE OF REPORT:	INTRODUCTION OF CIVIL PENALTIES NOTICES FOR ALL HOUSING ACT OFFENCES
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1. To adopt a new policy which will enable the Council to implement the new powers in relation to Civil Penalties introduced by the Housing and Planning Act 2016. These are an alternative to prosecution for a range of offences under the Housing Act 2004. The report also seeks approval for a revised Private Sector Enforcement Policy

2.0 RECOMMENDATION(S)

- 2.1 That Council is recommended to:

- (i) Consider the new powers in line with Government guidance¹.
- (ii) Approve the attached policies.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 (i) to enable the Council to use the Civil Penalties introduced by the Housing & Planning Act 2016 as an alternative to prosecution for specific penalties under the Housing Act 2004

- (ii) to enable the Council to fully implement the new powers available.

4.0 SIGNIFICANT RISKS

- 4.1 There are potential risks to the reputation of the Council whether it adopts the recommendations of this report or not. The Council has a statutory duty to inspect residential premises once a complaint has been received with a view to determining whether any Category 1 or 2 hazards² exist in the premises.

The Council could be accused of failing to act to meet the housing needs of local people if it did not have effective enforcement powers in place.

- 4.2 Risks associated with taking action under the new Civil Penalties procedures can be mitigated by taking legal/professional advice if necessary in order to minimise financial risks through any appeal process.
- 4.3 The Civil Penalty has the potential to assist in the more effective remedy to breaches of the relevant Housing legislation by the Council. If formal prosecution remains as the only option available to use this could lead to more protracted solutions. This could result in residents continuing to live in sub-standard properties for longer periods of time.

REPORT

5.0 BACKGROUND AND INTRODUCTION

5.1 The private rented sector (PRS) is an important part of Ryedale's housing market, forming about 20% of the total housing stock within the district. While standards have improved, the 2017 British Research Establishment (BRE) survey research evidence base found the PRS to be the worst housing tenure sector with 1/3 of all hazards³ in this tenure despite it forming less than 20% of the whole housing stock.

5.2 Officers have worked to raise standards in the PRS and continue to support landlords through a range of initiatives including the HMO licensing programme; the Ryedale letting scheme; Landlord forums and information on the Council's website. However officers are also aware of a small number of landlords and agents in the sector who rent out unsafe and substandard properties. The attached policy aims to utilise the full powers available with a view to tackling these landlords who do not comply with the law. It should be noted that government has given a significant steer by advising

*"It is important to raise the level of civil penalty to £30,000, because a smaller fine may not be significant enough for landlords who flout the law to think seriously about their behaviour and provide good quality, private sector rented accommodation for their tenants"*³

5.3 The Housing and Planning Act 2016, as part of a range of new measures to crack down on rogue landlords, introduced Civil Penalties of up to £30,000 as an alternative to prosecution for specified offences. This provision came in to force on the 6th April 2017 alongside statutory guidance. The Council must have regard to this guidance when developing its policy.

6.0 POLICY CONTEXT

6.1 The overarching policy is set out in the York, North Yorkshire and East Riding Housing Strategy and the Ryedale Private Sector Housing Action Plan.

7.0 CONSULTATION

7.1 Officers have been working with colleagues across the region to draft a policy which fully takes account of the law and the statutory guidance. This is to ensure a consistency of approach reducing the risk that neighbouring Councils adopt different approaches which could then be subject to challenge.

8.0 REPORT DETAILS

8.1 A Civil Penalty is a financial penalty imposed by a Council on an individual or organisation as an alternative to prosecution. The Council will be able to impose a Civil Penalty for the following offences under the Housing Act 2004:

- Section 30 – failure to comply with an Improvement Notice
- Section 72 – mandatory licensing of a House in Multiple Occupation (HMO)
- Section 95 – licensing under Part 3 of the Housing Act 2004
- Section 139 – failure to comply with an Overcrowding Notice
- Section 234 – breach of management regulations in respect of HMO

8.2 The powers are not retrospective and will not apply to offences committed before the 6th April 2017. Members should note that the Council cannot both apply a Civil Penalty and prosecute for the same offence.

8.3 The revised Enforcement Policy also included penalties as an option to consider when taking formal enforcement action. The Enforcement Policy determines that the most appropriate enforcement action is taken. It is the intention of the Council to use Civil Penalties as the main enforcement option instead of prosecution, in line with Government guidance. The proposed attached policies outlines an approach which determines the appropriate level of Civil Penalty to be imposed once the decision to take enforcement action has been approved.

8.4 The overriding principle when considering Civil Penalties is that the landlord (as defined by the Housing Act 2004 as the owner, person having control or the licence holder) should not make any financial gain as a result of their failure to comply with the relevant legislation. The Guidance advises that the Council should consider a range of factors when setting the penalty. The factors being:

- Level of culpability
- Level of harm
- Severity of the offence
- Aggravating Factors
- Mitigating Factors
- Penalty to be fair and reasonable
- Penalty to be such as to be a deterrent and remove the gain derived through the failure to comply

8.5 Following a decision to impose a Civil Penalty rather than alternative legal action, the Council must follow the procedure outlined in Schedule 13a of the Housing Act 2014 and which is outlined in the policy. This includes the Council serving an initial Notice of Intent and a Final Notice.

8.6 Critically the Council must, as part of that Notice procedure, set out the amount of the financial penalty, the reasons for imposing the penalty, information about how to pay, the payment period, how to make an appeal and the consequences of failure to comply with the notice.

8.7 If the Council decides to serve a Final Notice, following the 28 day period for representations, then the person can still make an appeal to the First Tier Property Tribunal. During this appeal stage the Final Notice remains suspended until the appeal it is determined or withdrawn by either party.

9.0 IMPLICATIONS

9.1 The following implications have been identified:

- a) Financial
Any income raised as Civil Penalties must be used to raise standards in the Private Rented Sector Housing
- b) Legal
The power to impose a Civil Penalty as an alternative to prosecution for these offences was introduced by Section 126 and Schedule 9 of the Housing and Planning Act 2016.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)

10.0 NEXT STEPS

10.1 If agreed by Policy and Resources Committee the policy would need to be approved at Full Council on the 6th December 2018.

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Job Title Specialist Services Lead

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Background Papers:
Annex 1- Civil Penalties Policy
Annex 2- Revised Enforcement Policy

Background Papers are available for inspection at:
<https://www.gov.uk/government/publications/civil-penalties-under-the-housing-and-planning-act-2016>

- ¹ Civil Penalties under the Housing & Planning Act 2016 – Guidance for Local Authorities
- ² Housing Health & Safety Rating System Category 1 Hazards
- ³ Houses of Commons, Marcus Jones MP (Parliamentary Under Secretary of State Department of Communities and Local Government.

Annex 1

Ryedale District Council CIVIL PENALTIES POLICY

This policy should be read in conjunction with the Ryedale District Council's (Council) Enforcement Policy (the Enforcement Policy) published by the Council and the Civil Penalties under the Housing and Planning Act 2016, Guidance for Local Authorities published by the Department of Housing Communities and Local Government (DMCLG)

The policy is divided in to two sections:

- 1) Introduction and the civil penalty notice procedure
- 2) The steps that the Council will take to determine the level of civil penalty

Section 1 Introduction and Procedure

1.1 The Housing and Planning Act 2016 introduces a number of amendments to the Housing Act 2004. Section 249A of the Housing and Planning Act 2016 establishes the legal basis for imposing civil penalties as an alternative to prosecution for specific offences under the 2004 Act.

Civil penalties are an alternative when a landlord fails to comply with:

- Section 30 – failure to comply with an improvement notice
- Section 72 – mandatory licensing of HMO
- Section 95 – licensing under Part 3 of the Housing Act 2004
- Section 139 – failure to comply with an overcrowding notice
- Section 234 – breach of management regulations in respect of HMO

1.2 The Government has laid out statutory guidance as to the process and the criteria that needs to be considered when determining civil penalties. These are:

- The culpability and track record of the offender
- The level of harm caused to the tenant
- The severity of the offence
- Aggravating Factors
- Mitigating Factors
- Penalty to be fair and reasonable but should remove any financial benefit the offender may have obtained as a result of committing the offence
- Whether it will deter the offender from repeating the offence

The statutory guidance indicates that a Council should ensure that the civil penalty acts as a punishment, takes into account any previous patterns of offending and no offender should benefit as a result of committing the offence.

The law allows a maximum financial penalty of £30k per offence. In determining the level of any penalty a Council will have regard to local circumstances, the

relevant local enforcement policy and the relevant Government guidance detailing the factors to take into account, as shown above.

1.3 The overriding principle of when considering civil penalties is that the landlord (as defined by the Housing Act 2004 as the owner, person having control or the licence holder) should not make any financial gain as a result of their failure to comply with the relevant legislation.

2.0 What is the burden of proof for a civil penalty?

2.1 The proof is the same as set out previously for the offences under the Housing Act 2004. For a criminal prosecution the Council must satisfy itself that it can show beyond reasonable doubt that the landlord has committed the offence and that if heard in a magistrates' court there would be realistic prospect of conviction.

2.2 The Council will have consideration of the "Crown Prosecution Service Code for Crown Prosecutors" published by the Director of Public Prosecutions when considering the evidence.

The Council will consider:

- Does it have sufficient evidence to prove beyond reasonable doubt that an offence has been committed by the landlord? – see Evidentiary Stage of the Full Code Test in the "Crown Prosecution Service Code for Crown Prosecutors" published by the Director of Public Prosecutions
- Is there a public interest in imposing a Civil Penalty on the landlord in respect of the offence? – Public Interest Stage of the Full Code Test in the "Crown Prosecution Service Code for Crown Prosecutors" published by the Director of Public Prosecutions
- Has the Council taken into account its own Enforcement Policy when deciding to impose the civil penalty including the alternative option of prosecuting for the offence?

All decisions as to determining whether or not to pursue a civil penalty will be in accordance with the Enforcement Policy covering Private Sector Housing.

3.0 Process for Imposing a Civil Penalty

3.1 Where it has been determined by the Council that a financial penalty is the most appropriate action as an alternative to prosecution, the Council will follow the process set out below.

3.2 A "Notice of Intent" will be served on the person suspected of committing the offence. The Notice will specify:

- a. The amount of any proposed financial penalty
- b. The reasons for proposing the financial penalty
- c. Information about the right to make representation to the Council.

3.3 The person to whom the notice relates will be given 28 days to make written representation to the Council about the proposal to impose a financial penalty. Representations can be made against an element of the proposed action. If the landlord challenges the level of the civil penalty it will be for them to provide appropriate and satisfactory documentary evidence to support their submission. Failure to provide such evidence will mean that the Council will not be able to consider any representation against the level of penalty imposed.

3.4 Representations can only be made by the recipients served with a Notice of Intention. No other parties have an automatic right to make representations; the Council will consider any such information on a case by case basis.

3.5 Following the 28 day period the Council will decide whether it receives representation or not:

- a. Whether to impose a financial penalty on the person, and
- b. The value of any such penalty imposed.

3.6 If a Council decides to impose a financial penalty, a final notice will be issued imposing that penalty. The final notice will specify:

- a. the amount of the financial penalty,
- b. the reasons for imposing the penalty,
- c. information about how to pay the penalty,
- d. the period for payment of the penalty (28 days from the date of the final notice)
- e. information about rights of appeal to the First Tier Tribunal
- f. the consequences of failure to comply with the notice.

3.7 The Council can at any time withdraw either the Notice of Intent or Final Notice or reduce the level of penalty imposed. This will be in the form of a written notice to the person on whom the notice has been served.

3.8 If the Council decides to withdraw a civil penalty, it has the right to pursue a prosecution against the landlord for the original offence for which it was imposed. Each case will be considered on its merits and be in the public interest.

3.9 The person who has been served a Final Notice has the right of appeal to a First Tier Tribunal. In the event of an appeal against the council decision the penalty would be suspended until the decision has been determined.

3.10 Payment of the civil penalty will be within 28 days of the date of the Final Notice, unless appealed. Where appealed and the decision to serve the Notice upheld it will be for the Tribunal to specify the period in which the landlord is to pay any fine imposed.

3.11 There is a reduction of a third of the penalty if at the first opportunity the landlord admits guilt for the offence and immediately remedies any outstanding issues. This is in line with the Sentencing Guidelines and will only be available for the first offence and will not be less than the minimum level of penalty. Any subsequent offence will not be subject to any reduction.

3.12 The discount will only be applied to the landlord when the Council serves the Notice of Intent and the following criteria is met:

- The payment is made within the 28 days of the date of the Notice of Intent
- The payment is made in full

At any point after 28 days of service of the notice of the Notice of Intent there will be no further offer of any reduction in the level of penalty.

This reduction will only be implemented if the level of gain is below the civil penalty. If the level of gain is above the reduction but less than the calculated penalty the reduction will be the level of gain plus £2k or 10% whichever is the greater.

3.13 If the financial penalty imposed is not paid within the appropriate time period, either 28 days from the date of the Final Notice or within such time as determined by the First Tier Tribunal the Council will commence proceedings to recover the debt owed. This will include the recovery of any additional costs to the Council from having to undertake such action. This process will be the Council's existing recovery policy and procedures for the collection of such debt including pursuance of the debt via the county courts if appropriate.

3.14 A certificate signed by the Chief Finance Officer for the Authority including the outstanding amount due will be accepted by the courts as conclusive proof of any outstanding payment due to the Council.

3.15 In setting a financial penalty, the Council may conclude that the offender is able to pay any financial penalty imposed unless the offender has supplied any financial information to the contrary.

3.16 It is for the offender to disclose to a Council such data relevant to his financial position as this will enable it to assess and determine what they can reasonably afford to pay.

3.17 Where the Council is not satisfied that it has been given sufficient reliable information, the Council will be entitled to draw reasonable inferences as to the offender's means from evidence it has heard and from all the circumstances of the case. This may include the inference that the offender can pay any financial penalty.

3.18 However when considering the level of any financial penalty the final determining factor will always be the level of financial gain as a result of the landlord's failure to comply with the relevant legislation.

4.0 Consequences of a Civil Penalty

4.1 Financial Penalties are an alternative to criminal proceedings and unless withdrawn and the Council determines that in the public interest a prosecution for the ordinal offence is the preferred option, then a landlord cannot be prosecuted for the same offence once the penalty has been paid and the matter concluded.

4.2 Should a civil penalty has been imposed on a landlord it will not automatically prevent the Council from granting a licence under Part 2 or 3 of the Housing Act 2004. The Council will consider each case on its merits including the reasons for the penalty and the extent of the person's involvement in any property under consideration.

4.3 Where a person has received two financial penalties under this legislation in any 12 month period, irrespective of the locality to which the offences were committed, a Council will consider making an entry on the national database of rogue landlords and property agents. When considering making an entry, a Council will have regard to any guidance issued by the Secretary of State and best practise available.

Section 2 -Determining the Level of the Civil Penalties

When considering the severity of any offence Section 143(1) Criminal Justice Act 2003 states

“In considering the seriousness of any offence the court must consider the offender’s culpability in committing the offence and any harm which the offence caused, was intended to cause or might foreseeably caused”

It also considers harm as encompassing those offences where harm is caused but also those where neither individuals nor the community suffer harm but a risk of harm is present.

In order to set the level of the penalty the following steps will be considered by the Council:

Step 1– the Council will determine the level of penalty based on:

- the culpability and track record of an offender and
- the level of harm to the tenants

Step 2- the Council will make adjustments to the initial determination of that level of penalty having regard to:

- any aggravating or mitigating circumstances
- the totality of that level
- that the level is fair and proportionate but in all instances act as a deterrent and removes any gain

Step 3 – the Council will make adjustments to the final determination should the offender provide written information/proof to demonstrate the impact of the level fine would be unfair and disproportionate.

Step 1 Setting the initial determination

1) Culpability and track record of an offender

The level of culpability of a person will depend upon a number of factors:

High level of culpability

A person will be deemed to be highly culpable when they intentionally or recklessly breach or wilfully disregard the law:

- They have a history of non-compliance
- Despite a number of opportunities to comply they have failed to do so
- Have been obstructive as part of the investigation
- Failure to comply results in significant risk to individuals

- Are a member of a recognised landlord/letting agency association or accreditation scheme
- Are a public figure who should have been aware of their actions
- Are an experienced landlord/agent with a portfolio of properties failing to comply with their obligations
- Serious and/or systematic failure to comply with their legal duties

Medium level of culpability

A person commits an offence through an act or omission a person exercising reasonable care would not commit.

- It is a first offence – with no high level culpability criteria being met i.e. a member of an accreditation scheme
- Failure is not a significant risk to individuals
- The landlord/agent had systems in place to manage risk or comply with their legal duties but these were not sufficient or adhered to or implemented.

Low level of culpability

A person fails to comply or commit an offence with little fault:

- No or minimal warning of circumstances/risk
- Minor breaches
- Isolated occurrence
- A significant effort has been made to comply but was inadequate in achieving compliance

The above examples are not exclusive and other factors may be taken into account when considering the level of culpability.

2) Level of harm to the tenant

When considering the level of harm both the actual, potential and likelihood of the harm will be considered

High

A high level of harm could constitute:

- Serious effect on individual(s) or widespread impact
- Harm to a vulnerable individual
- High risk of an adverse effect on an individual
- Serious level of overcrowding

Medium

A medium level of harm could constitute:

- Adverse effect on an individual – not high level of harm
- Medium risk of harm to an individual
- Low risk of a serious effect
- The Council’s work as a regulator to address risks to health is inhibited
- Consumer/tenant mislead

Low

A low level of harm could constitute:

- Low risk of harm or potential harm
- Little risk of an adverse effect on individual(s)

The above examples are not exclusive and other factors may be taken into account when considering the level of harm.

What is meant by a vulnerable individual?

The statutory guidance states that the harm caused and vulnerability of the individual are important factors in determining the level of penalty.

The Housing Act 2004 defines a vulnerable individual(s) as one who is at greater harm and therefore the penalty should be greater when vulnerability is an issue.

The statutory guidance makes it clear that it is for each Council to determine the level of fine imposed under the Housing and Planning Act. The table below shows the initial level of fine for each level of culpability and harm, including the minimum level of fine which will be imposed for each classification

DETERMINATION OF CIVIL PENALTY LEVEL				
LEVEL OF CULPABILITY	LEVEL OF HARM			MINIMUM FINE LEVEL (when considering mitigating factors)
	HIGH	MED	LOW	
HIGH	25000	15000	7500	6000
MED	15000	10000	5000	4000
LOW	7500	5000	2500	2000

Step 2 Adjustments to the Initial Determination

In order to determine the final penalty the Council will consider both aggravating and mitigating factors in each case. These will adjust the initial level of the penalty based on these factors.

Below is a list of both aggravating and mitigation factors which will be considered as part of the determination. The list is not exhaustive and other factors may be considered depending on the circumstances of each case.

Aggravating factors could include:

- Previous convictions having regard to the offence to which applies and time elapsed since the offence
- Motivated by financial gain
- Obstruction of the investigation
- Deliberate concealment of the activity/evidence
- Number of items of non-compliance – greater the number the greater the potential aggravating factor
- Record of letting substandard accommodation
- Record of poor management/ inadequate management provision
- Lack of a tenancy agreement/rent paid in cash

When considering previous offences regard should be given to the guidance on Banning Orders as well as any relevant offence such as trafficking etc

Mitigating factors could include:

- Cooperation with the investigation e.g. turns up for the PACE interview
- Voluntary steps taken to address issues e.g. submits a licence application
- Acceptance of responsibility e.g. accepts guilt for the offence(s)
- Willingness to undertake training
- Willingness to join recognised landlord accreditation scheme
- Health reasons preventing reasonable compliance – mental health, unforeseen health issues, emergency health concerns
- No previous convictions
- Vulnerable individual(s) where there vulnerability is linked to the commission of the offence
- Good character and/or exemplary conduct

For each aggravating or mitigating factor which applies to each specific case the level of fine will be adjusted by 5% of the initial fine, up to the maximum £30k or to the minimum fine for each determined level of culpability and harm as shown in the table above.

The only exception to this principle will be for the number of items of none compliance which will be 5% for the first 5 items and 10% for any number of items greater than this level of none compliance with items on any notice which has not been complied with.

Totality Principle

If issuing a financial penalty for more than one offence, or where the offender has already been issued with a financial penalty, consider whether the total penalties are just and proportionate to the offending behaviour.

Where the offender is issued with more than one financial penalty, the Council should consider the following guidance from the definitive guideline on Offences Taken into Consideration and Totality.

The total financial penalty is inevitably cumulative.

The Council should determine the financial penalty for each individual offence based on the seriousness of the offence and taking into account the circumstances of the case including the financial circumstances of the offender so far as they are known, or appear, to the Council.

The Council should add up the financial penalties for each offence and consider if they are just and proportionate.

If the aggregate total is not just and proportionate the Council should consider how to reach a just and proportionate financial penalty. There are a number of ways in which this can be achieved.

For example:

- Where an offender is to be penalised for two or more offences that arose out of the same incident or where there are multiple offences of a repetitive kind, especially when committed against the same person, it will often be appropriate to impose for the most serious offence a financial penalty. This should reflect the totality of the offending where this can be achieved within the maximum penalty for that offence. No separate penalty should be imposed for the other offences;
- Where an offender is to be penalised for two or more offences that arose out of different incidents, it will often be appropriate to impose a separate financial penalties for each of the offences. The Council should add up the financial penalties for each offence and consider if they are just and proportionate. If the

aggregate amount is not just and proportionate the Council should consider whether all of the financial penalties can be proportionately reduced. Separate financial penalties should then be passed.

Where separate financial penalties are passed, the Council must be careful to ensure that there is no 'double-counting'.

Fair and Proportionate

A third determinate of any civil penalty MUST be the general principle:

THE CIVIL PENALTY SHOULD BE FAIR AND PROPORTIONATE BUT IN ALL INSTANCES SHOULD ACT AS A DETERRENT AND REMOVE ANY GAIN AS A RESULT OF THE OFFENCE

The statutory guidance states that a guiding principle of civil penalties is that they should remove any financial benefit that the landlord may have obtained as a result of committing the offence. This means that the amount of the civil penalty imposed must never be less than what it would have cost the landlord to comply with the legislation in the first place.

When determining any gain as a result of the offence the Council will take into account the following issues

- Cost of the works required to comply with the legislation
- Any licence fees avoided
- Rent for the full period of the non-compliance – reviewed in conjunction with any
- Any other factors resulting in a financial benefit – potential cost of re-housing any tenants by the Council
- As penalty to act as a deterrent the cost to the Council of their investigation.

If the level of gain is less than the calculated penalty the reduction will be the level of gain plus £2k or 10% whichever is the greater to the maximum of £30k.

Step 3 Final determination of the level of any civil penalty

On appeal to the initial notice the person may advise that the impact

- of the financial penalty on the offender's ability to comply with the law
- of the penalty on third party – employment of staff, customers etc
- on the offender – is it proportionate to their means – loss of home etc.

However it must be remembered that as property owners if they claim the inability to pay and show their income is small then there can always be consideration to the property/properties they own which can be sold or refinanced.

Recording of the decision

A record of each decision and the reasons for the financial penalty will to be made by an officer and how the amount of the penalty was obtained and the reasons for imposing it.



Specialist Services (People) Private Sector Housing Enforcement Policy

DRAFT

1.0 INTRODUCTION

Local Housing Authorities are the primary enforcement agency for ensuring the protection of the health, safety and welfare rights for occupiers and visitors in private sector housing within England and Wales.

For Ryedale District Council (“the Council”), this responsibility is with the Private Sector Housing Service which is part of Specialist Service (People).

Authorised officers (“officers”) within the Specialist Service (People) have both duties and discretionary powers to take enforcement action, using a range of legislation to address issues arising at privately owned accommodation and caravan sites.

2.0 AIMS OF THE POLICY

This Enforcement Policy aims to:

- Demonstrate the transparency of enforcement with respect to private sector housing and caravan sites in Ryedale, by setting out legal requirements, policies and principles that officers will follow when enforcing legislation;
- Improve housing conditions and raise the standard of property management within the private rented sector;
- Provide safer, healthier, affordable and warmer homes in the private sector to enable all people within Ryedale to benefit from healthy housing and environments; and
- Bring empty homes into use.

3.0 WHAT IS ENFORCEMENT ACTION?

Enforcement in its simplest sense is the process of ensuring a law or rule is met or complied with. For the purpose of this policy, it means an action carried out by the authority against a background of statutory powers. Enforcement is not limited to formal action, such as a prosecution or service of a legal notice; it includes inspections, investigations, interventions and the provision of advice and assistance, with the aim of ensuring service users comply with regulatory requirements.

