



## **POLICY AND RESOURCES COMMITTEE**

Thursday 26 July 2018 at 6.30 pm

Council Chamber - Ryedale House, Malton, North Yorkshire YO17 7HH

### **Agenda**

**1 Emergency Evacuation Procedure**

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

**2 Apologies for absence**

**3 Minutes**

(Pages 3 - 6)

**4 To Receive Minutes from Working Parties**

**5 To Consider the Recommendations from the Resources Working Party held on 12 July 2018**

(Pages 7 - 10)

**6 To Consider the Recommendations from the Grants Working Party held on 16 July 2018**

(Pages 11 - 16)

**7 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.

**8 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.

**PART 'A' ITEMS - MATTERS TO BE DEALT WITH UNDER DELEGATED POWERS OR MATTERS DETERMINED BY COMMITTEE**

- 9 **Statement of Accounts 2017/18** (Pages 17 - 156)
- 10 **Delivering the Council Plan** (Pages 157 - 166)

**PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL**

- 11 **Asylum Dispersal Scheme** (Pages 167 - 174)
- 12 **Malton and Norton Infrastructure and Connectivity Improvements Study** (Pages 175 - 228)

Links to:

- [Malton and Norton Infrastructure and Connectivity Improvements Study – Options Assessment Final Report](#)
- [Malton and Norton Infrastructure and Connectivity Improvements Study – Final Appendices](#)

- 13 **Malton Livestock Market** (Pages 229 - 248)
- 14 **Any other business that the Chairman decides is urgent.**

## Policy and Resources Committee

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Held at Council Chamber, Ryedale House, Malton  
on Tuesday 12 June 2018

### Present

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Councillors Joy Andrews, Steve Arnold (Vice-Chairman), Val Arnold, Burr MBE, Duncan, Gardiner, Ives (Chairman), Raper, Thornton and Wainwright

By Invitation of the Chairman: Councillor Paul Andrews

Overview & Scrutiny Committee Observers: Councillors Clark, Jowitt and Keal

### In Attendance

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Beckie Bennett, Anton Hodge, Jos Holmes, Nicki Lishman and Clare Slater

### Minutes

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#### 1 Apologies for absence

There were no apologies for absence.

#### 2 Minutes

The minutes of the meeting held on 15 March 2018 were presented.

#### Resolved

That the minutes of the meeting held on 15 March 2018 be approved and signed by the Chairman as a correct record.

#### Voting record

6 For

4 Abstentions

#### 3 Urgent Business

There were no items of urgent business.

#### 4 Declarations of Interest

Councillors Joy Andrews, Steve Arnold, Val Arnold, Burr, Duncan, Gardiner, Raper, Thornton and Wainwright declared a personal non-pecuniary but not prejudicial interest in Item 9 as they had been lobbied.

Councillor Ives declared a personal non-pecuniary but not prejudicial interest in Item 9 as members of his family were members of the swimming clubs.

### PART 'A' ITEMS - MATTERS TO BE DEALT WITH UNDER DELEGATED POWERS OR MATTERS DETERMINED BY COMMITTEE

#### 5 Appointment of Working Parties

Members were appointed to the following Working Parties/Sub-Committees for the ensuing year, until such time as new appointments be made, as follows:

**Senior Management Contracts Working Party / Appointments Sub-Committee**

3 Conservative Members - Councillors Ives, S Arnold and Goodrick

Substitutes: Councillor Farnell

2 Independent Member - Councillors Wainwright and Cowling

Substitutes: Councillors Frank and Hope

1 Liberal Member - Councillor Clark

Substitutes: Councillor Joy Andrews

1 New Independent Member - Councillor Burr

Substitutes: Councillor P Andrews

**Resources Working Party**

5 Conservative Members – Councillors Ives, S Arnold, V Arnold, Duncan and Gardiner

Substitutes: Councillors Cleary, Farnell and Goodrick

2 Independent Members – Councillors Wainwright and Raper

Substitutes: Councillors Frank and Cowling

1 Liberal Member – Councillor Thornton

Substitutes: Councillor Joy Andrews

1 New Independent Member – Councillor P Andrews

Substitutes: Councillor Burr

1 Liberal Democrat Member – Councillor Mrs Shields

Substitutes: Councillor Keal

**Grants Working Party**

2 Conservative Members - Councillors S Arnold and V Arnold

Substitutes: to be confirmed

1 Independent Member – Councillor Frank

Substitutes: Councillor Hope

1 Liberal Member - Councillor Clark

Substitutes: Councillor Thornton

1 Other Member - Councillor Jowitt

Substitutes: Councillor Burr

**Sub Committee – Appeals Panel**

3 named Members – Councillor Oxley (Conservative), Councillor Wainwright (Independent), Councillor Clark (Other)

In the absence of any of these Members, the panel to consist of 3 Members (1 Conservative, 1 Independent, 1 Other) to be appointed by the Chief Executive in consultation with the Chairman of Policy and Resources, or in the Chairman's absence, the Vice Chairman. The panel to meet as and when required.

**Constitution Working Party**

Chairman of Council, Group Leaders, Councillor Ives and Councillor S Arnold (Joint Leader of the Conservative Group).

**Corporate Peer Challenge Improvement Plan Working Party**

To be the same membership as the Resources Working Party.

**Voting record**

Unanimous

**6 Delivering the Council Plan**

Considered – Report of the Chief Executive (Interim)

**Decision**

That the report be received.

**Voting record**

Unanimous

**7 A Local Fund for Ryedale**

Considered – Report of the Delivery and Frontline Services Lead

**Decision**

That a Member Briefing be arranged to provide Members with more information and the decision be deferred to a future meeting of the Committee.

**Voting record**

Unanimous

**PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL**

**8 Scrutiny Review - Final Report - Provision of Swimming Lessons at RDC Pools**

Considered – Report of the Chair of the Overview and Scrutiny Committee

The Chairman allowed representations by;

- Helen Robinson, Chairman of Derwent Valley Swimming Club
- Councillor Paul Andrews
- Councillor Keal

**Recommendation to Council**

It was recommended that Members agree the final report attached as Appendix 1, which included the following recommendations:

1. Ryedale Swimming Club (RSC) and Derwent Valley Swimming Club (DVSC) are allowed to continue their Learn To Swim (LTS) lessons for the people of Ryedale during the hours agreed in the Leisure Specification.
2. Everyone Active (EA) and the swimming clubs work together to ensure a smooth transition pathway from Everyone Active lessons to Club sessions.
3. Council considers an incremental increase in the specified hire charge per hour to the swimming clubs.

**Voting record**

9 For

1 Abstention

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

There being no other business the meeting closed at 7.45 pm.

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## Resources Working Party

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Held at Meeting Room 1, Ryedale House, Malton  
on Thursday 12 July 2018

### Present

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Councillors Ives (Chairman), Steve Arnold, Val Arnold, Paul Andrews, Thornton,  
Elizabeth Shields, Duncan, Gardiner, Raper and Cowling (Substitute)

### In Attendance

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Anton Hodge and Beckie Bennett, Anton Hodge and Gary Housden

Councillor Clark (Chair of O&S Committee)

### Minutes

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#### 1 Apologies for absence

Apologies were received from Councillor Wainwright. (substitute Councillor Cowling)

#### 2 Minutes of the meeting held on the 8 March 2018

<p style="text-align: center;"><b>Decision</b></p> <p>That the minutes of the meeting of the Resources Working Party held on 8 March 2018 be approved and signed by the Chairman as a correct record.</p>
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#### 3 Urgent Business

There were no items of urgent business.

#### 4 Declarations of Interest

There were no declarations of interest.

#### 5 Request for S106 Funding from Malton Community Sports Centre

Representatives from Malton Community Sports Centre gave a verbal update on its performance from February 2011 to April 2018 with an accompanying information report.

<p style="text-align: center;"><b>Decision</b></p> <p>That the presentation be noted and a letter of thanks be sent from the Chair and to confirm the following:</p> <ol style="list-style-type: none"><li>1. Council be asked to update the Outside Bodies list for a representative to attend the MCSC Finance and Premises Governors meetings.</li></ol>
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2. Requesting further detailed information on the plans to develop a fitness suite, which identifies how the facility would bring something unique, new and add value to Malton, Norton and the district of Ryedale, together with evidence to support that there would be no detrimental impact on other fitness facilities in Malton and Norton to enable the pending S106 application to be re-considered by the Grants Committee.

3. Subject to the usual budget setting decision making processes, confirm that RWP would suggest a provisional 2 year extension to the annual £30,000 revenue contribution in 2019/20 and 2020/21, on the basis that there would need to be a clear understanding of how MCSC plans to increase capacity and profitability to enable a reduction in future subsidy.

4. Future performance reports to be considered by the Council on an annual basis.

Furthermore, members made a request for a further report providing a detailed comparison of the different contributions being made by the Council to MCSC and Northern Ryedale Leisure Centre and the outcomes and benefits being delivered.

**6 NYCC Consultation in relation to the payment of recycling credits for green garden waste**

Considered and agreed that Option 2 is the preferred option which requires no change to current policy and is included in the approved budget strategy as growth in 2019/20.

**Decision**

That Option 2 is the preferred option to be fed back in the consultation document.

**7 Ryedale's Financial Strategy 2018-23**

Considered – Report of the Chief Finance Officer (s151) and underspend of £2.2m in 2017/18 noted

**Decision**

A further report to detail the reasons for the underspend to be produced for the Resources WP before future budget decisions are made.

**8 Financial Management Information**

Considered – Report of the Chief Finance Officer (s151)

**Decision**

That the report be noted and agreement for a new style report to inform and aid future decision making.

9      **Malton and Norton Connectivity Study**

Considered – Report of the Specialist Services Lead and Head of Planning outlining the contents of the report which would be on the agenda at the Policy & Resources Committee on 26 July 2018.

**Decision**

That the report be noted and it was agreed that the notes from the officer working group would be circulated to Members.

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

The Working Party was advised that an item on the Livestock Market would be on the agenda at the Policy and Resources Committee on 26 July 2018.

There being no other business, the meeting closed at 9:15pm.

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# Public Document Pack

## Grants Working Party

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Held at Meeting Room 1 - Ryedale House, Malton, North Yorkshire YO17 7HH  
on Monday 16 July 2018

### Present

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Councillors Steve Arnold (Chairman), Val Arnold, Clark and Jowitt

### In Attendance

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Jos Holmes and Faye Snowden and Jenny Knowles

### Minutes

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#### 43 **Apologies for Absence**

Apologies for absence were received from Councillor Janet Frank.

#### 44 **Minutes**

Minutes for the meeting held on 5 March 2018 were approved.

#### 45 **Declarations of Interest**

Councillor V Arnold declared a personal pecuniary but not prejudicial interest as a North Yorkshire County Councillor.

#### 46 **Exempt Information**

It was agreed to exclude the press and public from the meeting during consideration of applications under the following items, as the public interest test had been considered and, in all circumstances of the case, the public interest in maintaining the exemption was considered to outweigh the public interest in disclosing the information.

#### 47 **Community Grant Applications**

##### **Recommendation**

That the recommendations contained in Annex 1 (Community Grant applications) be presented to the Policy and Resources Committee for approval.

##### **Community Grants Recommendations Annex 1**

#### 48 **Section 106 Grant Applications**

**Recommendation**

That the recommendations contained in Annex 2 (Section 106 Grant applications) be presented to the Policy and Resources Committee for approval.

**Section 106 Grants Recommendations Annex 2**

## Annex 1

Grant Reference	Applicant/Project	Total Project Cost	Grant Requested	Grant requested % intervention	Recommendations
CG-040	Thornton Le Dale Village Hub. Set up costs	£ 967	£ 967	100%	Recommend approval, £967 (100%) conditions as per officer recommendation
CG-041	Appleton Le Street Parish Hall, Tennis Court Refurbishment	£ 29,280	£ 5,000	17%	Recommend approval, £3400 (12%) conditions as per officer recommendation
CG-042	Slingsby Sportsfield Association, Play Area Refurbishment	£ 26,826	£ 6,826	25%	Recommend approval, £3413 (13%) conditions as per officer recommendation
CG-043	Malton Methodist Church, The Wesley Centre	£ 23,800	£ 5,000	21%	Recommend approval, £3400 (14%) conditions as per officer recommendation
CG-044	St Peter Church House, Flameproof Curtains	£ 3,125	£ 781	25%	Recommend approval, £781 (25%) conditions as per officer recommendation
CG-045	Newton on Rawcliffe PFA, Play Equipment	£ 13,826	£ 2,633	19%	Recommend approval, £1756 (13%) conditions as per officer recommendation
CG-015	Thornton Dale Village Hall, Kitchen Refurbishment (Deferred from 2017/18)	£ 5,582	£ 1,395	25%	Recommend approval, £1000 (18%) conditions as per officer recommendation

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## Annex 2

Grant Reference	Applicant/Project	Total Project Cost	Grant Requested	Grant requested % intervention	Recommendations
S106-036	Ampleforth and District Gardening Club, To remember the fallen 2018	1,491.39	841.39	56%	Recommend approval, £841 (56%) conditions as per officer recommendation
S106-037	Ryedale Community and Leisure Club, Lights	4,381.24	3,295.12	75%	Recommend approval, £3295 (75%) conditions as per officer recommendation
S106-035	Pickering Fisheries Association, Big Crooks	78,000.00	15,000.00	19%	Recommend refusal
s106-034	Pickering Town Council, Play Area Refurbishment	37,701.17	34,520.17	92%	Recommend approval, £28360 (75%) conditions as per officer recommendation

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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>26 JULY 2018</b>
<b>REPORT OF THE:</b>	<b>CHIEF FINANCE OFFICER (s151) ANTON HODGE</b>
<b>TITLE OF REPORT:</b>	<b>2017-18 STATEMENT OF ACCOUNTS</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present the Council's Statement of Accounts for the year ended 31 March 2018 and to request this committee's approval of the Statement of Accounts.

### **2.0 RECOMMENDATION**

- 2.1 It is recommended that members approve the 2017-18 Statement of Accounts (Appendix A) and authorise the Chief Finance Officer (s151) and the Chairman of the Policy & Resources Committee to sign the letter of representation (Appendix B)

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 The Accounts and Audit Regulations require the Statement of Accounts to be approved by members by the 31 July. This has been moved from 30 September last year.
- 3.2 The Council's external auditors, KPMG LLP, have concluded the audit of accounts for 2017-18 and have issued their final report to the Overview and Scrutiny Committee on the 25 July 2018. That report is attached at Appendix C

### **4.0 SIGNIFICANT RISKS**

- 4.1 There are no significant risks in considering this report.