4.0 ENFORCEMENT OBJECTIVES

The main objectives of this enforcement policy are to ensure that:

- Privately rented accommodation, including houses in multiple occupation (“HMO”), and accommodation provided by registered providers of social housing, are free from actionable hazards¹ that affect the health and safety of the tenant, licensee or any visitor;
- Private rented accommodation and tenancies are managed in accordance with relevant statutory requirements;
- Privately rented accommodation meets minimum energy efficiency ratings;
- All licensable properties are licensed, with licence conditions being met;
- Empty properties are tackled with the aim of addressing security, visual amenity and statutory nuisance issues and also returning them back into occupation;
- Owners or occupiers of privately owned accommodation or land do not cause statutory nuisance, or an unacceptable risk to public health and safety, or to the environment or neighbourhood;
- Lettings and property management businesses are registered with a government-approved redress scheme and comply with relevant legislation and codes of practice;
- Caravan and camp sites are managed in compliance with site licence conditions and relevant statutory requirements.

¹An actionable hazard is one that has been assessed to be a Category 1 hazard using the Housing, Health and Safety Rating System (“HHSRS”) under the Housing Act 2004 and the Housing Health and Safety Rating System (England) Regulations 2005. The authority has a duty to act where Category 1 hazards are identified. The authority has a discretionary power in respect of Category 2 hazards and will take enforcement action in cases where there is a significant risk to the health and safety of the occupiers.

Category 1 and 2 Hazards

For hazards assessed as being a Category 1 hazard it is mandatory to take enforcement action. The type of action will be determined by reference to the Enforcement Guidance and the Council’s priorities to protect health and wellbeing, particularly of the vulnerable. In particular, hazards relating to physiological requirements and protection against infection are more likely to be addressed in this way.

<https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-enforcement-guidance-housing-conditions>

There are discretionary powers to deal with Category 2 hazards. These hazards will only be dealt with:

- *where the hazard score exceeds the national average by more than 2 bands*

Each case will be considered on its merits. Where appropriate, action outside these guidelines in exceptional circumstances may be authorised by the Principal Specialist (People) and the Lead in Specialist Services.

5.0 REGULATORS’ CODE

The Legislative and Regulatory Reform Act 2006 (“the 2006 Act”) requires the authority to have regard to the Regulators’ Code produced by the Better Regulation Delivery Office in April 2014 when developing its policies and procedures to guide regulatory activity.

This Enforcement Policy has regard to the Regulators’ Code in that it:

- Follows the principles of good regulation set out in the 2006 Act, in that regulatory activities are carried out in a way that are transparent, accountable, consistent, proportionate to risk and targeted at cases where action is required;
- Supports businesses to comply and grow;
- Provides simple ways to communicate and share information amongst regulators to reduce duplication; and
- Provides clear information and guidance.

6.0 EQUALITY STATEMENT

The Council is committed to treating all customers fairly and all enforcement decisions will be fair, independent and objective.

A priority for the Private Sector Housing Service is to improve standards in private rented accommodation that is occupied by the most disadvantaged persons living in this sector.

7.0 TENURE GROUPS

The Private Sector Housing Service has investigative and enforcement powers relating to all private housing regardless of tenure. However the approach may vary depending on the tenure of the household.

- **Private Landlords and Tenants**

Tenants within rented accommodation do not have the same level of control of their homes, in the same way that owner occupiers benefit from. They are reliant on landlords or their agent to adequately maintain their homes in accordance with legal requirements. The Council will take enforcement action where required, against landlords or agents who are putting the health and safety of their tenants at risk, or in circumstances where conditions are causing serious issues to neighbouring property.

- **Owner Occupiers**

Owner occupiers are usually in a position to make informed decisions about maintenance or safety issues in their homes. Formal enforcement action therefore against this tenure group would be limited. Officers would always aim to provide owner occupiers with appropriate advice and recommendations as to how they can mitigate any hazards identified. In cases, however, where there is a severe risk to the health and safety of occupiers, or where there are conditions that have the potential to cause serious issues to neighbouring property, the Council may take formal action against owner occupiers.

- **Registered Providers (“RPs”)**

These are usually housing associations, being a private, non-profit making organisation that provides low cost “social housing” for people in need. Their performance is scrutinised by Homes England and the Housing Ombudsman. RPs have written arrangements for reporting problems and clear response times for addressing these issues, in addition to having systems for registering any complaints about service failure. This service will not normally take action against an RP, unless the problem in question has been properly reported to the RP, who has then failed to take the appropriate action. The Council will consider enforcement action against an RP where there are significant risks to the health and safety of tenants and/or the wider public.

8.0 REACTIVE INSPECTIONS

Officers will normally only carry out reactive inspections following a complaint or referral from a partner or enforcement agency concerning unsatisfactory housing or overcrowded conditions.

These will typically be in circumstances where initial communications between this service and the landlord, agent or owner have not successfully resolved the issues for the customer.

There will be circumstances where an inspection may be undertaken in the first instance, for example where:

- There appears to be significant risks to the health and safety of occupiers and/or visitors;
- The tenant/s or prospective occupier is vulnerable;
- The issues are complex or involve neighbouring properties;
- There is a poor history of compliance with legal requirements for housing conditions and/or management practices;
- The property is empty;
- A financial application is involved; and
- The property is put forward for use to house homeless persons or refugees.

Where an inspection is undertaken, officers will assess compliance with all enforceable legal requirements, including a risk assessment under the Housing Health and Safety Rating System (“HHSRS”) and also licence conditions. This may involve referrals to other agencies or local authority service areas.

It is the Council’s aim to action requests for service within appropriate timescales. Requests for service can be received from:

- Tenants/occupiers;

- The general public;
- Property letting and managing agents;
- Referrals from other Council service; and
- Referrals from agencies.

9.0 PROACTIVE INSPECTIONS

Inspections will be carried out by the Private Sector Housing Service on a pro-active basis as follows:

- Private rented accommodation that is subject to HMO and Discretionary Licensing, under Parts 2 and 3 of the Housing Act 2004 respectively, for assessing compliance with:
 - Licence conditions, licensing evasion;
 - Legislation relating to housing conditions, including for example HHSRS, drainage and refuse;
 - Legislation relating to property management.
- Inspections of caravan sites licensed by the Council, in order to assess compliance with licence conditions.
- Investigations to establish whether or not a letting agent or property manager has joined one of the Government-approved Property Redress Schemes.

10.0 ENFORCEMENT

Delegated Authority

Officers carrying out enforcement functions have been authorised by the Council in accordance with the Council Constitution and scheme of Delegation.

Enforcement Actions

The Specialist (Private Sector Housing) Service offers an opportunity to work informally with landlords, agents, owners and service users, by providing a range of information and guidance. In cases where there has been a complaint about a private rented property or empty home, and where it is the first contact about property standards, the service will normally notify responsible parties and/or will provide an inspection report outlining breaches in legal requirements.

The purpose of this is to enable responsible landlords, agents and owners to comply with regulatory requirements and agree to undertake the works required by the authority in **a short timescale**.

The underlying aim of these communications is to establish good management practices from the outset that ensure compliance with regulatory requirements for property standards and that this approach continues through each subsequent tenancy.

All powers available to the Specialist (Private Sector Housing) Service will be used in order to meet the enforcement objectives set out in this policy. Enforcement action can be separated into **3 stages**, as outlined below. Decisions will be made by competent and authorised officers, in accordance with guidance, as to the most appropriate course of action to be taken.

Different types of enforcement action may be undertaken in relation to any given case depending on legislation used. In some instances, multiple actions may be taken as the case progresses through the different stages of the regulatory process.

Where there is non-compliance with legal requirements, after an informal approach has been made, formal action will be taken as detailed in stages 2 and 3 below.

However, where there are serious breaches in legal requirements, the authority will take a formal approach in the first instance and will move to stages 2 and 3.

To safeguard the health and safety interests for occupiers, visitors and members of the public, formal action will also be considered in the first instance, where:

- The landlord or owner has previous history of non-compliance with legal requirements;
- The landlord, agent or owner has previously been made aware of their legal responsibilities through letters and reports for other properties.

In a small number of cases, there may be circumstances where a decision is made to *not* take formal action. These may include, for example:

- Where there are low risks to the health and safety of occupiers, visitors or members of the public;
- Where there are special circumstances regarding the person against whom action would be taken;
- Where legal action would be disproportionate or inappropriate, taking into account the circumstances of the case;
- Where the tenant does not want action to be taken and a decision is taken that it is not appropriate to take any further action at that time, given the circumstances present.

Shared Enforcement

Officers may work with other services within the authority, such as the Place and the Community team, as well as other enforcing authorities who have the power to take enforcement action. These authorities may include:

- North Yorkshire Fire and Rescue Service;
- North Yorkshire Police;
- UK Visas and Immigration;
- Trading Standards.

In circumstances where shared enforcement or joint working is required, officers will ensure that:

- Investigations are undertaken by the most appropriate enforcing authority;
- Enforcement action is undertaken in accordance with agreed protocols and will involve the relevant authority or service in the investigations, information gathering and sharing to ensure it is carried out effectively.

Officers will have regard to the (“GDPR”) when handling all manual and computerised personal data. Any requests for access to information to the Council can be done in accordance with the Freedom of Information Act 2000 and the GDPR.

In the event of emergency enforcement action being taken regarding tenanted properties which will lead to tenants becoming homeless the action will be discussed with the Principle Specialist (People).

Stage 1 – Informal Enforcement Action

Providing Assistance, Information, Education and Informal Action

Information and leaflets	A wide range of information and links are available on our website www.ryedale.gov.uk
Telephone calls, emails and letters	To advise of works or actions to be taken, following a request from a tenant or as a result of an inspection by this service. These will cover deficiencies in regulatory requirements
Inspection report	A report showing deficiencies or areas of noncompliance with specific legislation. The report may also include recommended works of good practice.
Landlord forums	The Service hosts an annual Landlord forum
Facebook and Twitter	Information is also available on social media.
Loans and grants	Loans and grants for specific circumstances are administered by this service.
Referrals to other services/agencies or regulators	For specialist areas within their remit.
Landlord and agent associations	Information and support can be obtained from industry-led organisations such as the RLA, NLA, ARLA and NALS. Please refer to the organisation's website for details.

Stage 2 – Formal Enforcement Action Issued by the Local Authority

Formal notices will be served or formal action will be taken in situations where:

- The council has a **duty** to serve a notice or take a specified action;
- Statutory requirements have been breached;
- Remedial action needs to be taken quickly;
- An owner, landlord or agent has a history of non-compliance;
- A property has actionable hazards (see page 2) that create risks to an occupier's health and safety (or that of a visitor), and
- There is a long term empty property.

In cases where an officer decides it is more appropriate to take formal enforcement action without first giving an opportunity to resolve the issue informally, the officer will explain to the person concerned the reasons for this decision.

Where notices and orders are served, the authority will provide copies to other interested parties, such as the occupier; mortgagee; freeholder; leaseholder or agent in accordance with the specific legislative requirements.

Certain notices, orders and charges are required to be registered as a local land charge and whilst the matter is outstanding, these will be disclosed to any prospective purchaser making a local land search.

There are a number of different types of formal notices, licences, warnings and charges that can be issued by the authority:

Formal notice, compliance notices, or licence	Served to require works or actions to be undertaken in accordance with specified legislative requirements.
Notices to recover costs and expenses incurred by the authority in taking enforcement action	Served in connection with Housing Act 2004 notices for the recovery of costs and expenses
Power of Entry notices	Served when access is required into residential premises at a specified date and time.
Notices requiring information or documents	Served to require prescribed documents or information to be supplied
Emergency Prohibition Order	Served under the Housing Act 2004 to immediately prohibit use of premises (or part of) where a serious health and safety issue exists.

Emergency remedial action	Serious, emergency works undertaken immediately by the local authority in default. Costs incurred by the Council in taking this action will be recovered.
Revocation or variation of an improvement notice, prohibition order or emergency prohibition order	Notices served to vary or revoke the terms of a previously served enforcement notice or order.
Revocation, variation or refusal to licence premises	Notices served to vary the terms or revoke a previous licence issued, or to refuse to licence a property.
Works in default	Works undertaken in default by the authority to ensure compliance with a legal requirement. Costs incurred by the Council in taking this action will be recovered.
Civil or monetary penalty	A notice issued by the local authority to impose a financial penalty. It is to be paid to the authority in situations where there are breaches of legal requirements or where offences have been committed.
Simple caution	Issued by the local authority where offences have been committed.
Compulsory Purchase Order and enforced sale	An Order served by the authority for a long term empty home where it is causing blight and statutory nuisance in an area. It is used only where there is proven demand for this house type. A sale of a property can be imposed to recover unpaid debts incurred by the authority for undertaking essential repair works in default.
Management orders and empty dwelling management orders	Orders served by the authority where no responsible person can be identified to manage a privately rented or empty home.

Stage 3 -Formal Enforcement Action Progressed by Courts or Tribunals

Failure to comply with legal requirements, such as a formal notice may result in a stage 3 action. Before considering a stage 3 action, the investigating officer will consider the appropriate actions available for the legislation concerned.

Prosecution in criminal Courts (Magistrates and Crown Court)	Legal proceedings instigated where there is a flagrant breach of law; noncompliance with a legal notice or legal requirements; a history of noncompliance and for serious offences where there is a community benefit.
Warrant to enter premises	Warrants issued by the Magistrates Court for officers to enter premises by force, if required.
Rent Repayment Order	An Order issued by the First Tier Tribunal for the repayment of rents received where there has been an offence or breach of legislative requirements.
Proceeds of Crime Actions	An Order issued by the courts for confiscation and civil recovery of proceeds from criminal acts
Injunctions	Issued by the courts to prevent certain actions, activities or threats being carried out by a specific person.

11.0 LICENSING

Mandatory requirements for licensing apply only to houses (or flats) that are in multiple occupation (“HMO”).

A landlord or agent must apply to the authority for a licence for each residential property having:

- Five or more occupiers living in two or more households, and
- Two or more households sharing amenities (either a kitchen, living room or bathroom/toilet facilities).

The licence fee is detailed in the website.

Councils have discretionary powers to introduce licensing for other residential accommodation through *Additional or Selective Licensing* schemes.

Additional Licensing can be used for a HMO that is not subject to mandatory licensing.

Selective Licensing can be used for areas with private rented property, where there are issues such as poor housing conditions, low demand or high levels of anti-social behaviour.

Before a discretionary licensing area is declared, the Council must carry out a public consultation process and present a business case that supports the introduction of the licensing scheme.

Currently, other than the mandatory HMO licensing scheme, the Council has no additional or selective licence schemes operating within the authority.

Operating a Licensable property without a licence

Where the Council becomes aware of a licensable property operating without a licence, there will be a presumption to take formal action, such as instigating legal proceedings for a prosecution. Each case will be considered on its own merits.

In these circumstances, the council will issue a reduced term licence and will remove the entitlement to any fee discount.

Where landlords have been prosecuted for operating an unlicensed property, the Council will give consideration to the use of Rent Repayment Orders. These can be used by the authority to claim back any Local Housing Allowance paid whilst the property was unlicensed up to a maximum of 12 months.

Also, tenants can be provided with information and advice on how they can apply to The First Tier Tribunal Service to claim back the rent they have already paid, for the duration that the property was unlicensed up a maximum of 12 months.

Duration of Licences

Licences will normally be granted for a full five year period for mandatory licensing schemes. However, for landlords who are late in making a licence application or who are found to be operating a property without a licence, these will be issued with a reduced-term licence.

For discretionary licensing schemes, a licence is issued after an application is received and it runs until the end of the scheme. This will be for a maximum of 5 years but will often be less depending on the remaining term left for the scheme to operate.

Refusal of Licences

The Council may refuse to issue a licence to the applicant or proposed manager of residential premises. An example of this can be where the applicant or manager is deemed to not be a fit and proper person. Also, a licence will be refused in circumstances where the accommodation is not capable of being operated as a licensable HMO or other licensable property.

Variation and Revocation of Licences

The Council may vary a licence, either by agreement with the licence holder or on its own decision, where it considers that there has been a change of circumstances since the licence was granted.

A licence will be revoked following a change in ownership; death of the licence holder or by agreement with the licence holder if the property is no longer licensable.

The Council may revoke a licence if the licence holder or manager is no longer deemed to be a fit and proper person.

Breach of Licence Conditions

Conditions listed on a licence cover the provision of amenities and property management standards, and include specific timescales for compliance. They also include the number of persons or households that are permitted to occupy a property. Formal action will be taken where there are serious contraventions of licence requirements.

12.0 MANAGEMENT ORDERS

The Council will consider serving a Management Order in respect of residential premises where there is no reasonable prospect of an owner or landlord being identified as being responsible for controlling or managing the property. This action is available for both licensable and non-licensable residential premises.

A Management Order can be used in very serious circumstances, where it is necessary to protect the health, safety or welfare of occupiers, visitors or persons living in the vicinity, or where there is anti-social behaviour that is affecting the neighbourhood.

13.0 OVERCROWDING IN SINGLE AND MULTIPLE OCCUPANCY DWELLINGS

The Specialist (Private Sector Housing) Service will investigate complaints about overcrowded conditions from:

- Private rented sector tenants complaining about their own property;
- Other parties where they are concerned about children or vulnerable adults;
- Other parties where there are significant conditions that are legitimately impacting on a neighbour's health, safety or welfare.

In certain circumstances, advice may be given to the occupiers that their health and safety is at risk from the overcrowded conditions, but no enforcement action will be taken against the landlord.

Where enforcement action is taken that requires tenants to move out of a property, this service will liaise with the Council's Specialist Services Team, who will be able to give advice and, in some circumstances, assistance on alternative accommodation available.

14.0 FIRE SAFETY IN SINGLE AND MULTIPLE OCCUPANCY DWELLINGS

An agreement has been drawn up between the North Yorkshire Fire and Rescue Service and the North Yorkshire and York local authorities for joint working to secure fire safety in HMOs.

A guide has been produced, to help landlords meet the standards of fire precautions normally required in various types of HMO, without the need for intervention by the local authority. This guide is available on our website at www.ryedale.gov.uk

15.0 HARASSMENT, ILLEGAL EVICTIONS AND RETALIATORY EVICTION

Where this service becomes aware of allegations or offences about illegal eviction or harassment that threatens the tenant's rights in their tenancy, a referral will be made to the Community Team for initial investigation.

The landlord or agent will then be investigated by Specialist Services (People) and where appropriate, enforcement action taken.

Examples of circumstances that would merit investigation include:

- Entering the property without the appropriate notice;
- Disconnection of utility supplies;
- Changing locks to the premises;
- Attempting to terminate a tenancy without serving the appropriate legal notice;
- Attempting to terminate a tenancy as a result of a retaliatory eviction. These are where a complaint of poor property conditions made to a landlord is substantiated by the authority and an Improvement Notice served or Emergency Remedial Action taken;
- Illegal eviction from the property not involving court bailiffs and a possession order from the courts.

16.0 EMPTY HOMES

It is a key priority for the York, North Yorkshire and East Riding Housing Strategy to reduce the number of empty homes in Ryedale, particularly those that are long term empty. Empty homes present a wasted resource, particularly with the shortfall in housing supply, as well as creating barriers for sustainable communities where deteriorating property conditions can attract antisocial behaviour.

This service will encourage owners of private sector empty homes to bring their properties back into occupation through letters, advice and financial assistance.

Where informal action is not successful, the service will consider using a range of enforcement measures shown in Stages 2 and 3 of the Enforcement Action which can include:

- The service of a statutory notice;
- Arranging for works to be carried out in default of the owner;
- Serving Empty Dwelling Management Orders (Part 4 of the Housing Act 2004);
- Enforced sale (Law of Property Act 1925) and.
- Compulsory Purchase Order action (Part 2 of the Housing Act 1985).

17.0 CARAVAN SITES

Caravan and camping sites provide accommodation both for residential, holiday and touring purposes. It is a requirement that all sites are registered with the Council and that owners apply for a caravan site licence.

Licences are issued with conditions attached in accordance with their planning permissions and Model Caravan Standards.

The requirement to apply for a caravan site licence refers to all sites, including park home sites. However, it does not apply to Council managed Gypsy and Traveller sites, nor to unauthorised sites without the appropriate planning permissions as these cases would require investigation from other enforcement bodies.

Caravan sites will be inspected on a cyclical basis or as a result of a complaint made to the service. This is to ensure that there is compliance with conditions listed on the site licence and also, where appropriate, with other legislative requirements.

Where there is non-compliance with licence conditions or legal requirements, these deficiencies will be notified to the licence holder, owner or manager. Formal action will be taken where there is insufficient progress, limited co-operation or, in the first instance, where serious issues are identified.

The Council has the power to charge annual fees for residential caravan sites and mobile home parks under the Mobiles Homes Act 2013. All charges are set out in the Mobile Homes Charging Policy, The current fees are detailed on the Council's website www.ryedale.gov.uk

18.0 PROPERTY REDRESS SCHEME

All letting agents or property management businesses are legally required to be a member of one of the three registered property redress schemes.

Where a letting agent or property manager is identified as not being registered with one of the schemes, then a monetary penalty will be imposed by the Council.

Notices will be served on an organisation prior to a monetary penalty being issued. There are rights of appeal to the First Tier Tribunal.

There is no limit to the number of fines that can be levied on a single letting agent or property manager if they continue not to be a member of a scheme.

The fees are detailed on the Council's website www.ryedale.gov.uk

19.0 CHARGING FOR ENFORCEMENT ACTION

The Council will make a reasonable charge to recover administrative and other expenses incurred when taking the enforcement action under the Housing Act 2004. This will include when the following notices are served or actions taken:

- Serving an Improvement Notice under Sections 11 and/or 12;
- Making a Prohibition Order under Section 20 or 21;
- Serving a Hazard Awareness Notice under Section 28 or 29;
- Taking Emergency Remedial Action under Section 40;
- Making an Emergency Prohibition Order under Section 43;
- Undertaking an annual review of a Suspended Improvement Notice or a Suspended Prohibition Order, and
- Making a Demolition Order under Section 265 of the Housing Act 1985.

Any charges made for taking enforcement action will be detailed in a 'Demand for Payment' notice which will accompany the enforcement notice(s). The Charge will be recovered through the Council's Finance Service.

This charge is registerable as a local land charge on the Land Charges Register.

The current fees are detailed on the Council's website www.ryedale.gov.uk

20.0 FINES, RECOVERY OF COSTS AND PROCEEDS OF CRIME

In prosecution cases where the defendant is found guilty by either the Magistrates or Crown Courts, unlimited fines can now be imposed.

In addition, the Council will seek to recover the costs incurred in taking a prosecution case, which include administrative costs incurred for preparing the prosecution file; attendance at court and Legal Services costs for preparing and presenting the case.

In cases where a property has been let illegally, or where there has been a breach of legal requirements, the Council will consider applying to the First Tier Tribunal Service to recover rent from a landlord through a Rent Repayment Order. It will also give advice to tenants on how they may recover rents through applying to the Tribunal Service in these circumstances.

Where there is substantial financial gain for a landlord or owner through noncompliance with legislative requirements in the private rented sector, the Council will consider taking action to confiscate or recover monies gained through illegal activities under the Proceeds of Crime Act 2002.

21.0 WORK IN DEFAULT

The Council will undertake work in default where there has been non-compliance with a statutory notice. Any action taken would be in accordance with legislative requirements and may be taken either with or without the consent of the responsible person.

The Council will recover the actual capital costs for the work and an administrative charge to recover costs incurred in arranging for a contractor; supervising the work and all associated administrative procedures.

The Council will register all costs incurred in undertaking default works as a local land charge against the premises.

Normally, the responsible person will be given notice of the Councils' intention to carry out works in their default. Although, in emergency situations, the statutes provide that no prior notice is required before undertaking works in default.

The Council will consider taking enforcement action in cases where officers or contractors are obstructed in undertaking their duties or carrying out works. The same obstruction offences still apply once emergency procedures have commenced.

Works in default may be undertaken in addition to instigating legal proceedings.

22.0 CIVIL PENALTIES, MONETARY PENALTIES AND PENALTY CHARGES

Civil Penalties, Monetary Penalties or Penalty Charges will be imposed where there is a breach in legal requirements according to specific legislative requirements.

These are located on the website.

Where a fixed penalty is not paid within the prescribed period, legal proceedings will be instituted for non-payment.

The current charges are detailed on the Council's website www.ryedale.gov.uk

23.0 PROSECUTIONS

Cases will only be recommended for a prosecution once this service has:

- Confirmed the appropriateness of the cases for legal proceedings;
- Confirmed compliance with the Regulator's Code, and
- Considered specific legislative requirements, enforcement procedures and this Enforcement Policy.

Regard will be made to the evidence and statutory defences available and the public interest tests as to whether the case should be pursued further, as set out in the Code for Crown Prosecutors. Cases are usually heard in the Magistrates Courts.

A checks and balance assessment is carried out before a case is referred to the Council's Legal Services, with the final decision being taken by the Head of Legal Services.

24.0 SIMPLE CAUTION

Simple Cautions may be considered as an alternative to taking a prosecution.

Any decisions to give a simple caution will be made in accordance with guidance issued by the Ministry of Justice -Simple Cautions for Adult Offenders (2015).

25.0 PUBLICISING OUTCOMES

Verdicts and sentences in criminal cases are given out in open court and are a matter of public record. Evidence suggests that the public wants to know about the outcomes of local court cases. This information is also a legitimate way of engaging communities and making criminal justice services more transparent and accountable.

The authority will publicise the outcomes of criminal cases and basic personal information about the convicted offender, in accordance with guidance issued by the Criminal Justice System (Publicising Sentencing Outcome, CJS, 2011). The reasons are to:

- Reassure the public;
- Increase trust and confidence in the criminal justice system;
- Improve the effectiveness of the criminal justice system, and.
- Discourage offending and/or re-offending.

26.0 FORMAL APPEALS

Where a statutory notice/order is served, or a licensing decision is made, the method of appealing the decision will be included within the documentation provided. This will include the full postal address and contact information for the relevant appeal body and the relevant time period to submit an appeal.

To reduce the potential for unnecessary appeals, clear reasons will be given, wherever possible, to a person against whom enforcement action is being taken. On request, these reasons will be confirmed in writing at the earliest opportunity and will include information about any relevant complaint or appeals procedure.

All formal appeals made will be responded to in accordance with statutory time limits and with advice from the Council's Legal Services.

27.0 COMPLIMENTS AND COMPLAINTS POLICY

The Council recognises the need to provide an excellent public service which is responsive to the views of both residents and businesses. We are therefore committed to continually improve the Private Rented Sector Ryedale and want customers and service users to provide feedback, which may be used to improve our services further.

As required by the Regulators Code, the authority has a Compliments and Complaints Procedure which allows all service users to give a compliment, give feedback or make a formal complaint. This can be accessed through the Ryedale District Council website www.ryedale.gov.uk or by telephoning the Council Tel: 01653 600666

Through the Compliments and Complaints Procedure, it is the aim that complaints are resolved speedily, effectively and fairly.

The tone of our contact is open, responsive and avoids unnecessary formality. Our written correspondence uses plain English and where appropriate, will be backed up with action to resolve such complaints.

If a complainant is not satisfied at the end of the complaints process, the matter can be raised with the relevant ombudsman service.

Appendix 1: Typical Legislation used by this Enforcement Policy

Building Act 1984

Caravan Sites Act 1968

Caravan Sites and Control of Development Act 1960

Deregulation Act 2015

Energy Act 2013

Enterprise and Regulatory Reform Act 2013

Environmental Protection Act 1990

Home Energy Conservation Act 1995

Housing Act 1985, 1996 and 2004

Housing and Planning Act 2016

Housing Grants, Construction and Regeneration Act 1996

Local Government and Housing Act 1989

Local Government (Miscellaneous Provisions) Act 1976 and 1982

Local Government Act 2003

Mobile Homes Act 2013

Prevention of Damages by Pest Act 1949

Protection from Eviction Act 1977

Public Health Acts 1936 and 1961

Regulatory Reform (Housing Assistance) Order 2002

Sustainable Energy Act 2003

Homeless Reduction Act 2018

Including Regulations and Orders made under the Act.



REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES
COMMITTEE ON 15 NOVEMBER 2018

53 Appointment of a Deputy Electoral Registration Officer

Considered – Report of the Chief Executive

Recommendation to Council

That the Democratic Services Manager be appointed as the Deputy Electoral Registration Officer (ERO).

Voting record
Unanimous

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	CHIEF EXECUTIVE STACEY BURLET
TITLE OF REPORT:	APPOINTMENT OF A DEPUTY ELECTORAL REGISTRATION OFFICER (ERO)
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report seeks to appoint a Deputy Electoral Registration Officer (ERO).

2.0 RECOMMENDATION(S)

2.1 That the Democratic Services Manager be appointed as the Deputy Electoral Registration Officer (ERO).

3.0 REASON FOR RECOMMENDATION(S)

3.1 To provide organisational resilience so the Council is able to discharge its duties with respect to elections.

3.2 The ERO must be appointed by Council.

4.0 SIGNIFICANT RISKS

4.1 There are significant risks associated with not appointing a Deputy Electoral Registration Officer, in terms of ability to properly discharge the relevant duties in a timely way, especially during elections, and the potential legal, financial and reputational implications of any challenge. For example if the Chief Executive became ill or was unavailable no other officer would be able to dispense the duties of ERO.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 This report relates to the One Ryedale corporate priority.

REPORT

6.0 REPORT DETAILS

- 6.1 Section 8(2) of the Representation of the People Act 1983 requires each English district council and London Borough to appoint an Electoral Registration Officer.
- 6.2 The Electoral Registration Officer must be appointed by Full Council.
- 6.3 The individual appointed carries personal liability for their duties. The Council must not direct them in the performance of these duties. The Council must however assign such officers as may be required to assist them to carry out their functions, and must pay any expenses properly incurred in performance of their duties.
- 6.4 The personal responsibilities include:
- The duty to maintain a list of UK Parliamentary and local government electors for the local authority area;
 - The duty to maintain a list of relevant citizens of the European Union entitled to vote at European Parliamentary elections;
 - The requirement to take reasonable steps to obtain information for those purposes and to ensure that persons who are entitled to be registered (and no others) are;
 - The requirement to conduct an annual electoral registration canvass and to give persons invitations to register to vote;
 - The requirement to take steps to encourage participation by electors in the electoral process;
 - The requirement to meet such standards of performance as set by the Electoral Commission.
- 6.5 At Full Council on 28 June 2018, the new Chief Executive, Stacey Bulet, was appointed as Electoral Registration Officer.
- 6.6 It is usual practice to appoint a Deputy Electoral Registration Officer to provide for the smooth administration of the electoral registration process. This ensures that if the Electoral Registration Officer is incapacitated or unavailable, decisions relating to their duties can still be taken. This would be particularly important in an election period, when decisions are made relating to register updates and absent voting applications, and on polling day when register queries can be referred from polling stations.
- 6.7 It is therefore proposed that the Democratic Services Manager be appointed as Deputy Electoral Registration Officer.
- 6.8 The Deputy Electoral Registration Officer must also be appointed by Full Council.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
There are no significant financial implications.
 - b) Legal
The recommendations contained within this report are lawful and seek to minimise risk of legal challenge.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
There are no other implications.

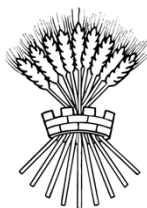
**Stacey Burlet
Chief Executive**

Author: Simon Copley, Democratic Services Manager
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Background Papers:
Minutes of the meeting of Full Council held on 28 June 2018

Background Papers are available for inspection at:
www.ryedale.gov.uk

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REPORT TO: FULL COUNCIL
DATE: 6 DECEMBER 2018
SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES
COMMITTEE ON 15 NOVEMBER 2018

54 Financial Strategy 2018-2023

Considered – Report of the Section 151 Officer

Recommendation to Council

That the report be noted and in particular it be noted that it will continue to develop over the next few weeks as part of the timescales set out in Appendix 1 of the report.

To specifically to note or comment on the assumptions made so far regarding:

- Confirmation of the Objective of the Financial Strategy (6.7)
- The preparation of 'best', 'mid' and 'worst' scenarios for future consideration by Members (6.8)
- Interest rates (7.1)
- Pay and Price Inflation (7.3 – 7.4)
- Transitional Grant (7.6)
- Business Rates (7.9 – 7.11)
- New Homes Bonus (7.15)
- Specific Grants (7.19)
- Council Tax (7.20 – 7.23)
- Service income (7.25)
- Pension Arrangements (7.27)
- Debt Charges (7.30 – 7.31)
- General Balances (7.32 – 7.33)
- Earmarked Reserves (7.35)
- Costs and income (section 8)

Voting record

Unanimous

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	RYEDALE'S FINANCIAL STRATEGY 2018-23
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report provides an update to members on progress towards refreshing the Council's Financial Strategy.

2.0 RECOMMENDATIONS

- 2.1 The Committee is asked to note the contents of this report, and in particular to note that it will continue to develop over the next few weeks as part of the timescales set out in Appendix 1. The committee is also asked specifically to note or comment on the assumptions made so far regarding:

- Confirmation of the Objective of the Financial Strategy (6.7)
- The preparation of 'best', 'mid' and 'worst' scenarios for future consideration by Members (6.8)
- Interest rates (7.1)
- Pay and Price Inflation (7.3 – 7.4)
- Transitional Grant (7.6)
- Business Rates (7.9 – 7.11)
- New Homes Bonus (7.15)
- Specific Grants (7.19)
- Council Tax (7.20 – 7.23)
- Service income (7.25)
- Pension Arrangements (7.27)
- Debt Charges (7.30 – 7.31)
- General Balances (7.32 – 7.33)
- Earmarked Reserves (7.35)
- Costs and income (section 8)

3.0 REASON FOR RECOMMENDATIONS

- 3.1 This report sets out some of the detail relating to work already undertaken in relation to issues that will impact on the Council's financial strategy. It also reminds members of the proposed timescale and plans for formal approvals and other proposals regarding ongoing budget monitoring.

4.0 POLICY CONTEXT AND CONSULTATION

4.1 The 2018-19 budget strategy was approved at Council in July 2017 and is a key document affecting all service delivery, linking to the Council Plan and all of the strategic plans as well as providing the means for attaining the Council's objectives and priorities.

REPORT

5.0 REPORT DETAILS

5.1 The remainder of this report is split into the following sections:

- Section 6 – Background
- Section 7 – Update on Financial Assumptions
- Section 8 – Revenue Budget Outlook 2019-20 to 2021-22
- Section 9 – Savings
- Section 10 – Capital Programmes
- Section 11 – Conclusions

6.0 BACKGROUND

6.1 This paper presents a refreshed Medium Term Financial Strategy to supplement the version that was approved by Council as part of the budget in February 2018. It considers the budget pressures and issues facing the Council over the next 3 years and beyond. It provides the framework for the forthcoming budget round and the longer term outlook to inform funding and investment decisions.

6.2 The Government's proposals for a reviewed Local Government funding system are emerging but there is still much to be settled. A number of consultations have taken place and the latest closed on 18th September, with the closing date for the next round of Business Rates Pool pilots a week later. We continue to await the outcome of the consultations on the fairer funding review to throw further light on the outlook for public sector finances.

6.3 As this strategy is being written, the impacts on public sector finances of the UK's exit from the European Union are still not clear.

6.4 The outlook for the devolution agenda also remains uncertain and at this stage the financial implications of devolution for Ryedale are not known and therefore cannot be taken into account in this refresh. It will be important to understand the on-going implications as part of any future decisions on forming a combined authority with other partners should this ultimately be an option.

6.5 Against this backdrop of uncertainty the key drivers for the financial strategy remain unchanged as the pressure on Local Government finance continues.

6.6 With this refresh comes the emphasis on financial self-sufficiency - aiming to secure the resources necessary to deliver the Corporate Plan, whilst managing the funding cuts we are facing – ultimately over the long term achieving a self-sustaining financial model which sees the Council free from reliance on central government funding by raising income locally through Council Tax and Business Rates as well as through charging appropriately for services, maximising investments and commercial activity.

6.7 Accordingly, 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 £1.75m already undertaken 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 within 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.
- 6.8 To support this paper and due to the expected volatility within the General Fund, three scenarios ('best', 'mid' and 'worst' case) are being prepared to cover the next 5 years from 2019-20 to 2023-24.

7.0 Update on financial assumptions

Economic Assumptions

Interest Rates

- 7.1 The bank base rate was increased by 0.25% to 0.5% in November 2017 and then raised again to 0.75% in August 2018. In the latest forecasts received from Link (the Council's treasury management advisors), rates are expected to rise steadily over the next few years. Forecast returns have been updated to reflect the latest profile.

Investment Income	2018-19	2019-20	2020-21	2021-22
Average rate %	0.75%	1.1%	1.25%	1.35%
Interest£000's	145	198	225	243

- 7.2 Rates will be kept under review and forecasts updated as necessary.

Pay and Price Inflation

- 7.3 Provision for the public sector pay award and changes to the NJC pay scale has been included within the MTFs based on the 2 year offer agreed in 2018. For 2020-21 onwards 2% is assumed.
- 7.4 As at May 2018 CPI inflation was running at 2.4% in contrast to average weekly earnings which rose by 2.5% in the 3 months to April 2018. The Bank of England forecast CPI to decline through 2018 to 2020, to just above their 2% target. However,

it remains to be seen how the UK's exit from the European Union will impact on the outlook for the economy and inflation. Given the continued cuts to central Government funding, the MTF5 assumption on inflation has been maintained at up to 3%.

Settlement Funding

- 7.5 This element of funding has seen the most significant changes in recent years following the localisation of Business Rates and Council Tax Support.
- 7.6 The 2017-18 Local Government Finance Settlement provided figures for Settlement funding through to 2019-20. Settlement Funding includes Revenue Support Grant (RSG) and Business Rates Baseline Funding (BRBF). In addition Rural Services Delivery Grant (RSDG) and Transitional Grant (TG) were included in the settlement. The Government has confirmed its intention to honour the multi-year settlement in its final year and has consulted on negative RSG (tariff adjustment), suggesting this may be removed from the 2019-20 settlement. At this stage it is assumed that this will be rolled into the new settlement from 2020-21 so any benefit is assumed to be for one year only.

Local Government Finance Settlement February 2018	2015-16 £000's	2016-17 £000's	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's*
RSG	1,315	763	378	143	0	0
BRBF	1,487	1,500	1,531	1,576	1,611	1,643
Tariff adjustment					-120	-122
SFA	2,802	2,263	1,909	1,719	1,611	1,521
RSDG	109	568	459	572	459	0
TG	0	25	25	0	0	0
Total	2,911	2,856	2,393	2,291	2,070	1,521

**Multi-Year Settlement runs to 2019-20 – 2020-21 Estimated and inflationary rises assumed thereafter*

- 7.7 Subject to the removal of negative RSG, the settlement shows a funding reduction of approximately £840k from 2015-16 to 2019-20 with RSG being completely phased out over the period.
- 7.8 The Government has provided a multi-year settlement (2017-18 – 2019-20) to Local Authorities although has reserved the right to alter the figures due to unforeseen circumstances or 'shocks' in the system. The strategy assumes that the settlement stands but clearly this presents a risk.

Business Rates Retention

- 7.9 The Council is currently part of the 50% North Yorkshire Business Rates Pool and with business rates above our baseline funding level we retain our share plus a pool dividend (a share of the Government's levy foregone, across the pool).
- 7.10 The Government has announced a further pilot for Business Rates Retention (75% rather than 100%) prior to the system reset due from 2020-21. Work has been done to assess the issues and impacts with colleagues within the potential pilot (West Yorkshire, City of York and North Yorkshire Councils) and a bid for 75% pilot status was submitted on 25 September. The estimated benefit for Ryedale is £130k over and above the current benefits from the 50% pool. Should the application be successful, it is assumed the impacts will be for one year only and as such will not be included within

the Council's base budget assumptions. Our forecasts take account of the 2017 revaluation and latest intelligence on appeals:

Business Rates Income	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's
Baseline Funding	1,576	1,611	1,521	1,551
Share of growth	434	458	100	200
Pool dividend	256	320	50	100
Renewable energy	31	32	0	0
Total	2,297	2,421	1,671	1,851

- 7.11 These forecasts include reasonable provision for appeals but due to the potential volatility within the system they should be treated with caution. Any additional growth will be factored into our plans once a clear trend can be established and decisions on future allocations will need to be taken in light of the overall funding available and risk at that time.

New Homes Bonus

- 7.12 New Homes Bonus (NHB) is an incentive scheme which rewards housing growth. The scheme is funded partly by the Government and also by top-slicing the Local Government funding settlement. Ryedale achieved £1.676m p.a. when the scheme reached maturity for 2016-17 (year 6 of the scheme).
- 7.13 However, the Government's evaluation of NHB and consultation early in 2016 resulted in it being scaled back to a 4 year scheme with a 0.4% growth threshold – for 2018-19 £964k is expected.
- 7.14 New Homes Bonus funding is only secured to 2019-20 and latest intelligence suggests that this scheme will be replaced in its entirety from 2020-21 with the Government considering alternative ways to incentivise housing growth. Assuming a prudent level of growth in 2019-20 New Homes Bonus forecasts are:

New Homes Bonus	2018-19 £000's	2019-20 £000's	2020-21 £000's
Year 5	260		
Year 6	289	289	
Year 7	210	210	0
Year 8	205	205	0
Year 9		196	0
Total	964	900	0

- 7.15 Given the uncertain nature of NHB it is not advisable to rely on this to support the revenue budget and therefore the mid-case scenario presented to members for discussion will assume that the balance of NHB after applying £188k to fund capital expenditure, is transferred to reserves next year to help mitigate the risk of loss should the scheme ultimately be brought to a close:

New Homes Bonus	2018-19 £000's	2019-20 £000's	2020-21 £000's
Revenue	0	0	0
Capital	188	188	0
Balance to reserves	776	712	0
Total	964	900	0

- 7.16 Growth in receipts above these levels is currently assumed to be allocated to the New Homes Bonus Reserve.
- 7.17 The previous MTFS assumed that a growing proportion of NHB would be needed to support the revenue budget (£426k in 2019-20, £586k in 2020-21 and £642k in 2021-22) so cessation of the scheme would add a pressure to the Council's financial outlook.

Special and Specific Grants

- 7.18 The Council is in receipt of a number of additional grants for 2018-19 which may continue into the future. For 2019-20 the Local Government Finance Settlement included the following which are assumed to continue to 2020 in line with the multi-year finance settlement:

Specific Grants	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's
New burdens – CTS Admin	50	49	0	0
Total	50	49	0	0

- 7.19 Future funding is dependent upon the outcome of the new Business Rates Retention system - beyond 2020 it is assumed that these will be rolled into Business Rates funding. These grants are not ring-fenced.

Council Tax

- 7.20 A Council Tax Base of 21,581 is estimated for 2018-19 with a 1% rise forecast thereafter. Every 0.5% increase above this level would add approximately 108 Band D equivalents to our Tax Base which equates to around £21k p.a. at the current Band D charge.
- 7.21 The latest indications from central Government are that they are minded to allow district councils to increase their Band D charge by 3% or £5 whichever is the highest, without triggering a referendum and our current workings will include – for the illustration below – a £5 p.a. increase is used for 2019-20.
- 7.22 A £5 increase would equate to an increase of 2.62% or 10p per week for 2019-20:

	2018-19	2019-20
Tax Base with 1% growth	21,581.37	21,797.18
Band D Charge £	190.82	195.82
% Increase	2.56	2.62
Council Tax Income £000's	4,118	4,267

- 7.23 Should the Council wish to consider an alternative policy on Council Tax:
- a 3% increase would take the Band D charge to £196.55 (an increase of £5.73) and raise an additional £16k in 2019-20 - £84k over the life of the MTFS, if we assume a maximum increase in future years of 1.99%;
 - a freeze in 2019-20 would reduce income by £109k – a loss of circa £579k over the life of the MTFS, if we assume a maximum increase in future years of 1.99%

Service Income

- 7.24 The Council approved a Commercialisation and Income Policy in February 2018 which established full cost recovery as the minimum for all discretionary charges. A review of fees and charges is planned as part of our savings programme.
- 7.25 This strategy assumes that service income raised through discretionary fees and charges will increase in line with inflation although opportunities to maximise income will be sought as part of our overall approach to savings and efficiency – currently a £11k target for additional income is included within our approved savings plan for 2018-19. Prescribed planning fees increased by 20% from 17 January 2018. Other grants and subsidies are assumed to remain flat – any subsequent reductions will be managed within the overall base budget/savings requirement.
- 7.26 The table below shows the main service related income streams:

Service Income	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Projection £'000	2020-21 Projection £'000	2021-22 Projection £'000
Court Fees Summon Costs	81	56	67	69	70
Local Land Charges	84	88	89	91	93
Waste Collection & Recycling	1,486	1,462	1,401	1,429	1,457
Regulatory Services	253	197	201	205	209
Planning	636	462	512	512	512
Economic Development	55	77	79	80	82
Parking Services	765	903	868	886	903
Lifeline Services	236	226	231	235	240
Other Rent Income	0	73	74	76	77
Miscellaneous Fees & Charges	187	182	176	179	183
Total Service Income	3,783	3,726	3,698	3,762	3,827
Income Growth included in MTFS update:					
Council Tax Recovery Costs		10			
Planning Income		50			
Car Parking Income		-53			
Garden Waste / Recycling credits		-90			
Market Rent Income		-10			
Total Target Income	3,783	3,633	3,698	3,762	3,827

Pension Assumptions

- 7.27 The Council's employers' contribution rate for the North Yorkshire Pension Fund is set every 3 years based upon actuarial assumptions and investment expectations. Like many other Councils Ryedale's pension fund has a historic deficit - £6.472m at 31 March 2016 when the last valuation was undertaken. The employers' rate is designed to cover future service costs and a contribution towards the historic deficit, which aims to balance the fund over the long term. Changes to the scheme benefits have also been introduced in order to reduce the costs of future pension payments. The next valuation is due as at 31 March 2019 – any subsequent increases in rates will be incorporated into our forecasts once they are known.

Debt Charges Assumptions

- 7.28 Management of the Council's debt is governed by the Treasury Management Strategy and Prudential Indicators which aim to ensure the Council's capital expenditure plans are prudent, affordable and sustainable, with decisions on borrowing taken in light of spending plans and available funding, cash flow needs and interest rates (current and future forecasts).
- 7.29 Borrowing enables the Council to spread the cost of capital expenditure over time. Generally speaking it gives rise to 2 charges against the revenue budget: Minimum Revenue Provision (MRP) and interest payable on debt.
- 7.30 MRP is an amount set aside to repay debt in accordance with the approved policy within the Treasury Management Strategy. The current policy is to charge MRP for assets included within the debt liability over the useful life of the asset or finance lease term. The current annual charge to General Fund balances is £35k. Given the high level of reserves held by the Council, one option might be to use these and therefore reduce the charge to the revenue budget. It is suggested that this is explored before finalising the 2019-20 budget.
- 7.31 The Council has resolved to fund the current capital programme through the use of grant funding and reserve balances, thus removing the need to borrow. However, should this position change, the current environment of low returns on cash investments means that it is more favourable to borrow internally (i.e. use available cash earmarked for future spend) than take out new external borrowing. This will be kept under review as part of monitoring the Council's Treasury activities.

Reserves and Balances Assumptions

General Balances

- 7.32 In accordance with the current strategy it is assumed that General Balances are **not** used to support the revenue budget.
- 7.33 General Balances are funding of last resort. Taking account of the size of the Council's revenue budget and risks being managed, a minimum working balance of £1m would seem appropriate.