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

- 5.1 The Statement of Accounts has been produced in accordance with the Accounts and Audit (England) Regulations 2015 and, more specifically, the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.

## **REPORT**

### **6.0 REPORT DETAILS**

- 6.1 The Statement of Accounts are attached to this report at Appendix A, members will find a review of the Council's financial position on page 5 of the Statement.
- 6.2 On satisfactory completion of a number of outstanding matters, KPMG LLP anticipate issuing an unmodified audit opinion on the truth and fairness of the financial statements and value for money conclusion.

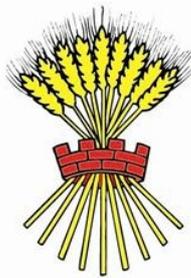
### **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:
- a) Financial  
There are no financial implications regarding this report.
  - b) Legal  
There are no legal implications regarding this report.
  - c) Other  
None to report.

**Anton Hodge**  
**Chief Finance Officer (s151)**

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**Background Papers:**  
None.



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# Statement of Accounts 2017/18

Ryedale District Council

*Continuing to do what matters for Ryedale*

Narrative Report	2-9
Statement of Responsibilities	10
<b>Core Financial Statements and Explanatory Notes</b>	
Expenditure & Funding Analysis	11
Comprehensive Income and Expenditure Statement	12
Movement in Reserves statement	13
Balance Sheet	14
Cash Flow Statement	15
Notes (including a summary of significant accounting policies and other explanatory information)	16-72
<b>Supplementary Statements</b>	
Collection Fund Statement and Notes	73-75
Annual Governance Statement	76-86
<b>Independent Auditor's Report to Ryedale District Council</b>	
<b>Supplementary Information to the Statements</b>	
Analysis of Income and Expenditure on the individual services of the Cost of Services	90-91
Glossary of Terms	92-98

## 1. Introduction

The Narrative Report provides a concise explanation of the financial aspects of the Authority's activities and draws attention to the main characteristics of the Authority's financial position.

## 2. Explanation of the Financial Statements

The Council's accounts for the year ended 31 March 2018 are set out on pages 10 to 86. They have been compiled using the *Code of Practice on Local Authority Accounting in the UK 2017/18* (the Code). A summary of the statements in the accounts and an explanation of their purpose is highlighted below:

- the **Statement of Responsibilities for the Accounts** - sets out the respective responsibilities of the Authority and the Chief Financial Officer.
- the **Expenditure & Funding Analysis** - the objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.
- the **Comprehensive Income and Expenditure Statement** - this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. The Cost of Services on the face of the Comprehensive Income and Expenditure Statement is analysed on the basis of the organisational structure under which the Authority operates and manages its services.
- the **Movement in Reserves Statement** – this statement shows the movement from the start of the year to the end on the different reserves held by the Authority analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. This statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.
- the **Balance Sheet** – the Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are useable reserves, i.e. those that the Authority may use to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold

unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

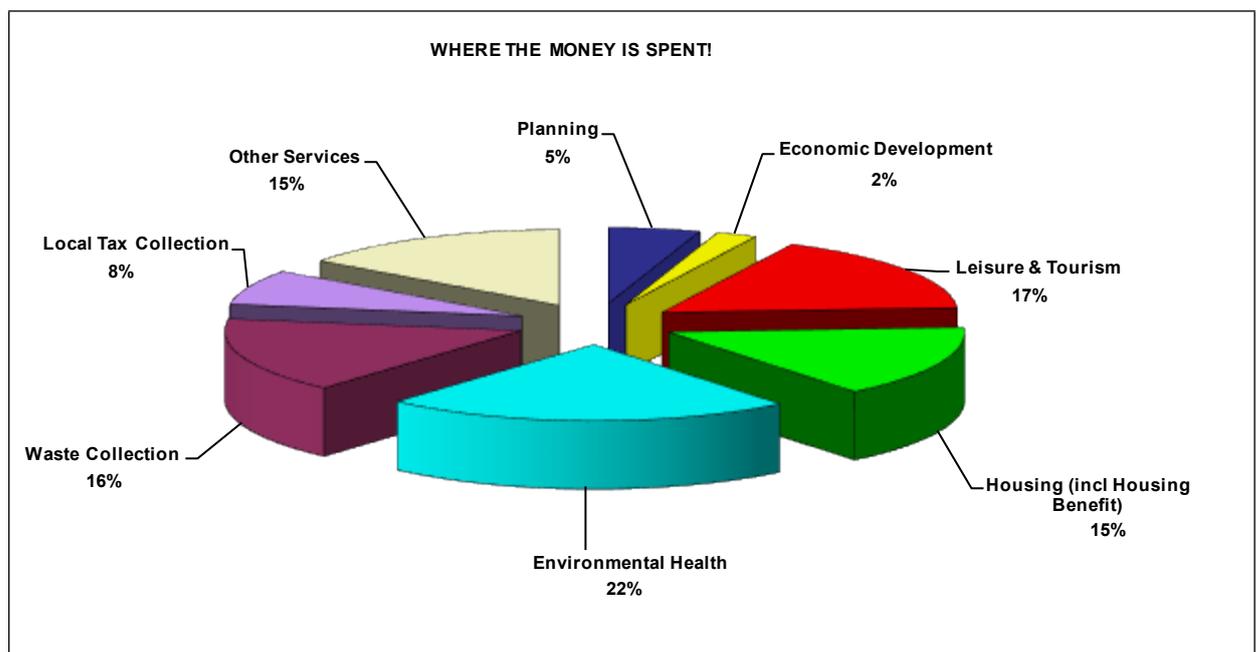
- the **Cash Flow Statement** - which shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

#### Supplementary Statements:

- the **Collection Fund Statement** – is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.
- the **Annual Governance Statement** – which sets out the internal control framework operated by the Authority and explains how an effective system of internal financial control is maintained.

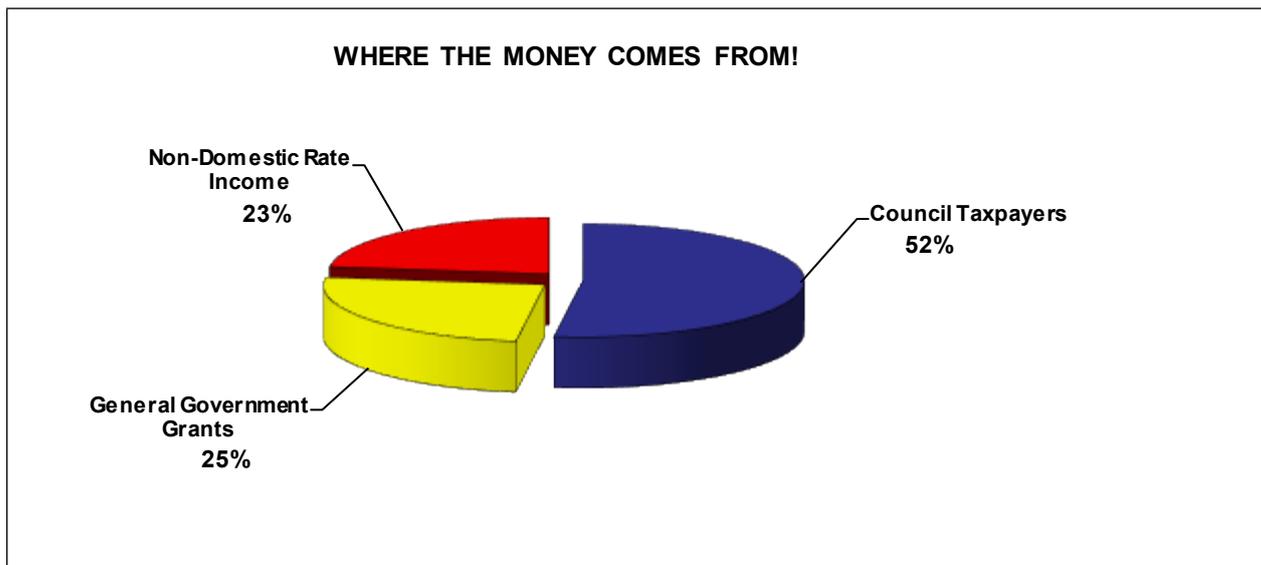
### 3. General Fund Revenue Expenditure in 2017/18