Earmarked Reserves

- 7.34 The following sets out the rationale for each reserve and some initial assumptions for the future
- 7.35 A further detailed review will be undertaken as part of the budget process before final decisions are taken. The initial figures shown are as at 1 April 2018:
- **Capital Fund (£2,929k)** – this holds the resources from the revenue stream of funding to be applied to the capital programme. Expected movements in 2018-19 are shown below, with an initial **expected balance at 31 March 2019 of £4,486k**:
 - £100k contribution from revenue budget
 - £188k from NHB income
 - £2.5m from NHB reserve for Ryedale Hub
 - £1,231k initial funding of projects from reserves (although current estimates show that all of this is unlikely to be required)

- **Collection Fund Equalisation Reserve (£506k)** – this reserve currently evens out the financial impact of the Business Rates Retention System. Going forward it is assumed that additional receipts received above the previous MTFS assumptions will be transferred to this reserve for draw down in future years to balance the revenue budget after allowing for planned savings, should this be required. The mid-case scenario shows contributions of £1.438m over 2018-19 and 2019-20 and subsequent drawdown of £1.08m for 2020-21 to 2023-24. Contributions and drawdowns are subject to the actual receipts achieved following the system reset from 2020-21.
- **Ryedale Development Fund (£94k)** – this reserve was established from the balance of the 2012-13 New Homes Bonus. The fund offers financial assistance to a range of initiatives aimed at supporting the economy and employment within the Ryedale area. At 1 April 2018, £94k remains available for allocation.
- **Election Reserve (£61k)** – this reserve is used to equalise the effect of the four yearly district election costs. A review suggests that the current £20k p.a. revenue contribution is insufficient to cover current costs and therefore it will be proposed to increase annual contributions to £30k from 2019-20 which will have an impact on the revenue budget.
- **Council Tax Hardship Fund (£24k)** – this has been established to finance the cost of discretionary tax relief awarded. The reserve receives annual revenue contributions of £6k and at 1 April 2018 the balance stood at £24k.
- **New Homes Bonus Reserve (£3.698m)** – this reserve has been established to be utilised in line with Member priorities. At 1 April 2018 the balance on this reserve was £3.698m and £2.5m has been transferred to the Capital Fund for financing of the Ryedale Hub. In line with the assumptions set out in paragraph 2.16 above, contributions of £776k for 2018-19 and £712k for 2019-20 are assumed. From 2020-21 it is assumed the New Homes Bonus scheme ceases. In addition £286k is included in the 2018-19 revenue budget as a contribution to this reserve along with an additional £113k Rural Services Delivery Grant. This will produce a reserve of £2.373m by 31 March 2019.
- **Grants Reserve (£163k)** – the Council provides grants and loans to voluntary bodies and other organisations to help establish and improve a variety of facilities throughout the district. Grants are also issued to support rural community transport facilities. If budgeted funds are not fully utilised in year the remaining budget provision is transferred into this reserve to help off-set expenditure in future years should this be necessary.
- **IT Fund (£95k)** – £2k p.a. is currently set aside to sustain this important reserve, which provides the financial capacity to upgrade and replace our IT infrastructure, hardware and systems in accordance with our approved IT Strategy. The use of IT to support the Council's customer 'self-service' and channel shift agenda means that the financial capacity to invest in modern technologies is crucial to support future services and deliver savings. Fixed contributions allow the smoothing of these irregular costs to avoid peaks and troughs in funding requirements. Future spending will be reviewed and planned over a 10 year period allowing for known upgrades and system replacements. It is expected that significant investment will be required over the coming years and accordingly, linked to any decisions around the future main site of the Council

- **Improvement, Contingency and Emergency (ICE) Fund (£807k)** – this is available for a number of purposes that include meeting the cost of unexpected significant revenue items and initial financial support to achieve efficiency savings. The reserve is topped up from in-year surpluses should these be available and needed.
- **Local Development Framework Reserve (£50k)** – delivery of a district wide local plan requires a significant and sustained resource input over a relatively long period of time, which can put pressure on in-year budgets when peaks in work occur.
- **Operational Reserve (£648k)** – this reserve has been used to allow service units to set aside a proportion of savings in their budgets for use in later years. It also includes service specific revenue grants with no conditions that have been recognised in the Comprehensive Income and Expenditure Account but not yet applied. The MTFS includes £6k p.a. contribution to this reserve and an estimate of £4k being used.
- **Restructure Reserve (£402k)** was established to cover the set-up costs associated with the restructure of the Council.

Capital Reserves

- **Useable Capital Receipts (£222k)** – generated through the sale of Council assets. These receipts can only be used to fund capital expenditure and are allocated in light of our capital investment plans.

7.36 At 1 April 2018 reserve balances were £12.8m. Members are asked to note that a further detailed review will be undertaken as part of the budget process before final decisions are taken

8.0 Revenue Budget Outlook 2019-20 to 2021-22

Costs

- 8.1 It is assumed that on average costs will increase in line with inflation. Whilst cuts in general grant continue, demand-led cost pressures must be contained within the net revenue budget. The strategy will include inflation and cost pressures over the five years, taking into account (for example):
- Additional costs (full year impact) of the waste transfer station £62k (£227k less than the previous estimate for 2019-20);
 - A reduction in green waste recycling credits paid by NYCC - £90k;
 - A continuing shortfall in car parking income £53k.
- 8.2 The single largest cost to the Council is its employees. In 2018-19 the Council's payroll budget is approximately £5.5m. A 2% pay award is included in our budget forecasts - an increase of around £110k p.a. – although rising inflation is putting this under pressure. We also need to take account of the new pay award from April 2019.
- 8.3 It is recommended that an amount for the Apprenticeship Levy is also factored into our future payroll costs – at this stage, an estimated cost of around £10k p.a.

Income

- 8.4 Service related income levels are helping to support our savings plan although some areas are under pressure. Opportunities for growing income generation remain a priority and proposals for commercialisation will continue to be developed. A strategic review of income generation is planned as part of our savings work.
- 8.5 The growth in Business Rates income continues to have a positive impact on our General Fund financial position at least in the short term but we will need to keep this under close review post the system reset from 2020-21.
- 8.6 Whilst the Government's offer of a multi-year settlement provides a degree of certainty (notwithstanding the impacts of the UK's exit from the EU) this is a diminishing proportion of overall funding. Due to the uncertainty of Business Rates and New Homes Bonus it is difficult to predict the level of resources we can expect beyond 2019-20 with confidence.
- 8.7 Initial indications suggest that while there will be budget surpluses in 2018-19 and 2019-20, after that a number of cost pressures may arise, caused by:
- reset of the Business Rates Retention system
 - ending of the Rural Service Delivery grant
 - ending of New Homes Bonus comes
- 8.8 Over the coming 5 years, new business rates growth will help to bolster our funding, although this will be subject to the rates retention system and future business growth. The Business Rates Equalisation Reserve smooths the impact of the funding changes providing resources to call on as savings plans are brought to fruition.
- 8.9 The Council's healthy reserves position provides resources for future investment but the on-going risk to the Council's funding means that we will need to strike a careful balance between savings and investment. We will continue to strive for more efficient and effective services and maximising income where possible and appropriate, which in turn will enable the financial capacity for investment in corporate priorities.

9.0 Savings Progress

- 9.1 This 2018-19 budget is expected to achieve an in-year surplus and this is masking the initial savings programme. The Financial Strategy agreed in February 2018 assumed additional savings in future years and these are being reviewed as part of the current work on refreshing the strategy.

10.0 Capital Programmes

- 10.1 The Council's Capital Programme is split into 5 themes:
- Asset management
 - Priority aims
 - Major schemes
 - Externally funded schemes
 - Others
- 10.2 Schemes relating to Asset Management comprise all those that will result in the Council's assets being substantially enhanced. These can include works to land and buildings as well as IT upgrades of either hardware or software.

- 10.3 Schemes under Priority Aims are those where the Council has taken a deliberate decision that these will help satisfy its corporate objectives/key priorities.
- 10.4 The value of the current approved programme to 2021-22 is £4.429m, which is primarily funded by earmarked reserves and Government (MHCLG) grants.
- 10.5 Capital Programme proposals will be considered as part of the forthcoming budget round and borrowing requirements will be kept under review.
- 10.6 It also recommended that monitoring arrangements for capital are refreshed alongside those for the revenue budget.

11.0 Conclusions

- 11.1 This paper illustrates the “live” nature of the Medium Term Financial Strategy. A number of assumptions are included in this update but there will be further information shared with Members in the coming weeks.
- 11.2 At this stage, it is important to highlight the risk within the Business Rates retention scheme as we approach the system reset from 2020-21 and in particular it is not known if similar levels of growth as to those experienced to date can be expected going forward.
- 11.3 There is also uncertainty over New Homes Bonus, the economic situation, income generation and delivery of savings. The Council's longer term financial position is heavily reliant upon overall resources keeping pace with inflation and costs being contained within base budget.
- 11.4 Currently, New Homes Bonus is crucial to our capacity to invest in Ryedale District. Whilst it continues, it will be earmarked for future investment and not used to support the Council's base budget (which could create a 'cliff edge' if the scheme ultimately comes to an end).

Anton Hodge
Chief Finance Officer (s151)

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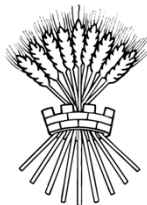
Background Papers: Report to Resources Working Party 12 July 2018, 27 September 2018

APPENDIX 1

The following table sets out some key dates for the budget process:

Date	Meeting	Details
3 Oct	Members' Development	Budget Planning Process
22 Oct	Group Leaders' Briefing	Update on Budget Strategy
1 Nov (rescheduled to 8 Nov)	Resources Working Party	Update on Strategy <ul style="list-style-type: none"> - Budget Monitoring 2018-19 - Key budget issues/initial proposals for 2019-20 and beyond
15 Nov	Policy and Resources Cttee	Update on Strategy <ul style="list-style-type: none"> - Budget Monitoring 2018-19 - Key budget issues/initial proposals for 2019-20 and beyond
6 Dec	Council	Update on Strategy <ul style="list-style-type: none"> - Budget Monitoring 2018-19 - Key budget issues/initial proposals for 2019-20 and beyond
7 Jan	Group Leaders' Briefing	Preparing for final stages of budget process
9 Jan	Members' Development	Review of budget issues and any proposals
17 Jan	Resources Working Party	Draft Budget Strategy 2019-23
27 Jan	Overview and Scrutiny Cttee	Treasury management statement and Investment Strategy 2019-20
7 Feb	Policy and Resources Cttee	Budget Strategy 2019-23
21 Feb	Council	Budget Strategy 2019-23, including <ul style="list-style-type: none"> - approving 2019-20 revenue and capital budgets - setting Council Tax 2019-20 - Treasury management statement and Investment Strategy 2019-20

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REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES
COMMITTEE ON 15 NOVEMBER 2018

55 Revenue Budget Monitoring

Considered – Report of the Section 151 Officer

Recommendation to Council

It is recommended that:

(i) Council endorses the actions of officers and notes the contents of the report;

Voting record

Unanimous

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PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	REVENUE BUDGET MONITORING – Q2
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The revenue budget was approved by Council on 22 February 2018, this report and associated appendices present the financial performance as at 30 September 2018 against the budget.

2.0 RECOMMENDATION

- 2.1 It is recommended that:
- i) Policy and Resources committee endorse the actions of officers and note the contents of the report;

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 To ensure that budget exceptions are brought to the attention of the Policy and Resources Committee in order to approve remedial action where necessary.

4.0 POLICY CONTEXT AND CONSULTATION

- 4.1 The financial position and performance against budget is fundamental to delivery of the Council's Plan, achieving value for money and ensuring financial stability.

REPORT

5.0 REPORT DETAILS

5.1 Summary

At the end of quarter 2, the General Fund is indicating an outturn surplus of £1,140k. There are a number of variances (positive & negative) which make up this surplus including:

- shortfall on some income streams such as car parking and market rents, offset by
- expected NNDR collection fund surpluses,
- Employee costs underspend,
- Higher Investment income,
- un-committed contingencies

Planned savings and efficiencies of £436k for the year, identified as part of the 2018/19 budget setting process have already been built into the base budgets and are reflected in the numbers below, and therefore any forecast surplus is after the budget has been reduced by this amount.

The table below sets out the summary position, with details of forecast variances included in **Appendix A**.

General Fund Account – Q2 2018/19	Budget £000's	Forecast £000's	Variance £000's
Net Revenue Budget	6,067	5,449	(618)
Settlement Funding RSG/NDR	(1,719)	(1,719)	(0)
Amount to be met from Council Tax	4,348	3,730	(618)
Council Tax	(4,118)	(4,118)	0
Collection Fund Surpluses	(230)	(752)	(522)
Net Revenue Budget (Surplus) / Deficit	0	(1,140)	(1,140)

5.2 The main forecasted variances are:

Expenditure

- Employee related costs are currently forecast to be underspent by a net £123k. This is primarily due to a number of vacancies being carried across services, which is partially offset by cost relating to agency and contracted staff employed to back-fill vacant posts. As these vacancies are filled, we can expect the salaries underspend to increase.
- Supplies and Services are forecast to underspend by £129k, which includes part year savings of £40k resulting from the insurance re-tender, LDF consultants as this is not an inspection year (£50k) and delays in expected cost pressures arising from the Waste Transfer station, which is now expected in 19/20 (£38k).
- Vehicles and Transport related costs are due to underspend following delays in replacement Waste collection vehicles being brought into use (£60k), and employee travel allowance costs of (£24k).

- Reactive property maintenance costs are on track to underspend by around (£50k) based on current known commitments.
- There are currently no cost pressures identified requiring use of contingency provisions (£109k)

Income

- Forecast shares from the NNDR pool suggest a surplus of £522k against budget set.
- Within fees & charges, based on current trend, a shortfall in car parking income is forecast (£109k), and (£20k) against market rents, although steps are being taken to improve market occupancy. This is partially mitigated by a potential surplus within Planning income (£50k), and other smaller surpluses in HIA grant (£18k) which is linked to the forecast capital spend and Lifeline income (£12k)
- Income from Housing Benefit overpayments is expected to exceed budget by (£50k) as expected impact of Universal credit has not yet been seen.
- Investment income is set to exceed budget by (£81k) as a result of improved rates following base rate increases and cash balances.

5.3 The figures above and in the appendix do not at this stage take into account any one-off and recurrent spend incurred through a series of systemic “health checks”, which have been commissioned by the Chief Executive. These areas include:

- Health and Safety
- IT and Data Management
- Customer Services
- Programmes and Performance
- Legal services
- Assets

5.4 An organisational development programme – which includes access to new learning and development pathways - has also been commissioned by the Chief Executive to support workforce development. The costs of this programme will be incorporated within the Quarter 3 forecast.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
Included in the body of the report
- b) Legal
There are no legal implications identified as part of this report
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
Not applicable

Anton Hodge
Chief Finance Officer (s151)

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Background Papers:
None

Background Papers are available for inspection at:
N/A

Management Accounts 2018/19

Results as at Quarter 2 - 30th September 2018

	Prior Year	Latest Approved	Year to Date		Full Year	Variances		COMMENTS	
	Actual	Budget	Actual	Budget	Forecast	Year to Date	Full Year Forecast		
INCOME									
Fees & Charges	(3,016)	(2,921)	(1,587)	(1,471)	(2,885)	(116)	35	Shortfall in car parking income (£109k) and Market rents (£20k), offset by forecast surpluses in Planning income (£50k), HIA Grant (£18k) and Lifeline income (£12k)	
Government Grants	(2,083)	(1,633)	(871)	(817)	(1,642)	(54)	(9)		
Grants & Contributions Inc	(414)	(101)	(24)	(33)	(116)	9	(15)		
Housing Benefits	(9,478)	(9,315)	(85)	(132)	(9,365)	47	(50)		HB overpayments income] expected to exceed budget (£50k)
Investment Income	(85)	(55)	(57)	(29)	(136)	(28)	(81)		Surplus due to increase in rates and balances invested
Waste Collection & Recycling Inc	(1,936)	(1,935)	(901)	(1,585)	(1,935)	685	0		
Recharges	(2)	(45)	2	(1,119)	(45)	1,121	0		
TOTAL SERVICE INCOME	(17,015)	(16,004)	(3,523)	(5,186)	(16,124)	1,663	(120)		
Salaries & Employee Costs	6,377	6,912	2,145	3,293	6,789	(1,149)	(123)	Underspends relating to vacancies, partially offset by backfilling with agency and short term contracted staff	
Supplies & Services	1,912	2,320	559	1,038	2,192	(480)	(129)	Main variances relate to part year saving resulting from Insurance procurement (£40K), LDF Consultants budget not required this year (£50k), Expected costs relating to Waste Transfer Station not due to commence until 19/20 (£38k)	
Vehicles & Transport	465	577	261	288	490	(27)	(88)	Net saving resulting from delays in new leased waste vehicles becoming operational (£60k), and underspends across car allowances budgets (£24k)	
Premises	1,025	1,491	611	731	1,441	(119)	(50)	Estimated savings across reactive R&M budgets	
Drainage Board Levies	96	99	50	50	99	1	0		
Grants & Contributions	268	327	157	171	327	(14)	0		
Housing Benefit Payments	9,126	9,174	4,245	4,939	9,174	(694)	0		
Contingency Provisions	3	121	0	61	13	(61)	(109)	Cost pressures currently being managed within overall service budgets	
Interest Payable	56	63	7	32	63	(25)	0		
Capital A/c	251	(87)	(523)	(72)	(87)	(451)	0		
TOTAL SERVICE EXPENDITURE	19,579	20,997	7,512	10,531	20,501	(3,019)	(499)		
FINANCING & RESERVES									
Collection Fund Surplus	(19)	(31)	0	0	(31)	0	0		
Council Tax	(3,959)	(4,118)	966	0	(4,118)	966	0		
NNDR	(2,168)	(1,775)	2,282	0	(2,297)	2,282	(522)	Estimated income from NNDR Pool, including dividends and Renewable rates	
RSG	(378)	(143)	(49)	0	(143)	(49)	0		
Transfers to / from Reserves	1,871	1,073	0	25	1,073	(25)	0		
TOTAL FINANCING & RESERVES	(4,653)	(4,994)	3,199	25	(5,516)	3,174	(522)		
GF SURPLUS / DEFICIT	(2,088)	0	7,188	5,370	(1,140)	1,818	(1,140)		

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REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES COMMITTEE ON 15 NOVEMBER 2018

56 Corporate Peer Challenge Revisit Feedback Report

Considered – Report of the Chief Executive

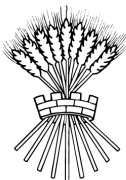
Recommendation to Council

That Council be recommended to:

- (i) Note the content of the Corporate Peer Review Revisit report, which was attached at appendix 1 of the report.
- (ii) Note the key areas of development that have been highlighted to the Chief Executive by the Lead Reviewer.
- (iii) Approve the proposed actions for addressing areas of development outlined at paragraph 6.4 – 6.7.

Voting record
Unanimous

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	CHIEF EXECUTIVE STACEY BURLET
TITLE OF REPORT:	CORPORATE PEER REVIEW REVISIT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To present a copy of the Peer Review team's revisit report, and highlight the key areas of development that have been identified by the Lead Peer Reviewer.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to:
- (i) Note the content of the Corporate Peer Review Revisit report, which is attached at appendix 1.
 - (ii) Note the key areas of development that have been highlighted to the Chief Executive by the Lead Reviewer.
 - (iii) Approve the proposed actions for addressing areas of development outlined at paragraph 6.4 – 6.7.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Peer Review Revisit report and areas of development highlighted by the Lead Peer Reviewer provide an important reference point for Ryedale District Council. The findings presented represent an external professional view of our current performance. The Team included elected members and officers.
- 3.2 The 3 key areas for development, which have been highlighted, are critical for any strong and successful organisation. Ryedale District Council aspires to be a great employer, strong local authority and to make a real difference for everyone living, working and doing business in Ryedale. Addressing the findings will support us to achieve these goals.

3.3 The Chief Executive is new in post and has been carrying out her own review of the Council and its development needs. The 3 areas highlighted by the Peer Review Team have also been identified as requiring attention during this review.

4.0 SIGNIFICANT RISKS

4.1 Not taking action on these matters would not be recommended. The three areas highlighted by the Lead Reviewer requiring development – leadership, valuing the workforce and a strategic approach are critical pillars of a strong and focused organisation. To not take action would potentially result in a demotivated workforce, elected members and officers not focusing on their respective roles, and a lack of focus on the Council's strategic priorities.

4.2 Taking action is not considered to be 'risky' as programmes of activity have already been initiated to address the areas of development that have been highlighted by the Peer Reviewers. Please see paragraphs 6.4 and 6.7 for more detail.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 The Corporate Peer Challenge and the Revisit process offer Ryedale District Council with an opportunity to consider an external view of the Council's corporate arrangements and ambitions for growth.

5.2 The original Challenge process and the revisit involved consultation. This included partners, community representatives, elected members and staff.

REPORT

6.0 REPORT DETAILS

6.1 The original Corporate Peer Challenge took place in October 2016. The report and is attached at Appendix 2.

6.2 The Revisit took place in April 2018. The report is attached at Appendix 1.

6.3 The Chief Executive has discussed the report with Jane Toman, Lead Peer, who highlighted 3 key themes, which she recommends are the focus of any development activity:

- Valuing the workforce – comments from the Lead Peer spanned the need for learning and development programming, better internal communications and looking at and addressing capacity issues associated with the Council's operating model.
- Strategic Plan – the Lead Peer highlighted the need to ensure that a strategic and future-focused work programme is in place. There is a view that the organisation has a tendency to focus on operational and procedural issues, which means that medium and longer-term goals aren't being progressed in a way that brings greater benefit to the communities of Ryedale. There is a need to ensure that robust business cases, options appraisal processes, staffing and programme management are also in place to support this approach e.g. in the area of sustainable economic growth.

- Leadership – spanning officers and members, there is a need for a collective and collaborative approach that supports both to play their respective roles to the full.
- 6.4 The new Chief Executive has been undertaking a review of the current health of the organisation. This has included commissioning independent checks on key areas of the business such as HR and organisation development, information governance, health and safety, IT, performance and programmes, finance and legal services. The HR and OD has been completed with other health checks due to be finalised by early December. Following this, the results will be presented to Elected Members, with an action plan for improvement.
- 6.5 As a consequence of the HR health check, a series of activities are underway to improve our performance in this area and ensure that we are proactively demonstrating that we value our workforce. This ranges from leadership training for all managers, an organisational development programme, a review of policies and procedures, a refreshed approach to recruitment and retention, looking to address capacity issues within the organisation and stronger internal communications.
- 6.6 The Chief Executive is now turning her focus to the area of strategy so that the Council is able to deliver on its ambitions for Ryedale. This will particularly focus on the area of sustainable economic growth. It is anticipated that the results will be available for Elected Member consideration in the new year.
- 6.7 Collaborative leadership is also a focus. Efforts are being made by the Council's officer leadership team to strengthen working relationships with the workforce and elected members. Greater focus is being placed on communications and a transparent approach to areas like financial management. In turn, the new member development programme includes a focus on officer – member relationships and the elected member code of conduct. Collaborative leadership will be kept under constant review by the Chief Executive and the Council's Group Leaders so that a rolling programme of improvement is in place.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial – there are affordable financial implications associated with acting on the recommendations of the peer review. For example, in the area of organisational development. This is considered essential investment.
 - b) Legal – there are no legal implications.
 - c) Other – there are positive staffing implications if we act on the findings of the report.

Stacey Burlet
Chief Executive

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Corporate Peer Challenge Follow-up Ryedale District Council

26th April 2018

Feedback Report

Introduction

Ryedale District Council (RDC) had a three-day Corporate Peer Challenge in October 2016. The challenge used the LGA standard framework (see appendix 1), with an additional focus on how well the Council was achieving and had appropriate plans in place to deliver its stated vision of “a place where all residents can enjoy a good quality of life with strong, prosperous and welcoming communities”.

The council drew up an improvement plan based on the recommendations in the report. Four of the original team members returned to Ryedale for one day in April 2018 to assess progress against this improvement plan, and make recommendations. This report provides feedback on the key actions in the improvement plan, as well as highlighting some general themes that are working well, or would benefit from further consideration. There are also some key recommendations and signposting to other councils that RDC could learn from.

The peer team met with Members, staff, and partners to understand how things had progressed since the corporate peer challenge. They read recent key documents, and were provided with the (regularly updated) Improvement Plan. Some of the suggestions in this report may not have been triangulated in full due to the team being on site for only one day.

The team that were on site on April 26th 2018 were:

Jane Toman (Lead Peer)	Chief Executive, Blaby District Council
Paul James (Member peer)	Leader, Gloucester City Council
Andrew Seekings	Corporate Director, Allerdale District Council
Becca Singh	Challenge Manager, Local Government Association (LGA)

The full corporate peer challenge took place in 2016 during Ryedale’s transformation programme (T2020). At the time, staff felt unsettled, did not understand or appreciate the value of a behaviours-based appointment and appraisal system, and were anxious about what the future might hold. Councillor behaviour at council meetings was fractious and damaging the reputation of the council. Despite this background, RDC was delivering excellent services, which customers appreciated. Staff were thoroughly committed to doing a good job for the district, despite their concerns about the transformation programme. They demonstrated a high level of skills and knowledge, and support for one another.

Shortly after the peer challenge, staff and managers began to be appointed to new posts, including the new Deputy Chief Executive post. The new structure started operating in April 2017. Within a few weeks, the leader had stepped down, the Chief Executive resigned and several Conservative councillors left their group, which resulted in the council coming under no overall control, and with no Leader of the Council. The Deputy Chief Executive was appointed Chief Executive on an interim basis while decisions were made about political and managerial leadership.

The follow-up session took place shortly after several key decisions had been made by the council, namely:

1. Appoint a Chief Executive of RDC that would also be an Assistant Chief Executive of North Yorkshire County Council (NYCC) (out to advert at the time of the follow-up)
2. Use a shared political leadership model rather than appoint a Leader and a Deputy Leader. Six political group leaders meet regularly with the Chief Executive (Interim) and senior managers. Other senior roles (such as Chairs of committees, and the Chair of the council) were appointed.
3. Move the council from Ryedale House into a public-sector hub in the centre of Malton
4. Use the site to build some of the district's much-needed housing (including affordable housing)
5. Explore shared services arrangements with the council, particularly with Legal, Human Resources and Finance teams

The effect of these major strategic decisions, on staff resilience, capacity and morale, as well as on service delivery, should not be underestimated. Delivering this work will need to be well planned and managed, bringing in external project management or other expertise as needed.

Feedback on the key actions in the Improvement Plan

1. **Establish a strong and effective strategic officer leadership team with a collective vision and shared strategic responsibilities, such as financial management.**

The Strategic Leadership Team (SLT) was a new team in October 2016. The team is now more familiar and comfortable with one another, and working better as a team, but there is still more to do to increase effectiveness, and shared strategic responsibilities, particularly around financial management.

Good strategic management needs investment and support from Members. Managers need to act decisively, professionally and cohesively on strategic matters, giving a clear steer on priorities, behaviours and responsibilities across the organisation. This includes recognising, and addressing quickly, allegations of bullying or harassment.

The peer team feel that Ryedale would benefit from investment in senior management skills and responsibilities to work as an effective strategic management team. In addition, significant project management skills and experience are needed to deliver the ambitious tasks that the councillors have set. Consider how leadership skills could be developed and harnessed at all levels of management.

The peer team recommend holding regular (perhaps quarterly or annually) away days for senior managers, sometimes with the senior councillors. These should have no strict agenda about work delivery, but provide an opportunity for the senior leadership of the council to build relationships, establish a vision for the future,

identify skills gaps, and facilitate strategic planning. Members have not yet agreed the post-Corporate Peer Challenge Action Plan, although some of the actions have been taken. This could send a negative message to both staff and partners about the Member commitment to working together with staff for continuous improvement.

2. Review the expertise and capacity and resilience of the organisation

There are highly skilled, professional staff working for Ryedale District Council. However, capacity is stretched as the council tries to continue to deliver a 'gold' service with 25% fewer staff, at a time when demand may increase. This may not be sustainable. The Council has delegated authority to the Chief Executive (Interim) to explore options for shared services arrangements, which will increase resilience. The team encourage these explorations to be broad, and decisions made based on evidence. Current plans appear to be opportunistic, rather than strategic.

The CPC report indicated that RDC should review capacity and expertise in key areas of Communications, Governance and Planning. The Communications Officer from Selby District Council was made a shared post with Ryedale soon after the peer challenge. By the time of the follow-up visit by the peer team, Governance and Finance had been identified for shared services arrangements. In 2016, Planning at RDC was considered an exemplar regionally, but capacity has been affected by national shortages in professionals for this department. Despite this, Planning is maintaining its good performance, and the team is expanding.

Tourism and Economic Development are both important to the council's long-term financial sustainability as grants from central government continue to reduce. Members (and staff) will need to understand the impact of the council's involvement in both and how these link to the forthcoming Industrial Strategy. Work in these areas are largely delivered by partners (through the LEP and through 'Welcome to Yorkshire'). The peer team therefore recommend that RDC consider how Ryedale's needs are met and potential realised for these key areas, for example, Ryedale's identity and visibility in regional decision making. Linking these areas of work to the Industrial Strategy, and identifying how these can support and provide opportunities for commercial activities in future will give RDC control over the effects of any further reductions in capacity.

3. Review governance arrangements in order to prepare future political Leaders and ensure succession planning. Consider investing in external support to develop Member capacity through learning and development and consider how politicians are involved in priority setting

RDC decided not to review its governance arrangements. The peer team understands the reluctance to go ahead with this review, given the potential for it to use a great deal of the council's limited capacity. However, after deciding not to have a Leader of the Council, an alternative had to be established. Six group leaders meet regularly with the Chief Executive (Interim) and senior managers. It does appear that relationship between the different parties have much improved, in part because of these meetings. All parties are now involved early in strategic

discussions with senior officers. The peer team recommend that this arrangement should continue whatever the future leadership model.

However, a move to a more mainstream system would enable the council to ensure that it was visible and heard, at strategic, national, regional and sub-regional political discussions. Partners described Ryedale as having a “leadership vacuum” and are unsure how stable it is without this leadership role. Potential national and regional partners are more likely to invest time and resources in the district if it appears to be politically stable. The Chief Executive is not the same as a Leader of the Council at regional political strategic meetings or partnership boards. The peer team recommends that the council review the arrangement and its impact on strategic relationships in due course. In the meantime, Members should consider putting in place alternative measures to ensure that RDC is represented politically at strategic level.

Further work may be needed for long-term political succession planning. The LGA political leadership support programmes could help ensure that in the future, key roles in the council are filled by skilled members. With all-out elections in May 2019, Ryedale could encourage new members of the community to stand for the council (for example through the LGA ‘Be a Councillor’ campaign). These support mechanisms will help succession planning.

Unfortunately, the team did not have time to explore member learning and development in detail.

The Council adopted specific priorities in May 2017: Sustainable Growth, Customers and Communities, One Council. However, it was not clear how these were determined, and who was involved in developing them. They are not widely familiar amongst members or staff, and it was not clear how Members relate resources or Managers relate staff allocations to priorities.

4. Establish and demonstrate a collective commitment to shared values and behaviours, developed, agreed and demonstrated by all Members and officers.

The shared values acronym – PROUD (Passion, Respect, Openness, Unity, and Decisiveness) – is well-known amongst staff; however, it is generally viewed with cynicism and not everyone is sure what the acronym stands for. Members have not formally committed to them, although member conduct in council meetings has improved significantly. Relationships between senior officers and senior councillors have also improved, and this has improved member understanding of the changed wider local government context.

There are still examples of where some member behaviour could be damaging the reputation of the council, and there appear to be no clear procedure for addressing this. It is important to remember that even when not officially speaking on behalf of the council, councillors will still be identified as Ryedale District Councillors and this could affect the reputation of the council. More work should be done with

Communications, Standards and Governance arrangements to ensure that this is clarified and understood.

5. Develop and Deliver Strategic plans jointly with Members and staff

The council has taken specific strategic decisions regarding the political and managerial leadership of the council, shared services arrangements and assets. However, it is not clear how strategic planning works, either with members or senior officers, or how the wider staff group can be involved.

Strategic plans are needed to deliver these ambitions, particularly regarding the move to the public-sector hub in Malton, with specific project management expertise in place. The peer team suggest that RDC talks to other councils that have undertaken similar projects, and learn from them about the scale and size of the project. The One Public Estate programme could also offer further support and advice. The project will need significant resourcing (staff as well as finance), expertise and a realistic timeframe. Members were not clear how much they were involved in these plans, despite evidence of workshops and discussions on business cases and options appraisals.

Setting clear strategic plans with short, medium and long-term goals would enable staff to focus on delivering the priorities. Staff would be clear about what to focus on and be able to challenge Members if asked to divert resources away from priorities.

6. Improve communication across the organisation.

There is now a Communications Manager post, shared with Selby District Council. This has helped, but more work is needed. Member / Officer communications have improved, but arrangements have not been formalised. Managers need to be given support and training to be able to have difficult conversations with both staff and members. Involving communications officers at high level discussions, such as SLT and group leaders, will enable senior officers and members to understand the reputational impact of decisions or behaviours.

Concerns in October 2016 about how the T2020 programme was understood and communicated have been borne out. Staff need to have a meaningful role in working out the key outcomes for the council, and a clear strategic direction to work towards. This still needs to be developed, involving staff, and communicated well.

RDC may wish to consider a one-day LGA 'health check' for its communications function to establish what it needs and how this could be delivered.

7. Seek formal feedback regularly from staff and customers

This was not explored in detail during the follow-up visit.

8. Consider opportunities for using financial reserves to support the delivery of your priorities after conducting an appropriate financial risk analysis.

This was not explored in detail during the follow-up visit. However, it was clear that there is still a lack of collective financial management at a strategic level. It is not clear where financial decisions are taken, and therefore how RDC would proceed with the suggested approach.

9. Develop a strategic commercial income generation plan, including use of assets

Some work has been done, particularly with respect to disposing of Ryedale House and moving into the public-sector hub in the centre of Malton in due course. This involved a successful bid to the One Public Estate (OPE) programme. However, there does not seem to have been strategic consideration of commercialism or income generation. The team suggest exploring what might be possible with councils that have developed their commercial approaches further. This would help RDC assess the levels of risk and reward it is prepared to follow. The LGA provide support for Members and for officers on commercialism.

10. Develop and embed a robust performance management culture as part of the 'One Ryedale' approach.

The 'One Ryedale' approach, for members and officers, was heavily emphasised in October 2016. This was not the case at the follow-up session in April 2018. The peer team encourage Members and officers to re-invigorate this. This would demonstrate to communities, businesses and partners, as well as all staff and members, that both the councillors and the officers are committed to working together to do the best for Ryedale District.

The performance management framework has improved and is widely used across the council, although it is not fully embedded. The move to competency based job descriptions has been swift, and there has been little in depth understanding of the value of this approach, nor on why this is a positive step forward. Job titles no longer reflect work done. This is frustrating to staff, who tend not to use their new job titles when working with others.

Other issues

What is working well

- Ryedale District Council has great, skilled staff. They are committed to the council and to the locality and are keen to deliver good quality services to meet the needs of residents, businesses and other customers. Members, senior officers and partners all spoke very highly of staff. They are very supportive of one another, particularly with the increase in demand whilst

- coping with a 25% reduction in staff numbers. Consider how to reward staff, recognise staff achievements and improve morale that has fallen since 2016.
- Council meetings have improved, with more considered discussions and fewer personal attacks. There has been a strong, experienced chair since May 2017 and this has made a difference. This role is now recognised as crucial in managing member behaviour and conduct at meetings. Careful consideration is under way about the next chair who will be appointed at Annual Council Meeting in May 2018.
 - Communication between officers and members has improved. Establishing elected member briefings on forthcoming discussions and early in the decision-making process have helped.
 - Party group leaders meet regularly together with the Chief Executive (Interim). Although an unusual leadership model, it has improved cross-party communication and collaboration. All parties receive the same information, and feel able to contribute to policy discussions. The peer team encourages RDC to continue these meetings, even if at some point in the future there is a single Leader of the Council.
 - RDC, as part of the North Yorkshire bid, has been successful in securing One Public Estate (OPE) funding. This is a massive achievement and Ryedale should be proud of this. The funds will help to establish the public-sector hub in the centre of Malton. Consider how else RDC could influence this work to the benefit of residents, businesses and communities in Ryedale.

Areas for consideration

- Many people referred to RDC as “rudderless” and “in a leadership vacuum”. Despite recent major decisions being made, they felt that goal-setting, planning and strategic thinking was on hold, waiting for the new Chief Executive to be appointed, and for the elections in May 2019. The local government sector moves quickly, and there is a risk that waiting for new leaders means that Ryedale will miss out on opportunities to deliver sustainable growth and improve lives for customers and communities.
- The Senior Leadership Team (SLT) still acts as individual service heads, rather than a strategic leadership team with a collective vision and shared responsibilities. Managers need to be supported and trained to ensure that they are equipped to deal with the strategic responsibilities that they have. This include training in how to have difficult conversations with staff (particularly over performance), coaching in management techniques, and work on identifying and sharing strategic responsibilities. Consider how leadership skills could be developed and harnesses at all levels of the organisation.
- It is not clear what evidence and business processes have been used to make high level decisions (for example, the development of the Ryedale House site, and the new Chief Executive model). Members were not aware of options appraisal and business cases (for example, to enter into shared services arrangements). The peer team recommends that future strategic decisions demonstrate a clear reason for those decisions, linked to the council’s

strategic priorities and political consideration. This would improve transparency and accountability.

Key recommendations

- Invest in staff leadership and management training. For example, through coaching, mentoring, training in difficult conversations and great conversations, visioning workshops and strategic decision-making.
- Bring Senior Members and Senior Leadership team together. Initially for visioning workshop, to set long-term aspirations, and subsequently to ensure that they are all working together for a common goal.
- Set out clear short, medium and long-term goals that help to deliver your priorities. Use these goals to plan where your resources need to be. Ensure that timescales are based on evidence and experience of similar projects and that councillors are involved in these discussions and are aware of where resources have been targeted. Be realistic about your ambition.
- The Group Leaders' meeting with the Chief Executive should be continued, regardless of the political leadership model in future.
- Ensure strategic decision-making is based on evidence, business case and options appraisals, and that these processes are transparent. This will help achieve buy-in and ownership of decisions.
- Ensure that the Chair of the Council understands their role and can act robustly and decisively. Consider succession planning for roles such as this, for example appointing a deputy chair, shadowing etc.
- Major projects need to be led, managed and overseen by people with appropriate skills and experience, for example the move to the new offices in Malton, and development of the Ryedale House site. All major projects will need clear, appropriate communications to and with different stakeholders.
- Consider how to maximise knowledge transfer from external or temporary appointments so that the organisation learns from them.
- Explore how to encourage a more diverse range of councillors as future candidates to help with political succession planning.

Conclusions and next steps

There have been some improvements at Ryedale District Council since October 2016, for example, member conduct at council meetings, and communication between group leaders. However, key strategic skills, knowledge and management are needed to ensure that RDC can deliver the ambitious plans that have been agreed. Ryedale District Council would benefit from a more co-ordinated strategic approach to financial management, commercial activity, project and programme management, clarity over goals and realism over timescales.

Staff and members are committed to doing the right thing for Ryedale's communities, but may need some external support to help deliver its priorities and culture change.

It is an exciting time to be working for Ryedale DC with a new office, new Chief Executive, and new ways of working, on the horizon. It is imperative that senior officers and members do not lose the enthusiasm and energy of their staff as they navigate through these changing times.

Appendix 1 – LGA Corporate Peer Challenge Framework

1. Understanding of local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

Appendix 2 – Signposting

- Joint senior councillor and officer meetings: Rushcliffe Borough Council holds 'CabMan' meetings quarterly for the Cabinet and the Senior Management Team. These have helped build up strong working relationships between Portfolio Holders and senior officers.
- Member development: the LGA Leadership programme has several aspects to it that Ryedale may find useful: leadership essentials, top team development, enhancing skills of younger or newer politicians, encouraging a diverse range of candidates at election time.
- Project Management of Office Move – Newark and Sherwood District Council, Rushcliffe Borough Council and Harborough District Council are all good examples of managing a significant office move, including either a new build or complete refurbishment and re-purposing of buildings. All are good examples of partnership working, keeping to time and to budget, along with using a new building to change the culture of the organisation.
- Performance Management – Newcastle City Council has a clear method of reporting which is published on their website. Performance reporting on one of Newcastle's priorities "A working city" can be found here: [Newcastle performance on priority "A working city"](#)
- Strategic Commercialisation and income generation – Many councils have progressed in this area. The LGA website offers advice and case studies on different approaches here: [commercialisation approaches and advice](#). Specific councils to discuss with include: Rushcliffe Borough Council, Eastleigh Borough Council, Hinckley and Bosworth Borough Council, Mendip District Council.

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Corporate Peer Challenge Ryedale District Council

19th – 21st October 2016

Feedback Report

1. Executive Summary

Ryedale District Council (RDC) is a small but ambitious council with committed staff who are focused on delivering the best possible service to meet local needs, in partnership with others where possible in order to improve capacity. Staff are proud to work for the council, and have an excellent understanding of the local context. There is a commitment to seek housing and economic growth and an understanding that this needs to be done sensitively, and in partnership with others.

The council is recognised regionally as an exemplar for its planning services. Partners highlighted the pre-planning advice and the relationships they are able to build with the Planning Team, but were concerned about the capacity of the team to continue to provide such a good service. The Planning Committee was also cited as acting with care and due diligence.

RDC is keen to work in partnership where possible. It benefits from the work of the Local Enterprise Partnership (LEP), making sure it has a seat at the negotiating table and influencing partners. It has seconded two officers, part-time, to the LEP which has led to RDC being at the forefront of potential funding and support opportunities. Partners highlighted Ryedale's positive contribution and suggested that their engagement was more productive than that of other local councils.

There are excellent ideas from officers on using assets for income generation, but in order to realise this income this work needs to be translated into a delivery plan with clear lines of accountability and robust performance management.

The peer challenge took place towards the end of a transformation programme (T2020), which is intended to change the way the organisation operates and involved almost every post and team being reviewed. The new structure proposes a flexible operating model and generic job descriptions based on behavioural competencies. Staff are able to apply for a number of jobs at different levels, an approach which brings both opportunities and risks, with a high degree of uncertainty and anxiety for staff during the process.

The T2020 programme also offers the chance to set a firm strategic direction with clear lines of accountability and responsibility across the officer corps, together with the opportunity to develop strategic plans and introduce a robust performance framework. Reference was made to the 'One Ryedale' vision (although it had not yet been clearly articulated or shared across the organisation), which will aim for Members and staff to model the same behaviours and values, working together for the good of the district. However, if this is to work those values and behaviours will need to be agreed by and demonstrated across all members and officers. With the exception of Council and committees there is little member/ officer interaction except at a senior level but where there is (for example the Ward Buddy system) it is generally positive and valuable.

Senior officers and Members, particularly the Chief Executive and the Leader, have taken on additional responsibilities over and above their substantive roles, and this is placing

limitations on their capacity. A fully functioning senior management team could help the chief executive delegate some responsibilities. Distributing councillor responsibility (for example representation on external bodies) more widely than at present would enable the

Chief Executive:

Leader to delegate. Both should ensure that there are clear succession planning options. Involving members of the administration in strategic planning will help to share the responsibilities and ensure that the challenges (particularly financial challenges) faced by the council can help the Members make more informed decisions.

Internal communication needs to be significantly improved for staff and Members. There is a lack of professional communications expertise at RDC, and this has manifested itself in different ways, including a perceived lack of communications about the T2020 programme by staff, and members feeling excluded from information prior to decisions at full council. Sometimes the methods used may not be the most appropriate or effective, and monitoring and guidance from communications professionals should help this to improve.

There is a clear priority for both economic and housing growth, but this is not consistently understood by councillors, with some openly opposed to growth. In addition, there is not necessarily a corresponding commitment to resources to support these priorities, such as increasing capacity in the planning and economic development teams.

Full Council meetings are acknowledged to be challenging, with some member behaviour extremely disruptive. This behaviour dominated discussions in almost all of the meetings held by the peer team, and council meetings were described as a 'circus' by a number of internal and external stakeholders. This is damaging RDC's reputation. Although decisions are usually reached at Council, the length and standard of debate, and the methods of reaching decisions are demoralising Members and officers alike. This is not sustainable. Good, firm and consistent chairing, together with individual Members adopting the agreed values and behaviours, will be essential to tackle this.

Ryedale District Council is considered to be a good partner that, although recognising the limitations due to its size and location, is maximising its influence and building productive relationships with others. Tackling the problems with how decisions are reached would enable the council continue to be effective in future.

2. Key recommendations

1. Use the T2020 programme to establish a strong and effective strategic officer leadership team with a collective vision and shared strategic responsibilities, such as financial management.
2. Review the expertise and capacity of the organisation in the following key areas: Communications, Governance and Planning.
3. Review governance arrangements in order to prepare future political Leaders and ensure that you are succession planning. Consider investing in external support to develop

Member capacity through learning and development and consider how politicians are involved in priority setting. .

4. Establish and demonstrate a collective commitment to shared values and behaviours, developed, agreed and demonstrated by all members and officers.
5. Develop and deliver strategic plans jointly with members and staff.
6. Improve communication across the organisation.
7. Seek formal feedback regularly from staff and customers. This will help ensure your priorities and service plans are evidence-based.

8. Consider opportunities for using financial reserves to support the delivery of your priorities after conducting an appropriate financial risk analysis.
9. Develop a strategic commercial income generation plan, including use of assets.
10. Develop and embed a robust performance management culture as part of the One Ryedale approach.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Ryedale District Council were:

- Jane Toman, Chief Executive, Blaby District Council
- Cllr Paul James, Leader, Gloucester City Council
- Kirsty Cole, Deputy Chief Executive, Newark and Sherwood District Council
- Andrew Seekings, Corporate Director, Allerdale Borough Council
- Louise Sboui, Policy, Performance and Transformation Manager, Huntingdonshire District Council
- Helen Rankin, Adviser, Leadership and Localism, Local Government Association
- Becca Singh, Peer Challenge Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to look at how well the Council is achieving, and whether it has appropriate plans in place to achieve its stated vision of a place where all residents can enjoy a good quality of life with strong, prosperous and welcoming communities.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent three days onsite at Ryedale House, during which they:

- Spoke to more than 70 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 30 meetings, and additional research and reading.
- Collectively spent more than 250 hours to determine their findings – the equivalent of one person spending more than seven weeks in Ryedale District Council.

This allowed us to triangulate our evidence and therefore nothing has come from just one source or without any evidence. This is information which was given in a nonattributable manner.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (19th – 21st October 2016). In presenting feedback to you, we have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

“RDC understands the local population and the area, they engage well” (partner)

Ryedale District Council has a small population in a large geographic area, a significant proportion of which is within the North York Moors National Park. There are challenges in delivering services in such a rural area with reducing resources. However, RDC works hard and creatively to understand these challenges, gathering intelligence from partners as well as using its own data. RDC sets its priorities for the local area using this information with a focus on economic and housing growth.

Councillors provide good local information, and work with Town and Parish Councillors has helped enhance RDC’s understanding of local needs. The Parish Liaison meetings are welcomed, and provide an opportunity for all public sector partners (for example, police and county council delivering services in the area to share updates and hear concerns from residents). It may be worth considering holding them more than twice a year.

The ‘Town Team’ approach currently being piloted in Helmsley is a positive demonstration of RDC redesigning services with the customer at its heart. Officers from different disciplines work together around the needs of the town, and have a regular local presence in the community, often with the ward member. Other towns have ‘virtual’ town teams where officers work together but are not yet co-located in the town, but with the success of the Helmsley pilot this is likely to be rolled out in the near future. This has helped to enhance RDC’s ongoing understanding of local issues.

Although priorities for growth are set, it is not clear how well these are owned under a ‘One Ryedale’ vision by both members and officers. We heard mixed views on the member appetite for growth in the District, and although there is a strategic commitment to growth, resources do not always follow. For example, income generated by Planning is used to further develop the housing offer, rather than increasing capacity in the Planning Department.

4.2 Leadership of Place

There is widespread pride in the Ryedale District by staff and Members. There is clear understanding of Ryedale as a place where people live and work, and evidence that RDC takes responsibility for its leadership role in the local area. For example, the council held a public meeting to discuss the potential and perceived impacts of fracking within the district, despite having no specific responsibility for decisions relating to this.

There is evidence that Members have tried to adopt a sustainable development approach, and ensured infrastructure improvements are secured before approving larger scale developments. This shows that they have tried to address community concerns when taking difficult decisions about developments, explaining to communities the reasons for the growth.

The Chief Executive is recognised as a regional player, working on the devolution debate and bringing organisations together, particularly around health and housing. Although there are challenges with the Combined Authority in the region, partner authorities consider RDC to be “even-handed and working well to broker deals”.

RDC is seen by partners (including councils and developers) as engaged and approachable and there are well established and effective relationships. The formal and informal partnerships between RDC and other public sector partners (such as police, health and the National Park), local businesses and voluntary and community sector has ensured that local needs are identified together. For example, the Housing Options team are planning to hold surgeries in market towns, and benefits assessors are co-located in the Job Centre in Malton, and conduct home visits if necessary. Everyone Active, the sport and leisure management contractor providing leisure services, has ensured that leisure services are designed to include a focus on health and community engagement and reports a good working relationship with the council.