The net cost of the Authority's revenue activities was £5.128m, this being spent on services as summarised in the chart below:



A more detailed analysis of the Net Cost of Services is shown on pages 90 and 91 of this document.

After adjusting for the payment of parish precepts of £0.887m, the receipt of investment income (£0.085m) and the net debit from appropriations £3.408m the amount met from Taxation and Non-Specific Grant Income was £9.338m, which is funded as follows:



The above chart shows that, of the funding to meet the Authority's net revenue expenditure, around 52% (£4.864m) was provided by the Council Taxpayers, an additional 23% (£2.142m) from the Authority's share of Non-Domestic Rates from the Business Rates Retention Scheme, some 25% (£2.332m) from non-ringfenced general government grants such as the Revenue Support Grant.

#### 4. Revenue Budget Compared to Actual Income and Expenditure

The main components of the revenue budget for 2017/18 and how these compared with the actual expenditure are set out below:

	Original Budget £000	Actual £000	Difference £000
<b>Net Cost of Services</b>	<b>6,837</b>	<b>5,128</b>	<b>(1,709)</b>
<b>Other Operating Expenditure:</b>			
Precepts paid to Parish Councils	887	887	-
Capital Receipts unattached to non current assets	-	-	-
(Gains) / Losses on disposal of non current assets	-	-	-
	<b>887</b>	<b>887</b>	<b>-</b>
<b>Financing and Investment Income &amp; Expenditure</b>			
Interest Payable	102	78	(24)
Pensions interest cost & expected return on pension assets	650	488	(162)
Income from Investments	(65)	(85)	(20)
Income and expenditure in relation to investment properties	(18)	(154)	(136)
	<b>669</b>	<b>327</b>	<b>(342)</b>
<b>Taxation &amp; Non Specific Grant Income</b>			
Council Precept	(4,846)	(4,846)	-
Collection Fund Surplus	(45)	(18)	27
Retained Business Rates	(1,775)	(2,142)	(367)
Revenue Support Grant	(379)	(379)	-
Other General Government Grants	(1,904)	(1,953)	(49)
	<b>(8,949)</b>	<b>(9,338)</b>	<b>(389)</b>
<b>(Surplus) / Deficit on Provision of Services</b>	<b>(556)</b>	<b>(2,996)</b>	<b>(2,440)</b>
(Surplus) / Deficit on revaluation of property, plant & equipment assets	-	(220)	(220)
(Surplus) / Deficit on revaluation of available for sale financial assets	-	-	-
Actuarial (gains) / losses on Pensions assets / liabilities	-	(2,750)	(2,750)
<b>Total Comprehensive Income and Expenditure</b>	<b>(556)</b>	<b>(5,966)</b>	<b>(5,410)</b>
Adjustments between accounting basis and funding basis under regulations - transfers to (+) or from (-) unusable reserves	(672)	1,850	2,522
Contributions to (+) or from (-) earmarked reserves	1,228	4,116	2,888
<b>Increase/Decrease in General Fund Balance for Year</b>	<b>-</b>	<b>-</b>	<b>-</b>

In overall terms, the Council achieved a surplus of £2.088m for the financial year when comparing budgeted (planned) expenditure with actual expenditure. The surplus for the year has been allocated to the Council's General Reserve.

Supplementary information regarding the actual Net Cost of Services is shown at the end of this document on pages 90 and 91.

There are no material assets acquired or liabilities incurred that warrant specific disclosure and explanation.

#### 5. Reserves

The balance of General Fund Earmarked Reserves during 2017/18 has increased by £4.116m from £8.692m to £12.808m at 31 March 2018.

During the year, the following major transfers between reserves included:

- £321k was transferred from the New Homes Bonus Reserve to the Capital Fund earmarked towards the Milton Rooms redevelopment project.

- £289k was transferred from the Operational Reserve to the Capital Fund following a decision on the use of the Community Housing Fund Grant.

Major drawings were limited to a sum of £0.114m from the Capital Fund to finance the Capital Programme.

Major contributions to reserves and balances included the transfer of £0.372m into the Capital Fund to finance the capital programme, the transfer of £1.200m into the New Homes Bonus Reserve, the transfer of £0.270m into the Collection Fund Equalisation Reserve to cover the deficit on the collection fund which will be recognised in future years and £2.088m into the General Reserve.

For further details regarding the purpose and balances of the Authority's reserves see Note 10 to the Accounts.

## 6. **Pension Liability**

The Authority participates in the Local Government Pension Scheme, administered by North Yorkshire County Council. The Pension Liability shown in the Balance Sheet decreased from £19.767m as at 31 March 2017 to £17.071m as at 31 March 2018. This decrease of £2.696m is matched by a decrease in the level of the Pension Reserve and does not represent a decrease in the Authority's cash reserves or impact on the council tax.

## 7. **Capital Expenditure**

The original capital budget for the financial year 2017/18 totalled £0.957m. As 2017/18 progressed, the initial plans were revised to incorporate expenditure re-profiled from the previous year. This in turn has led to the re-profiling of planned financing. The re-profiling of expenditure resulted in an increase of £1.592m and a revised budget of £2.549m.

The total amount invested in the capital programme for 2017/18 was £853k, of which £689k was invested in Housing Grants and Loans.

Under spends included Housing Grants and Loans (£210k), Property Condition Survey (£436k), slippage on the Assembly Rooms and Milton Rooms Preservation Works (£155k) and IT Infrastructure Strategy (£152k).

Of the £853k capital expenditure incurred some £87k was funded through capital receipts, £114k from the Capital Fund with a further £652k being financed by external grants and contributions.

The variance between the forecast capital expenditure and the final outturn for the year was an under spend of £1.696m. This variance will need re-profiling into 2018/19 along with associated financing. Therefore this does not present any financial issues for the Council.

The table below summarises the approved resources available for the 2018/19 Capital Programme and the indicative programme to 2021/22. This level of resources ensure that overall planned spending and funding are in balance.	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
<i>No revenue consequences</i>				
Capital receipts	543	30	30	30
Grants and Contributions	785	496	496	496
Council Resources	688	265	285	285
<b>Total</b>	<b>2,016</b>	<b>791</b>	<b>811</b>	<b>811</b>
<i>With revenue consequences</i>				
Prudential Borrowing	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,016</b>	<b>791</b>	<b>811</b>	<b>811</b>

#### 8. Changes in Accounting Policy

There were no significant changes to Accounting Policy in 2017/18.

#### 9. Non Adjusting Events after the Reporting Date

On the 23rd June 2016 the UK voted to leave the European Union. The full impact of this is unknown and inevitably the country is now in a period of uncertainty.

#### 10. Sustainability

Sustainability in Procurement is the process of purchasing goods and services which takes into account the wider outcomes whether these are social, economic or environmental impact that such purchasing has on people and communities whilst still achieving value for money. This generally means improving the efficiency of public procurement, by optimising public market power to bring about major environmental and social benefits locally and globally.

Ryedale District Council is addressing this through:

- Embedding sustainability within the procurement process including whole life costing
- Raising awareness within the authority
- Embedding of the considerations contained within the Public Services (Social Value) Act 2012

“The Public Services (Social Value) Act 2012 places a statutory duty on authorities to consider in their procurement and commissioning processes:

a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and

b) how, in conducting the process of procurement, it might act with a view to securing that improvement”

Ryedale District Council is committed to ensuring any secured improvement is sustained.

Therefore our procurement processes seek not only to maximise Value for Money in terms of taxpayer spending and outcomes for customers, but where possible, also seek to:

- Benefit local people and organisations, including developing the third sector and SMEs in our district
- Encourage innovative approaches to social, environmental and economic issues in our district
- Deliver sustainable solutions, benefiting our communities beyond the length of a contract
- Improve job opportunities and skills in the district

A number of initiatives have been introduced to reduce greenhouse gas emissions from Council owned buildings, as well as in transportation including LED lighting and efficient gas fired boilers, resulting in lower CO<sub>2</sub> emissions from reduced energy use.

Operational vehicle mileage has reduced as adjustments to waste collection rounds have been made, particularly with the changes to the garden waste service with a reduced level of households since charges were implemented (46% participation rate) plus Staff and Councillor mileage has reduced significantly over the last few years as employee numbers have decreased as part of ongoing transformational efficiencies programmes to rationalise and cutting out “waste” from back office processes. Additionally, all replacement vehicles benefit from the technological advances in reducing vehicle emissions such as Euro 6 technology. Our vehicles are going further on every litres of diesel that we use compared to previous years.

Other initiatives include recycling redundant wheelie bins and every effort is made to source second hand reconditioned parts for vehicles where feasible.

Changes to the waste collection service are on-going using route optimisation software to streamline collection rounds, leading to time saving, fewer road miles and reduced fuel use.

#### 11. **Medium Term Financial Plan for 2017/18 to 2021/22**

In preparing the Medium Term Financial Plan (MTFP) for 2017/18 to 2021/22, the aim was to align to the objectives set out in the Council Plan. The MTFP was approved at Council on 21 February 2017 and it set the framework to enable the Council to determine an appropriate course of action to address the significant financial challenges.

The revenue budget reductions included in the MTFP highlighted that the Council would have to continue to significantly reconfigure its future business and organisational arrangements in order to provide value for money public services.

The major influences on the budget going forward into 2018/19 and beyond are the continued anticipated reductions in Government support, including the outcome of the Fair Funding Review, which has been linked to a likely Business Rates baseline reset and the continued financial impact of the changes announced to the New Homes Bonus, coupled with expenditure pressures including pay and price inflation.

The Medium Term Financial Plan will be revisited and will elaborate further on how the Council expects to deliver future savings to tackle the projected deficits over the period 2019/20 to 2021/22. If no action is taken, the deficit by 2021/22 is currently forecast to be £600k. Closing the gap is likely to happen through a combination of a range of measures that are currently being appraised through the Council's transformation programme "Towards 2020". The future impact of the United Kingdom's decision to leave the European Union will be included in these local level considerations as and when it becomes known.

12. **Further Information**

Further information about the accounts is available from Finance, Ryedale House, Malton. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Authority's website.

**The Authority's Responsibilities**

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer (s151);
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statements of Accounts.

**The Chief Finance Officer (s151)'s Responsibilities**

The Chief Finance Officer (s151) is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer (s151) has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code;
- kept proper accounting records which were up-to-date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities, through the use of Veritau North Yorkshire Ltd;
- assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Certification of the Accounts**

I certify that the Statement of Accounts presents a true and fair view of the financial position of Ryedale District Council as at 31 March 2018 and its income and expenditure for the year ended 31 March 2018.

Signed: \_\_\_\_\_ Dated: 30 May 2018  
Anton Hodge CPFA  
Chief Finance Officer (s151)

**Approval of the Accounts**

This Statement of Accounts was approved by the Policy and Resources Committee on 26 July 2018.

Signed: \_\_\_\_\_ Dated: 26 July 2018  
Cllr. L Ives  
Chairman of Policy & Resources Committee

2016/17				2017/18		
Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
			<b>Policy and Resources Committee</b>			
660	50	710	Central Services to the Public	590	69	659
713	220	933	Cultural and Related Services	671	189	860
2,093	465	2,558	Environmental and Regulatory Services	1,606	356	1,962
945	87	1,032	Planning Services	251	121	372
(560)	46	(514)	Highways and Transport Services	(598)	47	(551)
220	98	318	Housing Services	554	225	779
1,209	52	1,261	Corporate and Democratic Core	1,000	71	1,071
861	(524)	337	Other Corporate and Non Distributed Costs	318	(342)	(24)
6,141	494	6,635	<b>NET COST OF SERVICES</b>	4,392	736	5,128
(8,924)	692	(8,232)	Other Income and Expenditure	(8,508)	384	(8,124)
(2,783)	1,186	(1,597)	<b>(SURPLUS) OR DEFICIT</b>	(4,116)	1,120	(2,996)
(5,909)			<b>OPENING GENERAL FUND BALANCE</b>	(8,692)		
(2,783)			(Surplus) or Deficit on General Fund Balance in Year	(4,116)		
(8,692)			<b>CLOSING GENERAL FUND BALANCE</b>	(12,808)		

2016/17				2017/18		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
			<b>Policy and Resources Committee</b>			
1,053	343	710	Central Services to the Public	987	328	659
963	30	933	Cultural and Related Services	881	21	860
4,663	2,105	2,558	Environmental and Regulatory Services	4,180	2,218	1,962
1,795	763	1,032	Planning Services	1,512	1,140	372
362	876	(514)	Highways and Transport Services	284	835	(551)
12,660	12,342	318	Housing Services	11,413	10,634	779
1,335	74	1,261	Corporate and Democratic Core	1,139	68	1,071
340	3	337	Other Corporate and Non Distributed Costs	(24)	-	(24)
23,171	16,536	6,635	<b>COST OF SERVICES</b>	20,372	15,244	5,128
814	19	795	Other Operating Expenditure (Note 11)	887	-	887
897	295	602	Financing and Investment Income and Expenditure (Note 12)	723	396	327
-	-	-	(Surplus) or Deficit of Discontinued Operations	-	-	-
5,357	14,986	(9,629)	Taxation and Non-Specific Grant Income (Note 13)	5,616	14,954	(9,338)
		(1,597)	<b>(SURPLUS) OR DEFICIT ON PROVISION OF SERVICES</b>			(2,996)
		(1,325)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			(220)
		-	Impairment Losses on Non Current Assets Charged to the Revaluation Reserve			-
		64	(Surplus) or Deficit on Revaluation of Available for Sale Financial Assets			-
		899	Actuarial (Gains) / Losses on Pension Assets / Liabilities			(2,750)
		(362)	<b>OTHER COMPREHENSIVE INCOME &amp; EXPENDITURE</b>			(2,970)
		(1,959)	<b>TOTAL COMPREHENSIVE INCOME &amp; EXPENDITURE</b>			(5,966)