There are major opportunities in the region, with a strong LEP and effective partnerships, to influence at a regional level. The secondment of two economic development officers on a part-time basis to the LEP is increasing the council’s profile and supporting inward investment to Ryedale. There is a sense from partners that these secondments illustrate RDC’s forward thinking, enabling it to act quickly on funding and other support opportunities. The partnership work on economic development with the County Council, neighbouring districts and the LEP is welcomed by the business community, which works across administrative boundaries.

RDC has recognised that the local skills gap is a barrier to growth, and is addressing this by working with local businesses and training providers, and funding a post to work with young people in schools and higher education, for example the highly valued ‘Opportunity Knocks’ events which raises aspirations and awareness of career opportunities within the district. Through the work with the LEP, residents have access to learning opportunities at the training college and Coventry University campus at Scarborough.

RDC is recognised locally as an exemplar on Planning with both the department and the committee held in high regard regionally, particularly for its pre-planning advice. There is a high degree of trust between Members and officers. The Planning and Economic Development teams work together when needed, and there is work with developers early in the process to identify needs and address community concerns, such as the inclusion of infrastructure improvements. Officers work with Members and communities to understand the benefits of developments, so that when the application comes to Planning Committee, Members already understand the different implications of an application. Planning in the National Park is the responsibility of the North York Moors National Park Authority (NYMNPA). The relationship is constructive and RDC works with the NYMNPA to explain and talk to communities about decisions. This was evidenced by the production of the Helmsley Plan which was jointly prepared by 2 planning authorities and adopted in July 2015. RDC is driving the successful delivery of housing numbers, although further clarity is needed on economic and infrastructure targets.

There is positive action around culture and tourism, with RDC seeking to maximise its natural environment through working in particular with the Forestry Commission and the National Park Authority. The Food Enterprise Zone is a partnership initiative and offers potential for further development.

There is a perception amongst staff and partners that some Members are unwilling to embrace change and are unrealistic about the amount of change that may be needed in order to continue to fund and deliver council priorities. This suggests a possible lack of understanding of the local government finance landscape within which the council is operating. It appears that not all Members understand that they may not be able to continue to deliver all the services that they have in the past. 'Doing things differently' may mean stopping doing some things, however the retention of business rates and the ability to increase the Council Tax base means that driving growth can deliver funds to maintain essential services. Therefore there are some tensions between growth (economic and residential) and preserving the current environment.

“Ryedale is a challenging district, rural isolation, poor travel options, and particularly difficult road conditions in the winter – but all of these are outweighed by its strengths – a strong community spirit” (partner quote)

4.3 Organisational leadership and governance

There is a transformation programme underway at RDC known as T2020. It is designed to give RDC a flexible operating model, with staff able to work in different locations and in different ways to continue to deliver services with reduced resources. Staff, managers and Members generally understood the need for change and mostly felt that the changes would bring improvements to the way the council operates. RDC has been working with an external provider to develop the transformation process and the new organisational structure. The approach is mature and provides opportunity for talented staff to progress within the organisation, for example, through allowing staff to apply for 3 posts within the new structure which may be at grades above their current role. There is a need to be sensitive to the fact that this may be destabilising to some staff, for example to staff currently in role which colleagues may now apply and compete for.

Relationships between operational officers and ward Members is generally good, although engagement is limited. The 'Ward Buddy' system ensures that service managers spend time with ward members and go out within the ward to meet local people and understand local needs. Members and officers both noted that this was working particularly well and fosters good relations and better understanding between staff and Members both of their respective roles and the challenges associated with delivering services with fewer resources and/ or greater demand than in the past. Managers feel that this has enhanced knowledge and understanding of issues in local areas for both officers and Members. Outside this system, interaction is limited and many staff feel disconnected from councillors and feel that Members have little understanding of the services provided.

There is little opportunity for Members to be involved in strategic planning of services, which could help increase their understanding of the current constraints in the local government sector. If members better understood the wider national constraints and how they affect RDC, they may find it easier to set achievable priorities. Planning is an example of where officers and member have together established a positive approach and successful service with clear lines of responsibility and delegation.

The conduct of some Members at full council meetings is damaging the Council's reputation. Meetings were described to the peer team as "unpleasant" and "a circus" by officers, Members and partners. Meetings are always held in the evenings and are known to go beyond midnight. Recordings of meetings provide examples of Members' aggressive questioning and personal verbal attacks on officers and other Members. This has a considerable negative impact on the organisation and it featured in almost every meeting the peer team held with staff, members and partners. Everyone we spoke to talked about it 'grinding down' and demoralising staff and members, and diverting the council away from delivering its priorities. This has led to a cycle of behaviour where staff are reluctant to share information with members and dread attending council meetings. Members in turn feel uninformed about key issues, such as the T2020 programme or how individual services work.

The ruling group have a clear majority and mandate, which councillors need to respect. Clear, firm and consistent chairing is essential to ensure that meetings are not excessively long. Constructive debate is healthy, and ensures a robust decision-making process. However, the council chamber is not the place for personal attacks or aggressive public rows, which are not conducive to a healthy effective organisation. The 'One Ryedale' vision and approach offers an opportunity for all Members to agree and commit to an agreed set of values, behaviours and ways of working. Individual Members are responsible for their own conduct, but this needs to be in the context of agreed behaviours, with sanctions if needed for failure to adhere to them.

If the current constitution is not supporting good decision-making processes, the council should consider revising it. A constitution needs to enable a council to work effectively. We suggest that you explore how responsibilities could be shared more widely (for example identifying which members could take the lead on certain issues, and appointing a deputy leader), and consider whether decisions are being made at the appropriate tier of decision making (for example, do all decisions that go to Full Council need to be taken there?). Finally, the council should consider whether it is appropriate for Members to ask officers questions at Full Council – this is highly unusual. Providing more comprehensive information at an early stage may cut down on the number of questions at Full Council. It is not for the peer team to recommend one governance structure over another, but the council needs to decide how best to make its decision-making system work and the behaviours needed in order for it to be effective.

The way that the current committee system works puts too much responsibility on the Leader. There is no deputy leader, and limited scope for other members to develop specialist knowledge and share responsibility for key policy areas or partnership work. Members have mixed views on the effectiveness of the 'Champion' system and the

champion positions do not correspond with Council priorities. Formal leadership training or mentoring should be considered for elected Members in order to improve decision-making and strategic leadership. A succession plan needs to be put in place to nurture the leaders of the future and further the skills of those in leadership positions.

The Chief Executive spends a significant amount of time dealing with Member issues including complaints about Member behaviour, but this should be more the role of the Monitoring Officer. The Chief Executive and Deputy Chief Executive need to be able to share corporate responsibilities with senior managers, and collectively to set the tone and direction for the organisation, in particular financial management of the council. Consider establishing a senior management team, including the Monitoring Officer and the Section 151 Officer as well as other senior managers. This team would benefit from having a collective vision and shared strategic responsibilities to enable equitable delegation. The Council's policies and priorities need to be more widely developed, shared and owned within the organisation with clear accountability for delivery.

The interim shared Chief Executive arrangement with Selby is generally felt to be working well. However, there is no clear strategic direction for future models of working. It may in future have an impact on the effective delivery of key projects without effective delegation. The arrangement has been expanded to explore the opportunity to share other officer resources, but there seems to be no overall strategy or plan for how this will work in future. There are opportunities to build the capacity at Ryedale, but at the moment there is a risk that RDC is not fully understanding the benefits which could be realised or assessing whether the arrangement is delivering as expected. The council would benefit from evaluating how the arrangement is working and take decisions on how it will continue to benefit both Selby and Ryedale. Selby DC is a very different council from RDC, and there is much to learn from each other.

Performance management is patchy. Although appraisals and one-to-one supervision meetings take place, this is not consistent and not universally felt to be useful. RDC should build a robust approach to performance management as part of the new structure.

External, professional, expertise may be needed in some areas, for example to improve internal and external communications. The council should make efforts to tap into existing networks to learn from best practice, and the peer team would recommend assessing whether the council has sufficient capacity in your priority areas of Planning and Growth.

4.4 Financial planning and viability

RDC has successfully spent on or around budget over last few years and its approach is prudent with no major over- or underspends that would cause concern. However, there is scope to ensure staff at all levels are more involved. For example, Heads of Service, managers and other staff do not appear to be currently involved in corporate budget planning or management. The Head of Economic Development needs a good understanding of the level of business rates and how their service drives growth for the district and the council in order to maximise delivery. Members do not always feel fully

informed of key financial issues, such as how the financial benefits of local economic growth will enable the council to deliver better services.

RDC has healthy reserves and could consider how best to invest reserves to generate income to support service delivery. Using a sensitivity analysis (as done in other councils) would put a financial value to each risk allowing RDC to set a minimum reserves level. In employing this approach, the council could be confident that if risks materialise it would have enough in reserves to cover them, and it would also give confidence that any reserves over and above that can be invested into priorities. Reserves could be used to drive commercial activity, growth and jobs, which in turn would bring in income (through business rates, New Homes Bonus, Council Tax and commercial property income). Instead of focusing only on savings, RDC could use that energy to drive growth and commercial activity.

The council has recently completed an asset management review and there are a number of opportunities to use assets to drive growth and increase income. There is a £100,000 target within the Medium Term Financial Plan from better use of assets. A clear strategy and delivery plan is needed in order to realise the benefits identified in the review. People shared individual ideas with the peer team, but there was no clear strategic plan setting out which ideas are to be taken forward.

Working differently and collectively is clearly a major strength and has seen the delivery of shared services through innovative approaches (Veritau Internal Audit partner) and commissioned services (Everyone Active for leisure services). There remains an opportunity to undertake strategic reviews for a number of internally managed services, (such as waste management and street scene) that could drive up income, reduce costs and build in resilience that does not always exist in small councils. This could include the formal extension of shared services, commissioning a range of services, informal agreements and the formation of income generation targets for business units.

The Council needs to ensure that resources are allocated in order to support strategic priorities, that they link to future financial planning and management, and to communicate this well. Resources are required to support and drive growth in houses through both planning and economic development teams. The current economic plan sets out growth targets for new jobs and investment, yet doesn't make provision for an increase in business rate income. The investment in ICT is a good example of where resources have been allocated in order to support the transformation programme.

4.5 Capacity to deliver

We repeatedly heard that staff are committed, proud to work for and in Ryedale District Council, and go above and beyond their role. The goodwill of staff was spoken about in many of our conversations and we heard from members and managers that “the staff are brilliant”.

“The vast majority of people like working here but the uncertainty is damaging morale”

(officer comment)

There are some examples of excellent service delivery, with Planning and Housing particularly cited by partners. There are risks for the future if too much expertise is concentrated in a small number of individuals, but it is clear that services are currently delivering good outcomes for residents. The Town Team approach is also beginning to deliver outcomes and efficiencies and staff involved have identified good opportunities for further development.

There was a general acceptance of the need to change as a result of reduced resources and the changing local government landscape, but staff and partners expressed concern about the ongoing capacity to deliver services and meet the corporate priorities if resources were cut too far during the transformation process. The priorities of the council were seen as well-communicated, but some felt that the council was less clear on *how* priorities were going to be achieved. Individual staff do not necessarily understand how their work fits in with the council plan objectives, and the inconsistent performance management process means the 'golden thread' is not clear.

We heard from a number of stakeholders that Ryedale was excellent at partnership working, and there was a feeling that more could be done to share services. For example, working with other councils to build resilience in services by sharing skills, particularly in areas such as legal, planning and communications. RDC has worked opportunistically to boost capacity but this would benefit from a more strategic approach.

Communication and engagement difficulties were a continuing theme throughout the peer challenge. This included communication with Members, between political groups, and within staff groups. There was a Council decision to have a period without a communications specialist. We could not find anyone who could say which officer was individually responsible for either internal or external communications. For example, there is a communications plan for the T2020 programme, but there was no involvement or advice from communications specialists. Improved information sharing at an early stage in decision-making, with clear boundaries and transparency, could help to avoid lengthy questions at full council. Good Communications expertise is able to help decision-making (through improved communication with Members), maintain staff morale at a time of considerable change, and ensure that the public and partners are clearly aware of what is happening and how they can be involved or influence that change. We understand that there is provision for professional communications support in the new operating model.

Communication about T2020 was generally considered by staff to be poor. A perceived lack of anonymity regarding online questions, the format of information giving, and no clear timeline has led to staff morale being damaged, and little confidence about how meaningful staff consultation has been despite good intentions and processes. Many staff and Members felt that the new structure is not clear, and they do not understand how it will work in practice. There is a widely held view that the plan has not been wellcommunicated. Throughout a period of major change, information is key. It is important to have consistency of message, set clear deadlines and milestones for when something will be announced or known, and stick to them.

The behaviour-based approach for competency-based selection has resulted in some officers feeling under constant assessment and anxious. There is a high level of union membership and the union is keen to offer support for its members going through the transformation process. RDC could encourage and communicate these practical offers of help and support. The peer team, and staff, were not clear how Human Resources (HR) expertise has been involved in T2020, and this has meant that many staff feel that it is being done 'to' them not 'with' them. There was recognition that the Chief Executive took on all the oversight of the T2020 programme because all other officer posts were affected, and in order that normal HR service delivery was maintained, but this has meant that the Chief Executive shouldered a good deal of pressure at a time when increased support from Human Resources and Communications expertise (potentially with additionally allocated temporary resource) could have helped both the Chief Executive and staff during the change process.

Some short-term communications specialist help could improve work around the T2020 programme, and in the longer term the way information is disseminated across the whole organisation, including members and officers. We suggest that RDC explores the use of external communications expertise, tapping into regional and national networks where good practice is shared and support is offered.

4.6 Conclusions

RDC has a committed staff team who are keen to develop new ways of working and to provide the best possible service to local residents and communities. There are examples of excellent services in Planning and Housing, but the learning is not being shared across the whole organisation.

There is a good community spirit, and a sense of resilience under difficult circumstances. RDC is not afraid to act on behalf of its communities in areas outside its immediate control in order to support its residents to the best of its abilities, for example, around the planning permission for fracking.

The need for clear strategic leadership is being overshadowed by poor Member behaviour at Full Council meetings. All Members need to concentrate on doing what is best for the district and driving the change they want to see, rather than becoming engaged in political game-playing. The governance system needs to ensure a greater balance of responsibilities with clear lines of accountability.

Responsibilities need to be better shared and a collective ownership of values, behaviours and strategic priorities at senior political and managerial level will help to drive improvements in unifying Members and officers under the One Ryedale banner. There are some areas which need intense specialist support in the short term (for example communications and Monitoring Officer role). A strategic management team should be sharing strategic leadership for the organisation, including sharing responsibility for budget and financial issues more.

The council has the willingness and commitment to achieve its stated aims and objectives, working in partnership with key stakeholders. By maximising the establishment of the new organisation from early December, it can clearly set out the values and behaviours it wants to work with, and continue to demonstrate leadership of the local place by acting as One Ryedale, a unified district council.

5. Next steps

5.1 Immediate next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: **Mark.Edgell@local.gov.uk or 07747 636910**

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 12-24 months.

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REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES
COMMITTEE ON 15 NOVEMBER 2018

57 Timetable of Meetings 2019/20

Considered – Report of the Chief Executive

Recommendation to Council

That Council be recommended to approve the timetable of meetings for 2019-2020, attached as Annex A to the report.

Voting record

8 For

2 Abstentions

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	15 NOVEMBER 2018
REPORT OF THE:	CHIEF EXECUTIVE STACEY BURLET
TITLE OF REPORT:	TIMETABLE OF MEETINGS 2019-2020
WARDS AFFECTED:	ALL
FOR INFORMATION TO:	PLANNING COMMITTEE 23 OCTOBER 2018
	OVERVIEW AND SCRUTINY COMMITTEE 25 OCTOBER 2018

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report presents the draft timetable of meetings for 2019-2020 for approval.

2.0 RECOMMENDATION

2.1 That Council is recommended to approve the timetable of meetings for 2019-2020, attached as Annex A to this report.

3.0 REASON FOR RECOMMENDATION

3.1 To provide a timetable for all decision making, advisory and overview and scrutiny meetings for use by Members, officers, the public and other interested parties.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks relating to this recommendation.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 A timetable of meetings is agreed and published for each municipal year. This is an essential part of making the Council's decision making process open and accessible to all interested parties. Leadership Team have been consulted on the draft timetable of meetings for 2019-2020.

REPORT

6.0 REPORT DETAILS

- 6.1 The draft timetable of meetings, attached as Annex A of the report, has been based on the meeting cycle used in 2018-19.
- 6.2 Mondays have been kept free of meetings as this is when the majority of parish and town councils meet. Also no meetings have been scheduled to coincide with Maundy Thursday (9 April 2020) and the Ryedale Show (30 July 2019).
- 6.3 Members have the option to approve, amend or reject the draft timetable of meetings attached at Annex A. If the current draft timetable is not acceptable to Members, an alternative will need to be agreed.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
The costs of meetings within the Council are built into existing budgets.
 - b) Legal
None.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None. An equality impact assessment was carried out two years ago when start times to meetings were reviewed.

8.0 NEXT STEPS

- 8.1 Once the timetable of meetings has been approved it will be published on the Council's website using the Modern.gov committee management system.

Stacey Burlet
Chief Executive

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Background Papers:
None.



TIMETABLE OF MEETINGS MAY 2019 TO MAY 2020

COMMITTEE	MAY 2019	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2020	FEB	MAR	APR	MAY	Day
Council	16*	27			5	10		5		20 & 27**		2	14*	Thurs
Policy & Resources		6	25		26		14			6	19			Thurs
Overview & Scrutiny (Including Audit)		13	24 Wed			3 & 24	21		23	13	26	23		Thurs
Planning Committee and Licensing Committee	21	18	16	13	10	8	6 (Wed) & 26	17	21	18	17	15 Wed	12	Tues (6pm)
Resources Working Party			11		12	31			16		5			Thurs
Parish Liaison Meeting		12			18			11			4			Wed (7pm)
Member Development					11	2	13	4	8***		11	1		Wed

All meetings start at 6.30pm unless otherwise indicated.

NOTES

- * Annual Council at 3 pm
- ** Reserve date for business not transacted on 27 February 2020
- *** Budget Briefing

Scheduled Elections

PCC Election	- Thursday 7 May 2020
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Bank Holidays

Spring Bank Holiday	- Monday 27 May 2019
Late Summer Bank Holiday	- Monday 26 August 2019
Christmas Bank Holiday	- Wednesday 25 & Thursday 26 December 2019
New Year's Day Holiday	- Wednesday 1 January 2020
Council Offices closed	- Wednesday 25 December 2019 to Wednesday 1 Jan 2020 inclusive
Easter	- Friday 10 April and Monday 13 April 2020
May Day	Monday 4 May 2020

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	29 NOVEMBER 2018
REPORT OF THE:	DELIVERY & FRONTLINE SERVICES LEAD BECKIE BENNETT
TITLE OF REPORT:	UPDATE ON ONE PUBLIC ESTATE (OPE) PROGRAMME – PUBLIC SERVICE HUB AND RYEDALE HOUSE SITE
WARDS AFFECTED:	ALL

EXEMPT INFORMATION

Exemption Category: Certain information in appendix 2 of this report is considered to be exempt as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

Reason for Exemption: The information relates to the financial or business affairs of any particular person (including the authority holding that information).

The public interest test has been considered and, in all the circumstances of the case, the public interest in maintaining the exemption is considered to outweigh the public interest in disclosing the information.

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report seeks to inform Members that the original timeline associated with both OPE feasibility projects for the development of a public service hub (PSH) for Ryedale and on the Ryedale House (RH) site can no longer be met. The feasibility work to date for the PSH highlights costs which are substantially higher than anticipated. Therefore a full financial assessment is necessary and other options need to be investigated to achieve the original outcomes before decisions on next steps can be made.

2.0 RECOMMENDATIONS

2.1 To recommend to Council:

- a) A full financial assessment is completed for the development of a PSH for Ryedale.
- b) Alternative options are investigated for the development of a PSH for Ryedale and the Ryedale House site.
- c) No further progress on the project for the development of the RH site is made until a decision is made on the options for the PSH project.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The feasibility work to date for a public service hub for Ryedale has identified build costs which are substantially higher than anticipated which requires further detailed financial assessment.
- 3.2 The objectives which informed the original decisions made by the Council on 12 April 2018 (Minute Ref 84) to lead the development of a public service hub for Ryedale and to participate in the North Yorkshire Property Partnership has not changed. We will keep working with partners exploring options for co-location so we use our common resources to improve customer services together.
- 3.3 RDC needs to spend every £1 of public money well and it is essential the financial consequences of these projects represent best value. The Council is also committed to supporting our employees and will take action to improve facilities.
- 3.4 The OPE programme objective remains to deliver a public service hub in partnership to solve the present problem of an inadequate building, dispersed public services in Malton together with ensuring improved customer services, a modern council, reduced running costs and optimised revenue generation.
- 3.5 The OPE funding award is based on solving the original problem and there is flexibility if the overall objectives remain the same should alternative future proposals emerge.
- 3.6 There will be no clawback of the OPE spend to date on either of the OPE Projects. It is considered to be prudent to avoid incurring any further costs on the Public Service Hub or on the development of the Ryedale House site given the inter-related nature of these projects until the full financial assessment has been completed. Considering alternatives around delivering new housing continues to be a priority for RDC.
- 3.7 The Full Council resolution on 12 April 2018 is attached at Appendix 1 where a commitment was made of £2.5m from the NHB reserve to the Capital Programme for the delivery of this scheme (including fees of £275,000). The amount was based on a new building for Ryedale District Council however the work to date with partners has increased the size of the building and the estimated costs at this stage to over £5m.
- 3.8 The present position at this stage of the feasibility work has identified costs which are substantially higher than anticipated which requires further detailed work to fully understand the financial model and to enable negotiations over the finances with partners to take place.
- 3.9 Feasibility work for major projects like these are expected to highlight challenging situations therefore until a clear strategy is developed it is considered prudent not to continue to incur further costs.

4.0 SIGNIFICANT RISKS

- 4.1 The financial implications associated with the substantial increased cost of building a new public service hub presents a significant risk where the project could fail to deliver the expected outcomes and partners may be unwilling to make a long term financial commitment to the Council.
- 4.2 There is also a significant risk that the public service hub project will not have progressed sufficiently to meet the Homes England Accelerated Construction Programme deadline of 31 March 2021 to release the £625k funding to develop the

Ryedale House site for the delivery of new homes. There is also a significant risk associated with continuing with the project for the development of the Ryedale House site when there is uncertainty over how the public service hub project will proceed.

- 4.3 The reputation of the Council is at risk if there is a failure to consider all the potential options available to ensure every £1 of public money is well spent for the benefit of all. There is also a risk of continuing to spend approved OPE funding when the full financial implications of the public service hub project are unclear and uncertain.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 This report relates to all the Council's priorities; managing the environment of Ryedale with partners and supporting improvements to enhance and deliver sustainable growth; making the best use of resources to ensure maximum benefit for all customers and communities and building capacity in partnership.

REPORT

6.0 REPORT DETAILS

- 6.1 Following the Council decision on 12 April 2018, good progress with both OPE projects has been made in line with the timescales and both projects are on track.
- 6.2 However, at this stage in the process the estimated costs of a new PSH building have more than doubled which requires the completion of further detailed financial assessment work. For example, it is clear that:
- A revised model, with increased floor space, means that the capital cost will be much higher. While some partners have signalled their willingness to contribute funding to this, it would mean reduced rental income to RDC for a considerable period of time
 - In addition, costings received so far do not suggest that this reduced income would be offset by changes to running costs as a result of moving to a new build
 - If we do not move from the current site, additional expenditure will be required to maintain and modernise the building. The cost of this would depend on how far any remodelling and redesign was part of this.
- 6.3 Work is therefore required to fully understand the financial implications and this could be carried out in the next few weeks. A confidential paper which was shared at the Member Briefing on 7 November 2018 is attached at Appendix 2.
- 6.4 There is potentially also a need to amend the original design brief for a new public service hub and time to complete this work is required. A clear strategy needs to be developed to enable further decisions on next steps to be made by elected members.
- 6.5 The development of the Ryedale House site has progressed through a tendering exercise to enable a contractor to be appointed to undertake a viability assessment at a cost of £45,000. The appointment to undertake a viability assessment cannot be made until a decision on the next steps for the public service hub is made.
- 6.6 It is therefore recommended that a full financial assessment is completed and, if needed, to explore alternative options as well as their costs and benefits.
- 6.7 This work is expected to be completed by the end of the financial year and next steps are given below:

Date	Meeting/Event	Details
29 Nov	Policy and Resources Committee	Update on OPE Programme feasibility work to date and recommended next steps
6 December	Full Council	To consider OPE Programme feasibility work to date and agree next steps
December	Partner Design Brief Development Session	To inform financial assessment and enable completion of financial options appraisal
January 2019	Member Briefing	To present a detailed options appraisal to inform the development of a clear strategy
7 Feb	Policy and Resources Committee	Update on options appraisal and consider a future strategy for a public service hub and the delivery of new housing
14 Mar	Policy and Resources Committee	Consideration of options and a future strategy for a public service hub and the delivery of new housing
11 April	Full Council	Council consider options and a future strategy for a public service hub and the delivery of new housing

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

The feasibility work to date on each project has been funded by the OPE and the recommendation seeks to ensure that there is no further spend until further financial assessment work is complete. The costs associated with the design of a new public service hub have been funded from the approved budget for fees.

b) Legal

There are no legal implications.