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance as at 31 March 2016</b>	<b>5,909</b>	<b>285</b>	<b>-</b>	<b>6,194</b>	<b>(2,245)</b>	<b>3,949</b>
<b><u>Movement in reserves during 2016/17 Restated</u></b>						
Total Comprehensive Income and Expenditure	1,597	-	-	1,597	362	1,959
Adjustments between accounting basis & funding basis under regulations (note 9)	1,186	(64)	96	1,218	(1,218)	-
<b>Increase / Decrease in 2016/17</b>	<b>2,783</b>	<b>(64)</b>	<b>96</b>	<b>2,815</b>	<b>(856)</b>	<b>1,959</b>
<b>Balance as at 31 March 2017</b>	<b>8,692</b>	<b>221</b>	<b>96</b>	<b>9,009</b>	<b>(3,101)</b>	<b>5,908</b>
<b><u>Movement in reserves during 2017/18</u></b>						
Total Comprehensive Income and Expenditure	2,996	-	-	2,996	2,970	5,966
Adjustments between accounting basis & funding basis under regulations (note 9)	1,120	187	(6)	1,301	(1,301)	-
<b>Increase / Decrease in 2017/18</b>	<b>4,116</b>	<b>187</b>	<b>(6)</b>	<b>4,297</b>	<b>1,669</b>	<b>5,966</b>
<b>Balance as at 31 March 2018</b>	<b>12,808</b>	<b>408</b>	<b>90</b>	<b>13,306</b>	<b>(1,432)</b>	<b>11,874</b>

31 March 2017 £000		31 March 2018 £000	Notes Ref.
16,535	Property Plant & Equipment	16,393	<u>14</u>
-	Heritage Assets	-	<u>15</u>
2,263	Investment Property	2,015	<u>16</u>
65	Intangible Assets	94	<u>17</u>
-	Assets Held for Sale	-	<u>23</u>
-	Long Term Investments	-	<u>18</u>
340	Long Term Debtors	457	<u>18</u>
19,203	<b>Long Term Assets</b>	18,959	
16,013	Short Term Investments	17,115	<u>18</u>
10	Assets Held for Sale	-	<u>23</u>
49	Inventories	47	<u>19</u>
961	Short Term Debtors	930	<u>21</u>
347	Cash and Cash Equivalents	2,753	<u>22</u>
17,380	<b>Current Assets</b>	20,845	
-	Cash and Cash Equivalents	-	<u>22</u>
(22)	Short Term Borrowing	(21)	<u>18</u>
(4,899)	Short Term Creditors	(4,406)	<u>24</u>
(144)	Other Short Term Liabilities	(148)	<u>18</u>
(742)	Provisions	(1,169)	<u>25</u>
-	Liabilities in Disposal Groups	-	
(9)	Revenue Grants Receipts in Advance	(9)	<u>34</u>
(5,816)	<b>Current Liabilities</b>	(5,753)	
(3,033)	Long Term Creditors	(3,234)	<u>18</u>
-	Provisions	-	<u>25</u>
(1,671)	Long Term Borrowing	(1,632)	<u>18</u>
(19,767)	Liability Related to Defined Pension Scheme	(17,071)	<u>40</u>
(388)	Other Long Term Liabilities	(240)	<u>18</u>
-	Donated Assets Account	-	<u>34</u>
-	Capital Grants Received in Advance	-	<u>34</u>
(24,859)	<b>Long Term Liabilities</b>	(22,177)	
5,908	<b>Net Assets / (Liabilities)</b>	11,874	
9,009	Usable Reserves	13,306	<u>26</u>
(3,101)	Unusable Reserves	(1,432)	<u>27</u>
5,908	<b>Total Reserves</b>	11,874	

**Chief Finance Officers Certificate:**

I certify that the above Balance Sheet, fairly states the financial position of the Authority as at 31 March 2018

Signed:

Anton Hodge CPFA  
Chief Finance Officer (s151)

Dated: 30 May 2018

2016/17 £000		2017/18 £000
1,597	Net surplus or (deficit) on the provision of services	2,996
3,947	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 28a)	1,330
(523)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 28b)	(1,006)
5,021	Net cash flows from Operating Activities	3,320
(4,044)	Net cash flows from Investing Activities (Note 29)	(257)
(701)	Net cash flows from Financing Activities (Note 30)	(657)
276	Net increase or (decrease) in cash and cash equivalents	2,406
71	Cash and cash equivalents at the beginning of the reporting period	347
<b>347</b>	<b>Cash and cash equivalents at the end of the reporting period (Note 22)</b>	<b>2,753</b>

## 1. ACCOUNTING POLICIES

### i General Principles

The Statement of Accounts summarises the Authority's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018. The Authority is required to prepare an annual Statement of Accounts, in accordance with proper accounting practices, by the Accounts and Audit Regulations 2015. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and the Service Reporting Code of Practice 2017/18, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### ii Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in one month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

**iv. Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

**v. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. When a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

**vi. Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following to record the real cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains on the Revaluation Reserve against which the losses can be written off; and
- amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation, impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**vii. Council Tax and Non-Domestic Rates**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

**Accounting for Council Tax and NDR**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

**viii. Employee Benefits****Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

**Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line (or in discontinued operations) in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

**Post Employment Benefits**

Employees of the Authority participate in the Local Government Pension Scheme, administered by North Yorkshire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the North Yorkshire pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- The assets of the North Yorkshire pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price;
  - unquoted securities – professional estimate;
  - unlisted securities – current bid price;
  - property – market value.
- The change in the net pensions liability is analysed into the following components:
- Service Cost Comprising:
  - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked
  - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
  - net interest cost on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising :
  - the return on plan assets – excluding amounts included in net interest on the net defined liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the North Yorkshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Discretionary Benefits**

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### **ix. Events After the Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

### **x. Financial Instruments**

#### **Financial Liabilities**

The Code requires the fair value of each class of financial liability to be disclosed in the Notes to the Statement of Accounts, where this is different from the carrying amount stated in the Balance Sheet. However, the Code also states that fair value disclosures are not required for short-term trade payables since the carrying amount is a reasonable approximation of fair value.

#### **Financial Assets**

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
- Available-for-sale assets – assets that have a quoted market price and / or do not have fixed or determinable payments.

The Code requires the fair value of each class of financial asset to be disclosed in the Notes to the Statement of Accounts, where this is different from the carrying amount stated in the Balance Sheet. Any changes in fair value are balanced by an entry in the

Available-for-Sale Reserve. The Code also states that fair value disclosures are not required for short-term trade receivables since the carrying amount is a reasonable approximation of fair value.

The Authority did not enter into any available-for-sale asset arrangements during the financial year.