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

These projects are exciting opportunities for Ryedale and it is important that the key messages are communicated to demonstrate the continued commitment to deliver a “modern Ryedale” in partnership for the benefit of all.

Beckie Bennett

Delivery and Frontline Services Lead

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Background Papers:

[Report to Policy and Resources Committee 15 March 2018.](#)

Full Council held on 12 April 2018

Minute number 84

Resolved

That Council agree the following:

- i) To lead the development of a Public Service Hub for Ryedale, as the principle location for Ryedale District Council services, with the aim of vacating Ryedale House by Autumn 2020, and committing £2.5m from the NHB reserve to the Capital Programme for the delivery of this scheme.
- ii) That £275,000 of this allocation be used to support the development of a scheme on the site of the current Community House and adjacent land as the preferred option, to completion of RIBA stage 4 (Technical Design). The decision to appoint a contractor and commence to construction would be a further decision of Council.
- iii) To participate in the North Yorkshire Property Partnership, utilising the resources available through the NYPP, from the One Public Estate (OPE) programme, to support the development of the Public Service Hub for Ryedale.
- iv) That a Car Parking Strategy for Ryedale be commissioned in partnership with North Yorkshire County Council, with a budget of £75,000 to be allocated from the general reserve.
- v) That Members commit to working in partnership with the Milton Rooms Management Committee to enable the utilisation of the Milton Rooms for meetings of Council when the Council has relocated from Ryedale House, and that the capital allocation already agreed be used to support the improvements, regardless of the outcome of the bid to the Heritage Lottery Fund.
- vi) In agreeing that Ryedale House (RH) will be vacated by the Council and its tenants, Members support the development of detailed feasibility studies for housing development on the Ryedale House site, utilising both the OPE and Homes England funding. A further report will be brought to members when the feasibility work on the RH site and any available adjacent sites, has been developed.

Voting Record

18 For

5 Against

1 Abstentions

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

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	29 NOVEMBER 2018
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	RYEDALE'S FINANCIAL STRATEGY 2018-23
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report provides an update to members on progress towards refreshing the Council's Financial Strategy.

2.0 RECOMMENDATIONS

- 2.1 The Committee is asked to note the contents of this report, and in particular to note that it will continue to develop over the next few weeks as part of the timescales set out in Appendix 1. The committee is also asked specifically to note or comment on:
- Proposed change to the Objectives of the Financial Strategy (6.2)
 - Proposal to redefine the Council's reserves (7.5)
 - Content of the Council's Budget Consultation (section 8)

3.0 REASON FOR RECOMMENDATIONS

- 3.1 This report sets out some of the detail relating to work already undertaken in relation to issues that will impact on the Council's financial strategy. It also reminds members of the proposed timescale and plans for formal approvals and other proposals regarding ongoing budget monitoring (Appendix 1). The full Financial Strategy and proposed 2019-2020 budget will come to members for approval in February 2019, but in the meantime, to assist with preparing the final draft. Members are asked to comment in this paper on three specific areas: Objectives, Reserves and Consultation.

4.0 POLICY CONTEXT AND CONSULTATION

- 4.1 The 2018-19 budget strategy was approved at Council in July 2017 and is a key document affecting all service delivery, linking to the Council Plan and all of the strategic plans as well as providing the means for attaining the Council's objectives and priorities.

REPORT

5.0 REPORT DETAILS

5.1 The remainder of this report is split into the following sections:

- Section 6 – Objectives
- Section 7 – Reserves and Balances
- Section 8 – Budget Consultation

6.0 OBJECTIVES

6.1 The Council's current Financial Strategy contains 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 £1.75m already undertaken 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 within 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.

6.2 Members are asked to comment on continuing to use these for the refreshed strategy from 2019. At this stage, one small amendment is proposed to number 4, to remove the words "beyond the £1.75m already undertaken for the Brambling Fields project."

7.0 Reserves and Balances

7.1 A current list of reserves and balances is shown below. Appendix 2 sets out the movement in reserves between March 2017 and March 2018, and also – at this stage, the expected movement during 2018-19. This shows that reserves will have increased from £8.7m in March 2017 to at least £14.2m by March 2019 – this last figure is likely to be higher if the expected use of capital does not happen at this point.

7.2 The current list is broken down into two main areas:

- General balance
- Earmarked balances

- 7.3 There are 12 earmarked balances (including one for capital). These are currently specified to for particular areas of service or are particular holding funds.
- 7.4 In future, it is proposed that these balances are streamlined. Some will continue to be required for specific purposes, but the remainder can be held as one fund and then can be used – with appropriate agreements – for particular purposes as and when these are identified. This will ensure a business case approach to draw on reserves and mean stronger governance is still in place for Members to take decisions around their use. It is also recommended that the members consider – in line with any regulatory requirements – the decision-making responsibilities of Members regarding use of reserves and that these are clearly agreed.
- 7.5 It is proposed therefore to redefine the reserves as:

General Working Balance – the Council’s funding of “last resort”, this is a contingency to manage risk across the budget

Capital Reserve – to support capital projects

Strategic Reserve – to support the corporate objectives and priorities set out in the Council Plan, including any operational decisions around these. Decision-making on this reserve would need to reflect any regulatory requirements.

Earmarked Reserves – a limited number for Elections and Business Rates (Collection Fund Equalisation Reserve).

This proposal would mean:

	31.03.18	
	current	proposed
<i>expected in-year changes</i>		
General Fund	3,331	General Working Balance
Capital Fund	2,929	Capital Fund
<u>Earmarked Reserves</u>		
Collection Fund Equalisation	506	Collection Fund Equalisation
Ryedale Development Fund	94	Strategic Reserve
Election Reserve	61	Election Reserve
Council Tax Hardship Fund	24	Strategic Reserve
New Homes Bonus Reserve	3,698	Strategic Reserve
Grants Reserve	163	Strategic Reserve
IT Fund	95	Strategic Reserve
ICE Fund	807	Strategic Reserve
Local Development Framework	50	Strategic Reserve
Operational Reserve	648	Strategic Reserve
Restructure Reserve	402	Strategic Reserve
	6,548	
TOTAL ALL	12,808	

7.6 The current Financial Strategy assumes that in 2019-20 (and future years), in addition to funding from New Homes Bonus and Business Rates, these reserves will receive contributions from revenue amounting to £194k, as below:

- £100k to Capital
- £30k to Elections
- £50k ICE (Improvement, Contingency and Emergency)
- £2k IT
- £6k Operational
- £6k Council Tax Hardship

7.7 These will be reviewed as part of the work to finalise the Strategy.

8.0 Budget Consultation

8.1 Each year the Council undertakes a budget consultation exercise, and the results of this will inform the Council ahead of its annual budget meeting.

8.2 In recent years, the consultation has asked the public its view on its priorities – including how these should be funded. The 2018-19 budget consultation contained the following questions:

- After pointing out that it costs on average £186.05 a year (£3.58 per week) per household to provide our services in Ryedale, it asked residents “To what extent do you agree or disagree that Ryedale District Council provides value for money?”
- Noting the three overarching priorities of Ryedale District Council as Sustainable Growth, Customers and Communities and One Ryedale, it also asked people to rank the importance of the agreed aims within each priority. There are a number of aims that we are working towards (these aims are set out in Appendix 3).
- Two questions were around services and asked for people’s view on
 - a) their performance over the last 12 months, and
 - b) whether any of these should have changes to their funding from the Ryedale District Council budget in future?

The services listed were:

- Household waste collection (green bin)
- Garden waste (brown bin)
- Kerbside recycling (plastics, tins and glass)
- Street cleanliness (litter collection, graffiti removal and fly tipping)
- Planning (planning applications and planning policy)
- Community facilities (support for village halls, play equipment, arts & culture)
- Economic development (support to businesses and tourists)
- Environmental health (including licensing, food hygiene inspections, nuisance complaints, animal welfare, private water supplies, pest control)
- Benefits (housing benefits, council tax support)
- Housing service (housing options advice, homelessness, affordable housing)
- Car parks
- Leisure facilities (swimming pools, leisure centres)

- Community safety (including anti-social behaviour, domestic abuse, alcohol awareness)
 - Public toilets
 - Artistic and cultural promotion (support to artistic and cultural organisations)
 - Tourism (support to the tourism industry)
- Residents were also asked that, in balancing the budgets, which of the following would they rank first, second and third?
- Increasing council tax levels
 - Increasing fees and charges
 - Providing fewer services
- Finally residents were asked how satisfied or dissatisfied they were with the way Ryedale District Council runs its services and also how satisfied or dissatisfied they were with their local area as a place to live?

8.2 In January 2018, there were three responses to the consultation.

8.3 Members are asked their views regarding the content of the consultation exercise for 2019-20. In particular, should this continue to reflect the content used in previous years and whether it should contain any specific proposals around other areas, such as Council Tax.

8.4 As set out in the report to Policy and Resources Committee on November 15th, the increase in the Council Tax Base will increase income by approx. £21k.

8.5 The latest indications from central Government are that they are minded to allow district councils to increase their Band D charge by 3% or £5 whichever is the highest, without triggering a referendum.

8.6 A £5 increase would equate to an increase of 2.62% (or 10p per week) for 2019-20 and would bring in an additional £108k.

8.7 A 3% increase would take the Band D charge to £196.55 (an increase of £5.73 – 11p per week) and raise an additional £125k in 2019-20.

8.8 Any Council Tax freeze would also have a knock-on impact in future years as we would start from a lower base.

8.9 Any Consultation will take place in time to ensure that comments are fed back to Members before decisions are taken on the final Strategy in the New Year.

Anton Hodge
Chief Finance Officer (s151)

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Background Papers:

Report to Resources Working Party 12 July 2018
 Report to Resources Working Party 27 September 2018
 Presentation to Resources Working Party 8 November 2018
 Report to Policy and Resources 15 November 2018

APPENDIX 1

The following table sets out some key dates for the budget process:

Date	Meeting	Details
3 Oct	Members' Development	Budget Planning Process
22 Oct	Group Leaders' Briefing	Update on Budget Strategy
1 Nov (rescheduled to 8 Nov)	Resources Working Party	Update on Strategy <ul style="list-style-type: none"> - Budget Monitoring 2018-19 - Key budget issues/initial proposals for 2019-20 and beyond
15 Nov	Policy and Resources Cttee	Update on Strategy <ul style="list-style-type: none"> - Budget Monitoring 2018-19 - Key budget issues/initial proposals for 2019-20 and beyond
22 Nov	Policy and Resources Cttee	Update on Strategy
6 Dec	Council	Update on Strategy <ul style="list-style-type: none"> - Budget Monitoring 2018-19 - Key budget issues/initial proposals for 2019-20 and beyond - Budget Consultation
7 Jan	Group Leaders' Briefing	Preparing for final stages of budget process
9 Jan	Members' Development	Review of budget issues and any proposals
17 Jan	Resources Working Party	Draft Budget Strategy 2019-23
27 Jan	Overview and Scrutiny Cttee	Treasury management statement and Investment Strategy 2019-20
7 Feb	Policy and Resources Cttee	Budget Strategy 2019-23
21 Feb	Council	Budget Strategy 2019-23, including <ul style="list-style-type: none"> - approving 2019-20 revenue and capital budgets - setting Council Tax 2019-20 - Treasury management statement and Investment Strategy 2019-20

APPENDIX 2 – GENERAL AND EARMARKED RESERVES

Reserves - all figures £000s

	31.03.17	31.03.18		<i>expected</i>	<i>expected</i>	<i>NHB</i>	<i>Hub</i>	31.03.19
<i>expected in-year changes</i>			<i>underspends</i>	<i>allocations</i>	<i>use</i>		<i>transfer</i>	
General Fund	1,328	3,331	618					3,949
Capital Fund	2,199	2,929		100	-1,231	188	2,500	4,486
<u>Earmarked Reserves</u>								
Collection Fund Equalisation	236	506	522					1,028
Ryedale Development Fund	95	94						94
Election Reserve	41	61		20	-81			0
Council Tax Hardship Fund	18	24		6				30
New Homes Bonus Reserve	2,389	3,698		399		776	-2,500	2,373
Grants Reserve	164	163						163
IT Fund	97	95		2				97
ICE Fund	766	807		50				857
Local Development Framework	50	50						50
Operational Reserve	870	648		6	-4			650
Restructure Reserve	439	402						402
	5,165	6,548	522	483	-85	776	-2,500	5,744
TOTAL ALL	8,692	12,808	1,140	583	-1,316	964	0	14,179

APPENDIX 3

The overarching priorities of Ryedale District Council and the aims of each (see 8.2 above)

Sustainable Growth

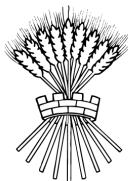
- Capitalising on our culture, leisure and tourism opportunities
- A strong economy with our thriving businesses and supporting infrastructure
- Managing the environment of Ryedale with partners
- Enabling the provision of housing that meets existing and anticipates future need
- Minimising homelessness, improving the standard and availability of rented accommodation and supporting people to live independently

Customers and Communities

- Designing all of our services with the customer at the heart of everything we do
- Making the best use of resources to ensure maximum benefit for all customers and communities across the district, particularly the most vulnerable
- Helping our partners to keep our communities safe and healthy
- Support our communities to identify their needs, plan and develop local solutions and resilience

One Ryedale

- Utilising assets in supporting the delivery of priorities
- Developing business opportunities for the Council and optimise income
- Building capacity and influencing policy in partnership
- Enabling services through the innovative use of IT
- Delivering the anticipated further savings required by 2022



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	29 NOVEMBER 2018
REPORT OF THE:	CHIEF EXECUTIVE STACEY BURLET
TITLE OF REPORT:	TEMPORARY APPOINTMENT OF A DEPUTY CHIEF EXECUTIVE
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report asks Elected Members to consider whether they are willing to delegate recruitment for the vacant Deputy Chief Executive role to the Chief Executive. This would be a temporary appointment for a maximum period of 12 months. Any future permanent senior appointment would revert to the responsibility of Council.

2.0 RECOMMENDATIONS

- 2.1 That delegation of recruitment for the vacant Deputy Chief Executive role is given to the Chief Executive with the following caveats:
- The appointment is made for a maximum period of 12 months.
 - That recruitment and the appointment proceeds quickly so an appointment is in place prior to district and parish elections.
 - Any future permanent senior appointment would revert to the responsibility of Council.
 - That Elected Members have the opportunity to inform the recruitment process and the Chief Executive's decision-making.
 - That the workforce have the opportunity to inform the recruitment process and the Chief Executive's decision-making.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Deputy Chief Executive role is currently vacant. The role has line management responsibility for key areas of the Council, as detailed in the structure chart attached at Appendix 1. They are also the lead officer for quality standards, organisational development, performance, programme and project management.

- 3.2. The new Chief Executive is revisiting the structure of the Council following cross-party feedback from Elected Members and the workforce, as well as the findings of the Peer Challenge Review Revisit, and work being undertaken on the corporate health of the organisation. This may result in the Deputy Chief Executive role being removed from the structure in the longer-term so permanent recruitment to this role is not recommended.
- 3.3 However, there is a need to recruit temporarily and at pace to this role given the number of high profile projects that require progression (e.g. the livestock market). There is also a need to ensure that key officers have adequate supervision and support arrangements in place and quality standards and performance improves across the organisation.
- 3.4 It should be noted that the Chief Executive and Head of HR will assume responsibility for organisational development during this period.
- 3.5 Although delegation is sought, elected member and workforce involvement in the appointment process is critical. Efforts will be made to ensure that proportionality is in place – for example, a cross-section of employees operating at different levels in the organisation and Elected Members from different political parties will be involved to support the Chief Executive’s decision-making. This will take the form of question and answer sessions with candidates. Feedback from these sessions will then inform the Chief Executive’s final decision-making.

4.0 SIGNIFICANT RISKS

- 4.1 Not delegating the appointment of the vacant post to the Chief Executive risks slowing the pace of recruitment. This is not advised given the remit of the role and the lack of support and supervision arrangements for key officers of the Council.
- 4.2 Similarly, officers do not advise not appointing to the role on a temporary basis. The remit of the role and the support and supervision arrangement for key areas of the Council is required at this time.
- 4.3 Recruiting to the role permanently is also not advised as the structure may change as a result of the review the Chief Executive is currently undertaking. Elections in May might also lead to the need for a revised structure so that officers are able to deliver against any revised Council priorities.
- 4.4 If a temporary appointment is not progressed in the way recommended, there is a chance that preparation for the May elections may severely impede the ability to recruit to this role. A delay would impact on the performance of the organisation at a critical time.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Consultation has taken place with the Council’s Monitoring Officer and Head of HR. Conversations have also taken place with Group Leaders to explain the background to and recommendations of this report. A temporary role is broadly supported to enable the Chief Executive to address key areas of development for the Council. Views were also expressed about the need for a restructure so that Elected Member and workforce feedback can be fully addressed and the Council’s priorities can be achieved. Consultation with designated Elected Members will take place before any final decision making.

REPORT

6.0 REPORT DETAILS

- 6.1 The Deputy Chief Executive role is a permanent established role in the current structure. Appendix 1 details its remit.
- 6.2 This role is classed as a senior appointment, which are the responsibility of Council. Other appointments fall within the remit of the Head of Paid Service (the Chief Executive).
- 6.3 The role of Deputy Chief Executive has been vacant since the 1 November 2018.
- 6.4 A 12 month appointment would not result in any employment liabilities for the Council.
- 6.5 If agreed, an open recruitment process will take place and internal candidates would be considered.
- 6.6 Any appointment made would be up to 12 months maximum. The length of contract would be negotiated with the successful candidate (e.g. if a candidate was only available for 9 months then this might be agreed).
- 6.7 The following criteria is considered essential for the role:
- An experienced people manager with a strong ability to build relationships across the workforce, and motivate and empower people to be the best they can be.
 - Planned and transparent approach to programme management that will ensure a number of complex, high profile projects are scoped, consulted upon and moved forward within prescribed timescales and financial constraints.
 - Leadership responsibility for key areas of the business, assuming line management responsibility for the Service Leads for Streetscene, Planning, Customer Service, IT, Programmes & Projects, Commissioning and Asset Management.
 - Must be able to operate, shape, influence and lead in a working environment that is refocusing and addressing key areas of development.
 - Must be able to work with elected members efficiently and effectively – building strong and collaborative partnerships.
 - Must be able to assess, identify, broker and put in place arrangements that will strengthen service delivery at procedural, operational and strategic levels; this includes in-house capacity and shared services that offer best value and are efficient and effective.
 - Ability to support the delivery of district and any other elections that occur during your period of employment. This includes acting as one of the Council's Deputy Returning Officers.

7.0 IMPLICATIONS

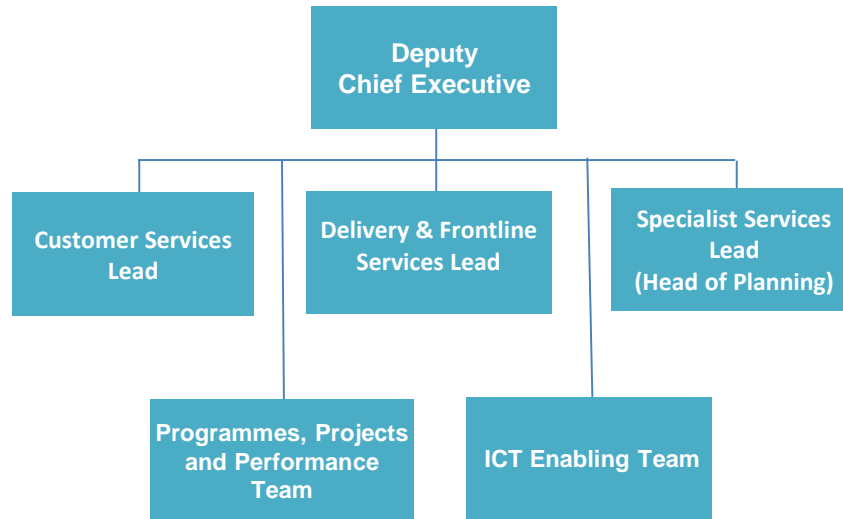
- 7.1 The following implications have been identified:
- a) Financial
The post is substantive and is accounted for within the organisation's structure. Recruitment costs will be minimal.

- b) Legal
The appointment of a Deputy Chief Executive on the basis of a 12 month contract does not give rise to employment liabilities associated with a permanent appointment.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
External recruitment will involve staff and Elected Members to ensure that the appointment process is as robust as possible.

**Stacey Burlet
Chief Executive**

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Background Papers:
None



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REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM OVERVIEW AND SCRUTINY COMMITTEE ON 22 NOVEMBER 2018

57 Treasury Management Annual Report 2017/18 (Part B - Recommendations to Council)

Considered – Report of the Chief Finance Officer (s151)

Recommendation

That Council is recommended to:

- (i) Note the annual treasury management report for 2017/18 and;
- (ii) Approve the actual 2017/18 prudential and treasury indicators in this report.

Voting Record

3 For

0 Against

0 Abstentions

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	22 NOVEMBER 2018
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) – ANTON HODGE
TITLE OF REPORT:	TREASURY MANAGEMENT ANNUAL REPORT 2017-18
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2.0 RECOMMENDATIONS

2.1 That Council is recommended to:

- (i) Note the annual treasury management report for 2017/18; and
- (ii) Approve the actual 2017/18 prudential and treasury indicators in this report.

3.0 REASON FOR RECOMMENDATIONS

3.1 The Council has adopted the Code. A provision of the Code is that an annual review report must be made to the Full Council relating to the treasury activities of the previous 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.

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.

5.2 The Council uses the services of Link Asset Services – Treasury Solutions (Link) to

provide treasury management information and advice.

REPORT

6.0 REPORT DETAILS

6.1 During 2017/18 the minimum reporting requirements were that the full Council should receive the following reports:

- An annual treasury strategy in advance of the year (Council 21 February 2017)
- A mid year (minimum) treasury update report (Council 14 December 2017)
- An annual review following the end of the year describing the activity compared to the strategy (this report).

6.2 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

6.3 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all the above treasury management reports by the Overview and Scrutiny Committee before they were reported to the full Council.

6.4 This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- Reporting of the required prudential and treasury indicators;
- Summary of interest rate movement in the year;
- Detailed borrowing activity;
- Detailed investment activity.

The Council's Capital Expenditure and Financing 2017/18.

6.5 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

6.6 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2017/18 Actual (£)	2016/17 Actual (£)
Total Capital Expenditure	852,664	537,842
Resourced by:		
Capital receipts	86,468	185,315
Capital grants and contributions	652,324	311,680

Capital reserves	113,871	40,847
External Borrowing	-	-
Total	852,664	537,842

The Economy and Interest rates

6.7 The Council's treasury advisors Link Asset Services – Treasury Solutions (Link) summarised the key points associated with economic activity in 2017/18 as follows:

- Brexit negotiations have been a focus of much attention and concern during the year but so far, there has been little significant hold up in progress;
- UK growth in 2017 was weak in the first half of the year, although it did pick up modestly in the second half of 2017;
- There was a sharp increase in inflation caused by the devaluation of sterling after the EU referendum;
- As expected the MPC raised Bank Rate from 0.25% to 0.50% on 2 November;
- Market expectations for increases in Bank Rate shifted during the second half of 2017/18 and resulted in investment rates up to 12 months increasing sharply;
- The FTSE 100 hit a new peak in early 2018 before there was a sharp selloff.