### **Loans and Receivables**

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The council operates 2 housing loan schemes, Property and Landlord Improvement Loans. Loans made under these schemes are repayable at any point within a period ranging between 5 and 10 years. Additionally the Council has granted 2 loans to local businesses. These loans have not been treated as soft loans on the grounds of materiality.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains or losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

### **Available-for Sale Assets**

Available-for-sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- Instruments with quoted market prices – the market price;
- Other instruments with fixed and determinable payments – discounted cash flow analysis; and
- Equity shares with no quoted market prices – independent appraisal of company valuations.

During the financial year 2017/18 the Authority did not enter into any financial instrument transactions.

**xi. Foreign Currency Translation**

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment line in the Comprehensive Income and Expenditure Statement.

**xii. Government Grants and Contributions**

Whether paid on account, by instalment or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Income (non-ringfenced revenue grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

**Community Infrastructure Levy**

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges for this Authority may be used to fund revenue expenditure.

**xiii. Heritage Assets**

Heritage assets are recognised and held at valuation rather than at fair value and under certain conditions at historical cost. The treatment of revaluation gains and losses are in accordance with the Authority's accounting policies on property, plant and equipment.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment – see note xix in this summary of significant accounting policies.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

**xiv. Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority, e.g. software licences, is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

**xv. Inventories and Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

**xvi. Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset from the market participants perspective. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain to the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

#### **xvii. Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

#### **The Authority as Lessee**

##### Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting

transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments, e.g. there is a rent-free period at the commencement of the lease.

#### **The Authority as Lessor**

##### Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain representing the Authority's net investment in the lease is credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal i.e. netted off against the carrying value of the asset at the time of disposal, matched by a lease (long term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease debtor (together with any premiums received); and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payment, e.g. there is a premium paid at the commencement of the lease. Initial direct costs incurred in negotiating and arranging the

lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

#### **xviii. Overheads and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2017/18 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on non-current Assets Held for Sale and Assets under Construction.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

#### **xix. Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

##### **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment in excess of £10,000 is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential i.e. repairs and maintenance is charged as an expense when it is incurred.

##### **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition does not have commercial substance, i.e. it will not lead to a variation in the cash flows of the Authority. In the latter case, where an asset is acquired via an exchange the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been

made conditionally. Until conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account and in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement basis:

- infrastructure, community assets and assets under construction – depreciated historical cost.
- surplus assets - fair value, determined by the measurement of the highest and best value use of the asset.
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as a proxy for fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value i.e. vehicles, plant, furniture and equipment.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that the carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Any increase in valuations is matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life, i.e. freehold land and certain community assets, and assets that are not yet available for use, i.e. assets under construction.

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight line allocation over the useful life of the property as estimated by the valuer; and
- Vehicles, plant furniture and equipment – straight line allocation over the useful life of the asset.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### **Disposals and Non-current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Account Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for disposal in excess of £10,000 are categorised as capital receipts. Receipts are credited to the Capital Receipts Reserve, and can then only be used for new capital investment (or set aside to reduce the Authority's underlying need to borrow). Receipts are appropriated to the reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## xx. Provisions, Contingent Liabilities and Contingent Assets

### Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party e.g. from an insurance claim, this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Further information can be found at note 25 to the accounts.

### Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

**xxi. Reserves**

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision for Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies.

**xxii. Revenue Expenditure Funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax.

**xxiii. VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

**xxiv. Fair Value Measurement**

The Council measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council uses external valuers to provide a valuation of its assets and liabilities in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant.

Inputs to the valuation techniques in respect of the Council's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

## **2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET BEEN ADOPTED**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of new or amended standards within the 2018/19 Code and there is therefore no impact on the 2017/18 Statement of Accounts.

IFRS 9 Financial Instruments (implementation from 1 April 2018) - This standard will prescribe revised methods for classifying financial instrument assets, valuing these instruments and the point at which impairment losses should be recognised by the Authority.

IFRS 15 Revenue Recognition from Contracts with Customers (implementation from 1 April 2018) - This standard clarifies the point in time when an organisation should recognise revenue based on the transfer of goods or services to a customer and in an amount which reflects the expected consideration.

IFRS 16 Leases (implementation from 1 April 2019) - This standard will update and expand the definition of a lease, to reflect the fact that a lease is a contract which conveys to the customer the right to use an asset for a period of time in exchange for consideration. The potential of this accounting change may be that all lease assets and liabilities will need to be recognised on the balance sheet at the present value of the annualised lease payments.

## **3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

That there is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

Estimation of the net liability to pay pensions depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged by the County Council to provide expert advice about the assumptions to be applied, these assumptions may be adjusted on a yearly basis.

The Authority will assess the degree of componentisation within its net-current asset portfolio, as part of the five year rolling programme of non-current asset valuations. A review of Authority's current properties concluded that no components could be identified which were of a material value when compared to the entire value of the individual non-current asset or which would materially impact on the useful remaining life of the asset. On an annual basis the Authority will review Capital Expenditure to assess if any new material components have been added to the Authority's non-current asset portfolio.

#### 4. **ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate would result in a decrease in the pension liability of £1.370m.
Arrears	At 31 March 2018, the Authority had a balance for short term debtors of £1.974 m. A review of significant balances suggested that an impairment of doubtful debts of 19.9% (£392k) was appropriate. However, in the current economic climate it is not certain that this allowance would be sufficient.	If collection rates were to deteriorate, a doubling of the amount of impairment of doubtful debts would require an additional £392k to be set aside as an allowance.

#### 5. **MATERIAL ITEMS OF INCOME AND EXPENSES**

There are no material items of income and expenditure in 2017/18 that warrant separate disclosure.

#### 6. **EVENTS AFTER THE REPORTING PERIOD**

Under IAS 10 the Authority is required to disclose the date that the financial statements are authorised for issue. This confirms the date after which events will not have been recognised in the Statement of Accounts. The Statement of Accounts was issued by the responsible financial officer, Anton Hodge Chief Finance Officer (s151) on 31 May 2018.

All events between the balance sheet date and the issue date have been considered and there are no Adjusting Post Balance Sheet events to disclose.

**7. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS****Adjustments between Funding and Accounting Basis**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	2017/18			
	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
<b>Policy and Resources Committee</b>				
Central Services to the Public	14	54	1	69
Cultural and Related Services	172	17	-	189
Environmental and Regulatory Services	111	243	2	356
Planning Services	26	93	2	121
Highways and Transport Services	43	4	-	47
Housing Services	122	101	2	225
Corporate and Democratic Core	21	48	2	71
Other Corporate and Non Distributed Costs	-	(342)	-	(342)
<b>Net Cost of Services</b>	509	218	9	736
Other Income and Expenditure from the Expenditure and Funding Analysis	(401)	488	297	384
<b>Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	108	706	306	1,120

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	2016/17			
	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
<b>Policy and Resources Committee</b>				
Central Services to the Public	12	43	(5)	50
Cultural and Related Services	211	11	(2)	220
Environmental and Regulatory Services	302	176	(13)	465
Planning Services	28	70	(11)	87
Highways and Transport Services	43	4	(1)	46
Housing Services	33	71	(6)	98
Corporate and Democratic Core	18	41	(7)	52
Other Corporate and Non Distributed Costs	-	(524)	-	(524)
<b>Net Cost of Services</b>	647	(108)	(45)	494
Other Income and Expenditure from the Expenditure and Funding Analysis	(187)	617	262	692
<b>Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	460	509	217	1,186