Overall Treasury Position as at 31 March 2018

6.10 At the beginning and the end of 2017/18 the Council's treasury position was as follows (excluding finance leases):

	31 March 2018 Principal	31 March 2017 Principal
Total Debt	£1.63m	£1.67m
CFR	£1.66m	£1.69m
Over/(Under) borrowing	-£0.03m	-£0.02m
Total Investments	£17.12m	£16.01m
Net Debt	-£15.49m	-£15.99m

The Strategy for 2017/18

6.11 The Treasury Management Strategy for 2017/18 was approved by members at full Council on 21 February 2017.

6.12 The expectation for interest rates within the treasury management strategy for 2017/18 anticipated a low but rising Bank Rate, and gradual rises in medium and longer term fixed borrowing rates during 2017/18.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk by utilising available cash balances. However, this approach was to be carefully reviewed to monitor potential borrowing requirements and borrowing costs.

PWLB borrowing rates increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates. In addition, UK gilts have moved in a relatively narrow band this year, (within 25 bps for much of the year),

compared to US treasuries. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 year, rather than longer term yields.

The Borrowing Requirement and Debt

6.13 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR) (excluding borrowing by finance leases).

	31 March 2017 Actual	31 March 2018 Budget	31 March 2018 Actual
Total CFR	£1.695m	£1.974	£1.659m

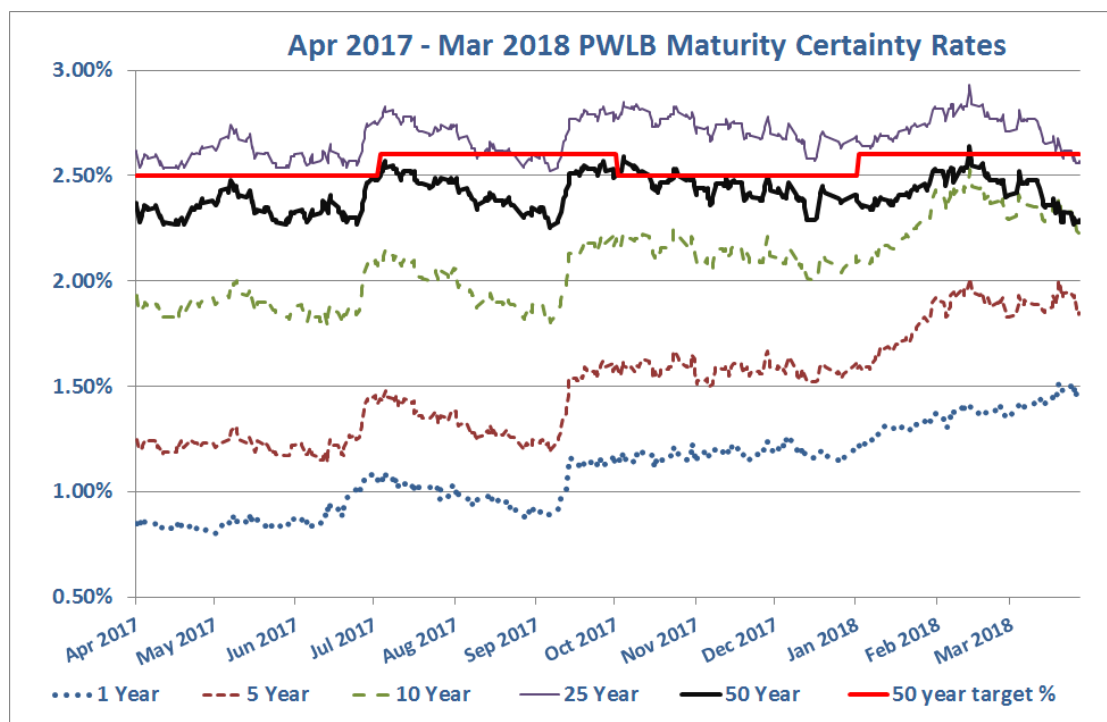
Borrowing Rates in 2017/18

PWLB certainty maturity borrowing rates

As depicted in the graph and tables below and in appendix 4, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March.

During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in quarters 1 and 3 and 2.60% in quarters 2 and 4.

The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



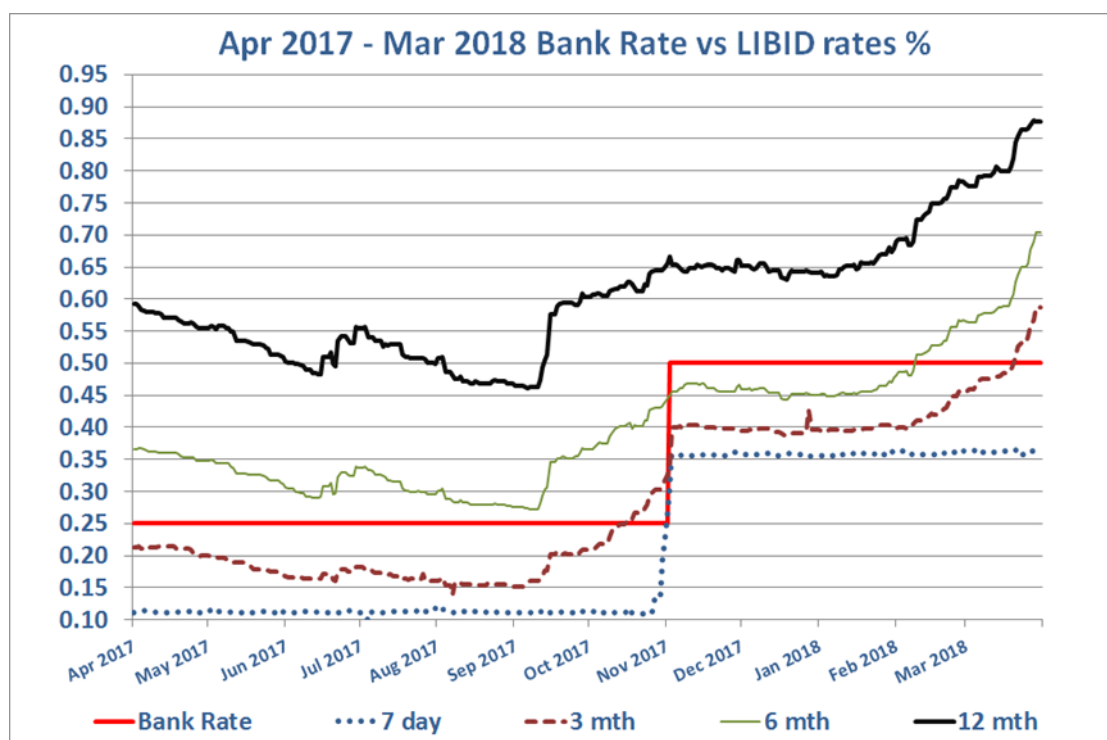
Borrowing Outturn for 2017/18

- 6.14 No new borrowing was undertaken during the year and scheduled repayments were made. At the end of the financial year the debt portfolio was as follows:

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£1.00m	Maturity	3.69%	50 years
PWLB	£0.63m	EIP	2.99%	19 years

Investment Rates in 2017/18

- 6.15 Investments rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March. Bank Rate was duly raised from 0.25% to 0.50% on 2.11.17 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28.2.18.



Investment Outturn for 2017/18

- 6.16 The Council's investment policy is governed by DCLG guidance, which has been implemented in the Annual Investment Strategy approved by the Council on 21 February 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).
- 6.17 The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.
- 6.18 The following table shows the result of the investment strategy undertaken by the Council and the relative performance of the internally managed funds against the 7-

day LIBID un compounded rate bench mark:

	Average Total Investment (£)	Gross Rate of Return	Net Rate of Return	Benchmark Return
Internally Managed:				
Temporary & On-Call Investments	£6,727,832	0.25%	n/a	n/a
Fixed Term Deposits	£14,862,192	0.43%	n/a	0.20%

6.19 **The interest received by the Council from investments in 2017/18 totalled £85k; this compares to an original estimate of £65k.**

6.20 The Council's investment position is organised by the Finance Section in order to ensure adequate liquidity for revenue and capital activities and security of investments. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Treasury Management Practices. At the beginning and the end of 2017/18 the Council's investments position was as follows:

	31 March 2018 (£)	31 March 2017 (£)
Internally Managed Investments	19,776,864	16,072,738

6.21 The maturity of the investment portfolio was as follows;

	31 March 2018 (£)	31 March 2017 (£)
On-call Investments	2,676,864	72,738
Fixed Term Deposits:		
Repayable within 1 month	0	0
Repayable 1 month to 3 months	2,500,000	0
Repayable 3 months to 6 months	12,600,000	14,000,000
Repayable 6 months to 12 months	2,000,000	2,000,000
Repayable 12 months to 24 months	0	0
Total	19,776,864	16,072,738

6.22 Investments were placed with the following institutions:

Type of Institution	31 March 2018 (£)	31 March 2017 (£)
UK Clearing Banks	12,776,864	8,172,738
Foreign Banks	4,000,000	5,000,000
Building Societies	3,000,000	2,900,000
Local Authorities	0	0
Total	19,776,864	16,072,738

Compliance with Treasury Limits

6.23 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement (annex B).

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
The results of the investment strategy effect the funding of the capital programme.
- b) Legal
There are no legal implications within this report
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
There are no additional implications within this report.

Anton Hodge
Chief Finance Officer (s151)

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Background Papers: None

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TREASURY MANAGEMENT ANNUAL REPORT 2017/18 - 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	In response to the economic climate the Council continue to adopt a more stringent credit rating methodology.	1	D
Market risk - Selection of wrong type of investment for higher return.	The poor performance of the chosen investment.	3	B	The number of investment options have been kept to a minimum within the investment strategy.	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	The maturity profile has shortened for investments. Short and medium term cash flow management ensures funds are available when needed.	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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PRUDENTIAL AND TREASURY INDICATORS

Prudential Indicators

	2016/17 Actual	2017/18 Original	2017/18 Actual
Capital Expenditure	£0.538m	£0.957m	£0.853m
Ratio of financing costs to net revenue stream	2.26%	3.62%	
Net borrowing requirement	£13.731m		
Capital Financing Requirement as at 31 March (incl. leases)	£2.227m	£2.491m	£2.278m
Annual change in Capital Financing Requirement	-£0.124m	£0.264	-£0.214m
Incremental impact of capital investment decisions			
Increase in council tax (band D) per annum	N/a	£0.06	N/a

Treasury Management Indicators

	2016/17 Actual	2017/18 Original	2017/18 Actual
Authorised Limit for external debt - borrowing			
other long term liabilities	N/a	£10.0m	N/a
Total	N/a	£ 1.0m	N/a
Operational Boundary for external debt - borrowing			
other long term liabilities	N/a	£5.0m	N/a
Total	N/a	£0.6m	N/a
External debt	£1.67m	£1.69	£1.63m
Upper limit for fixed interest rate exposure			
Net principal re fixed rate investments	N/a	100%	N/a
Upper limit for variable rate exposure			
Net principal re variable rate investments	N/a	50%	N/a
Upper limit for total principal sums invested for over 364 days (per maturity date)	N/a	£1.0m	N/a

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REPORT TO: FULL COUNCIL

DATE: 6 DECEMBER 2018

SUBJECT: PART 'B' REFERRALS FROM OVERVIEW AND SCRUTINY COMMITTEE ON 22 NOVEMBER 2018

58 Treasury Management Mid-Year Review (Part B - Recommendations to Council)

Considered – Report of the Chief Finance Officer (s151).

Recommendation to Council

It is recommended that Council:

- (i) Receive this report, and
- (ii) Note the mid-year performance of the in-house managed funds to date; and
- (iii) Note the update regarding NYCC Treasury services and sweeping.

Voting Record

3 For

0 Against

0 Abstentions

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	22 NOVEMBER 2018
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
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 2018/19 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 Council:
- (i) Receive this report; and
 - (ii) Note the mid-year performance of the in-house managed funds to date; and
 - (iii) Note the update regarding NYCC Treasury services and sweeping.

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 Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services and in this context is the management of the Authority's cash flows, its banking and capital market transactions,

the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. The Authority has adopted the Code and complies with its requirements

- 5.2 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.
- 5.3 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.
- 5.4 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 2018/19;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - A review of the Council's investment portfolio for 2018/19;
 - A review of compliance with Treasury and Prudential Limits for 2018/19.

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 Link Asset Services (Link) to provide treasury management information and advice.

8.0 REPORT DETAILS

- 8.1 The Council's treasury advisors Link Asset Services – Treasury Solutions summarised the key points associated with economic activity in Q2 2018/19 up to 30 September 2018:
- The economy showed some signs of gathering momentum after the slowdown in early 2018;
 - Employment growth rose putting some pressure on wage growth;
 - Consumer price inflation rose unexpectedly;
 - The MPC raised interest rates in August to 0.75%;
 - UK equities underperformed;
 - Brexit negotiations remained at an impasse.

A more detailed economic commentary on developments during Q2 2018/19 is included in **Appendix C**.

- 8.2 The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

The flow of generally positive economic statistics from the first half of 2018 meant that it came as no surprise that the MPC came to a decision on 2 August to increase in Bank Rate to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower rate than before the 2008 financial crash. It is not anticipated that the MPC will increase Bank Rate again ahead of the Brexit deadline in March 2019. It is currently expected that the MPC is likely to wait until August 2019 before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

Treasury Management Strategy Statement and Annual Investment Strategy Update.

8.3 The Treasury Management Strategy (TMSS) for 2018/19 was approved by this Council on 22 February 2018. 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
- Yield

8.4 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 Link's suggested creditworthiness approach, including sovereign rating and credit default swap (CDS) overlay information provided by Link.

8.5 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.

8.6 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 22 February 2018 is still fit for purpose in the current economic climate.

Investment Portfolio 2018/19

- 8.7 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.
- 8.8 As set out earlier in the report, although we have experienced some improvements in investment returns due to the increase in base rate to 0.5% in late 17/18 and then to 0.75% in August this year.
- 8.9 The Council's investment position at the beginning of the financial year was as follows:

Type of Institution	Investments (£)
UK Clearing Banks	12,776,864
Foreign Banks	4,000,000
Building Societies	3,000,000
Total	19,776,867

- 8.10 A full list of investments held as at 30 September 2018, compared to Sectors counterparty list and changes to Fitch, Moodys and S&P's credit ratings during the first six months of 2018/19 is shown in annex B and summarised below:

Type of Institution	Investments (£)
UK Clearing Banks	13,042,523
Foreign Banks	3,000,000
Building Societies	1,000,000
Local Authorities	9,000,000
Total	26,042,523

- 8.11 The average level of funds available for investment purposes in the first six months of 2018/19 was £25.06m. 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 the progress of the capital programme.
- 8.12 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 0.44%.

	Average Investment (£)	Average Gross Rate of Return	Net Rate of Return	Benchmark Return	Interest Earned (£)
Cash Equivalents	7,291,387	0.48%	n/a	n/a	18,059
Fixed Term Deposits	1,161,538	0.76%	n/a	0.11%	32,377

- 8.13 The Council's budgeted investment return for 2018/19 is £55k and performance during the financial year to 30 September 2018 is £68k, **which is on target to out perform the budget by £81k**
- 8.14 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

- 8.15 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).

- 8.16 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.
- 8.17 The level of borrowing is £1.6m, full details can be found at annex B. Repayments have been made in line with the loan repayment schedule. In order to fulfil the funding requirements of the current Capital Programme the Council still has a borrowing requirement of £320k, however it is unlikely that we will look to borrow the remaining sum in the current financial year.

9.0 TREASURY MANAGEMENT FUNCTION & SWEEPING ARRANGEMENTS

- 9.1 Included within the service level agreement currently being finalised with North Yorkshire County Council (NYCC) for the provision of s151 Officer and Finance services, there is provision for treasury management support.
- 9.2 Reporting and monitoring processes are currently in place, and options are currently being explored to incorporate Ryedale into the pooled investment fund operated by NYCC. NYCC provides an investment pool where its own cash balances and those of several other public sector organisations are merged together to form a combined investment pool. Such an arrangement achieves economies of scale in terms of overall better interest returns together with the efficiencies resulting from not having to administer individual authority investment operations
- 9.3 Discussions are currently underway between the Authorities' respective banks and progress will be reported back in due course. Prior to implementing such arrangements, RDC will also be asked to formally adopt the Investment strategy of NYCC, which will require approval of Policy & Resources committee.

10.0 IMPLICATIONS

- 10.1 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 2018 was £68k, which is in excess of the profiled budget. The cost of borrowing affects the revenue account, forecast interest costs for the year are £56k, which is £7k below budget.
 - 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.

Anton Hodge

Chief Finance Officer (s151)

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E-Mail Address: michelle.oates@ryedale.gov.uk

Background Papers:

None

Background Papers are available for inspection at: N/a

PRUDENTIAL AND TREASURY INDICATORS

Prudential Indicators

	2017/18 Actual	2018/19 Original	2018/19 YTD
Capital Expenditure	£0.853m	£2.016m	£0.140m
Ratio of financing costs to net revenue stream	0.17%	3.47%	0.43%
Net borrowing requirement	-£13.731m	£-15,040m	-£18,713m
Capital Financing Requirement as at 30 Sept (incl. leases)	£2.278m	£1.960m	£1.287m
Annual change in Capital Financing Requirement	-£0.214m	-£0.318	-£0.673

Treasury Management Indicators

	2017/18 Actual	2018/19 Original	2018/19 Actual
Authorised Limit for external debt - borrowing	N/a	£10.0m	N/a
other long term liabilities	N/a	£ 1.0m	N/a
Total	N/a	£11.0m	N/a
Operational Boundary for external debt - borrowing	N/a	£5.0m	N/a
other long term liabilities	N/a	£0.4m	N/a
Total	N/a	£5.4m	N/a
External debt	£1.63m	£1.66m	£1.61m
Upper limit for fixed interest rate exposure Net principal re fixed rate investments	N/a	100%	N/a
Upper limit for variable rate exposure Net principal re variable rate investments	N/a	50%	N/a
Upper limit for total principal sums invested for over 364 days (per maturity date)	N/a	£1.0m	N/a

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Investment Portfolio at 30 September 2018

Institution	Investment (£)	Duration	Capital Duration Rating	Sovereignty Rating
Lloyds Bank	6,042,523	On Call	6 Months	
Lancashire County Council	1,000,000	12 Months	364 Days	AA
Goldman Sacs International Bank	1,000,000	6 Months	6 Months	AA
DBS Bank Ltd	1,000,000	6 Months	364 Days	AAA
Barclays Bank	1,500,000	6 Months	6 Months	AA
Santander	1,500,000	6 Months	6 Months	AA
DBS Bank Ltd	1,000,000	6 Months	364 Days	AAA
Santander	1,500,000	6 Months	6 Months	AA
Nationwide B.S.	1,000,000	6 Months	6 Months	AA
Barclays Bank	1,500,000	6 Months	6 Months	AA
Borough of Broxbourne Council	3,000,000	12 Months	364 Days	AA
North Ayrshire Council	2,000,000	12 Months	364 Days	AA
DBS Bank Ltd	1,000,000	6 Months	364 Days	AAA
Conwy County Borough Council	3,000,000	6 Months	364 Days	AA
	26,042,523			

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

Borrowing Schedule as at 30 September 2018

Lender	Principal Outstanding	Type	Interest Rate	Maturity
PWLB	£1.00m	Maturity	3.69%	50 years
PWLB	£0.61m	EIP	2.99%	19 years

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Economic Update

UK. The first half of 2018/19 has seen UK economic growth post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase Bank Rate on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.

As for the **labour market**, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 2.9%, (3 month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%, near to the joint high of 0.5% since 2009. (The previous high point was in July 2015.) Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC were right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy. However, the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit.

In the **political arena**, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2, but also an upturn in inflationary pressures. With inflation moving towards 3%, the Fed increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases

in 2018, and indicated they expected to increase rates four more times by the end of 2019. The dilemma, however, is what to do when the temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US, (China in particular), could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.

EUROZONE. Growth was unchanged at 0.4% in quarter 2, but has undershot early forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of 2% for 2018, the horizon is less clear than it seemed just a short while ago.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.



REPORT TO: FULL COUNCIL

DATE: 11 OCTOBER 2018

SUBJECT: PART 'B' REFERRALS FROM POLICY AND RESOURCES COMMITTEE ON 27 SEPTEMBER 2018

29 Motion referred to Policy and Resources Committee by Full Council under Council Procedure Rule 11.4

At Full Council it was moved by Councillor Clark and seconded by Councillor Thornton:

There is increasing doubt about the environmental and health safety of glyphosate. A recent case related to the use of glyphosate resulted in a fine of £200m+.

On this basis it would seem prudent for the Council to cease any further use.

This Council therefore resolves:

- i. To stop with immediate effect all use of glyphosate on its properties including car parks, roads and pavements.
- ii. Call upon NYCC to not use glyphosate on NYCC properties, roads and pavements.
- iii. Calls upon all Ryedale Town and Parish Councils to not use glyphosate on their properties, roads and pavements

Recommendation to Council

That the motion be supported.

Voting record

4 For
1 Against
1 Abstention

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**Member Briefing Note on the use of Glyphosate by Streetscene Operations
Policy and Resources Committee 27 September 2018**

Motion to Council 6 September 2018 and minute

There is increasing doubt about the environmental and health safety of glyphosate. A recent case related to the use of glyphosate resulted in a fine of £200m+. On this basis it would seem prudent for the Council to cease any further use.

This Council therefore resolves to:

- i. Stop with immediate effect all use of glyphosate on its properties including car parks, roads and pavements*
- ii. Call upon NYCC to not use glyphosate on NYCC properties, roads and pavements*

The following alteration was made with the consent of the meeting and the seconder to add

- iii. Call upon all Ryedale Town and Parish Council's to not use glyphosate on their properties, roads and pavements*

The motion was automatically referred to the P&R Committee under Council Procedure Rule 11.4

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A review of the use of glyphosate by Streetscene has been undertaken.

There are three containers of weed killer which contain glyphosate currently in stock at Malton Depot with a value of less than £100.

If a decision was taken to stop the use of glyphosate an alternative chemical for weed killing could be sourced which did not contain glyphosate. This could be actioned immediately.

More details on glyphosate can be found via this link:
https://en.wikipedia.org/wiki/Glyphosate-based_herbicides

Letters to NYCC and all Town and Parish Councils in Ryedale could also be sent advising them of the Council's decision and requesting they review their use of glyphosate.

Beckie Bennett
Delivery & Frontline Services Lead

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Terms of Reference - Climate Change Task Group

Aim of the Review	<p>Priority 1: The Task Group will review the RDC position in relation to IPCC (Intergovernmental Panel on Climate Change) reduction of target from 2°C to 1.5°C Global Temperature Rise and recommend how RDC can contribute towards this target.</p> <p>Priority 2: The Task Group will identify changes/impacts across Ryedale (time permitting)</p>
Why has this review been selected?	<p>Council requested Overview and Scrutiny Committee to undertake this review. Council 11.10.18 Minute 42</p>
Who will carry out the review?	<p>The review will be carried out by a Task Group including:</p> <ul style="list-style-type: none"> • A minimum of 3 members of the O and S committee [Cllrs Clark, Acomb and Oxley] (but open to all members of Council) agreed 22.11.18 • Support will be provided by the Delivery and Frontline Services Lead, the Senior Commissioning Officer and the Projects, Programmes and Performance Officer. • Input from other RDC Officers as required. In addition, there is potential for professional / technical support resource which will be sourced externally. (This will require budgetary approval.)
How the review will be carried out?	<p>The Task Group will gather evidence from a range of sources to</p> <ol style="list-style-type: none"> 1. Identify the key areas where RDC can impact on the IPCC target whilst carrying out its service delivery functions (direct and indirect) and how RDC can encourage residents to also make this impact to: <ol style="list-style-type: none"> a. Reduce carbon emissions <ol style="list-style-type: none"> i. Use energy more efficiently ii. Switch to low carbon fuels b. Prepare for climate change 2. Make an interim recommendation to Scrutiny that, having identified these areas, a focussed event is held to which a range of relevant "experts" and interested parties are invited to bring their views and knowledge to help Scrutiny produce and prioritise an Action Plan. Additional expertise may also be sought by the Task Group. 3. Recommend the Action Plan to Scrutiny and onwards to Council
What are the expected outputs?	<p>It is expected that the Task Group will produce a report, summarising the evidence they have gathered to develop a prioritised Action Plan for Scrutiny Committee.</p>
Timescale	<p>An interim report will go to Scrutiny on 22.11.18 then to Council on 6.12.18. It is anticipated that the review will be concluded by April 2019.</p>

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