**8. EXPENDITURE AND INCOME ANALYSED BY NATURE**

The authority's expenditure and income is analysed as follows:

<b>Expenditure/Income</b>	2017/18 £000	2016/17 £000
<b>Expenditure</b>		
Employee benefits expenses	4,641	5,468
Other service expenses	13,654	15,208
Support service recharges	1,779	1,980
Depreciation, amortisation and impairment	298	515
Interest payments	566	696
Precepts and levies	887	814
Gain or loss on disposal of non-current assets	-	-
Capital receipts unattached to non-current assets	-	(19)
<b>Total Expenditure</b>	<b>21,825</b>	<b>24,662</b>
<b>Income</b>		
Fees, charges and other service income	5,131	4,532
Interest and investment income	239	94
Income from council tax and non-domestic rates	7,006	6,547
Government grants and contributions	12,445	15,086
<b>Total Income</b>	<b>24,821</b>	<b>26,259</b>
<b>Surplus or Deficit on the Provision of Services</b>	<b>(2,996)</b>	<b>(1,597)</b>

## 9. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

### **General Fund Balance**

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

### **Capital Receipts Reserve**

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for those purposes at the year end.

### **Capital Grants Unapplied**

The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

## 2017/18 Adjustments

2017/18	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non-current assets	396	-	-	(396)
Revaluation losses on Property Plant and Equipment	-	-	-	-
Movements in the fair value of investment properties	(112)	-	-	112
Amortisation of intangible assets	24	-	-	(24)
Capital grants and contributions applied	(646)	-	-	646
Income in relation to donated assets	-	-	-	-
Revenue expenditure funded from capital under statute	740	-	-	(740)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	360	-	-	(360)
<u>Insertion of Items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(179)	-	-	179
Capital expenditure charged against the General Fund	(114)	-	-	114
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-	-	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(6)	6
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(230)	230	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(87)	-	87
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	-	-	-	-
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	4	-	(4)
Capital receipts unattached to non-current assets	-	-	-	-
Repayment of principal on loans	-	40	-	(40)
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve:</b>				

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(130)	-	-	130
<b>Adjustment primarily involving the Financial Instruments Adjustment Account:</b>				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	-	-	-	-
<b>Adjustments primarily involving the Pensions Reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 40)	1,864	-	-	(1,864)
Employers pensions contributions and direct payments to pensioners payable in the year	(1,158)	-	-	1,158
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	296	-	-	(296)
<b>Adjustment primarily involving the Accumulated Absences Account</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	9	-	-	(9)
<b>Total Adjustments</b>	<b>1,120</b>	<b>187</b>	<b>(6)</b>	<b>(1,301)</b>

## 2016/17 Comparative Figures

2016/17	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non-current assets	614	-	-	(614)
Revaluation losses on Property Plant and Equipment	-	-	-	-
Movements in the fair value of investment properties	43	-	-	(43)
Amortisation of intangible assets	18	-	-	(18)
Capital grants and contributions applied	(312)	-	-	312
Income in relation to donated assets	-	-	-	-
Revenue expenditure funded from capital under statute	426	-	-	(426)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	96	-	-	(96)
<u>Insertion of Items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(174)	-	-	174
Capital expenditure charged against the General Fund	(41)	-	-	41
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(96)	-	96	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(96)	96	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(185)	-	185
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	-	-	-	-
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-
Capital receipts unattached to non-current assets	(19)	19	-	-
Repayment of principal on loans	-	6	-	(6)
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve:</b>				

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-
<b>Adjustment primarily involving the Financial Instruments Adjustment Account:</b>				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	-	-	-	-
<b>Adjustments primarily involving the Pensions Reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 40)	2,059	-	-	(2,059)
Employers pensions contributions and direct payments to pensioners payable in the year	(1,550)	-	-	1,550
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	264	-	-	(264)
<b>Adjustment primarily involving the Accumulated Absences Account</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(46)	-	-	46
<b>Total Adjustments</b>	<b>1,186</b>	<b>(64)</b>	<b>96</b>	<b>(1,218)</b>

**10. TRANSFERS TO/FROM EARMARKED RESERVES**

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2017/18.

	Balance At 31/03/16 £000	Transfers Out 2016/17 £000	Transfers In 2016/17 £000	Balance At 31/03/17 £000	Transfers Out 2017/18 £000	Transfers In 2017/18 £000	Balance At 31/03/18 £000
General Reserve	547	(150)	931	1,328	(85)	2,088	3,331
Capital Fund	1,840	(41)	400	2,199	(627)	1,357	2,929
Collection Fund	81	-	155	236	-	270	506
Equalisation Reserve							
Ryedale Developm't Fund	102	(7)	-	95	(1)	-	94
Election Reserve	21	-	20	41	-	20	61
Council Tax Hardship Fund	12	-	6	18	-	6	24
New Homes Bonus Reserve	1,636	(958)	1,711	2,389	(404)	1,713	3,698
Grants Reserve	152	-	12	164	(1)	-	163
IT Fund	100	(11)	8	97	(8)	6	95
ICE Fund	621	(185)	330	766	(9)	50	807
Local Developm't Framework Reserve	50	-	-	50	-	-	50
Operational Reserve	358	(24)	536	870	(334)	112	648
Restructure Reserve	389	(778)	828	439	(37)	-	402
<b>Total</b>	<b>5,909</b>	<b>(2,154)</b>	<b>4,937</b>	<b>8,692</b>	<b>(1,506)</b>	<b>5,622</b>	<b>12,808</b>

The main purpose of the reserves is as follows:

- (a) The General Reserve receives or contributes to differences in the estimated to actual net expenditure on the Revenue Account. It provides a working balance for the day-to-day revenue costs and income and meets any unforeseen liabilities not provided elsewhere in the accounts.
- (b) The Capital Fund is the reserve that holds the resources from the revenue stream of funding to be applied to the capital programme.
- (c) The Improvement, Contingency & Emergency (ICE) Fund 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.
- (d) The Authority 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 initiatives. If funds made available are not fully utilised during a particular year, the remaining budget provision is transferred into this reserve to help off-set expenditure in future years.
- (e) An Election Reserve is used to equalise the effect of the four yearly District Election costs.
- (f) An Information Technology (IT) Fund is used to finance the purchase and renewal of items of computer equipment such as personal computers, printers and associated software.

- (g) The Operational Reserve allows Service Units to set aside a proportion of savings in their budgets earmarked to be used in later years. It also includes revenue grants with no conditions that have been recognised in the Comprehensive Income and Expenditure Statement and are identified for specific services but not yet applied.
- (h) The Restructure Reserve was established to cover the set-up costs associated with the restructure of the Council.
- (i) A reserve was established to cover the additional cost associated with accelerating the completion of the Local Development Framework.
- (j) The Ryedale Development Fund has been 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.
- (k) The Collection Fund Equalisation Reserve evens out the financial impact of the new Business Rates Retention Regulations within the Comprehensive Income and Expenditure Account.
- (l) A New Homes Bonus Reserve has been established to be utilised in line with Member priorities.
- (m) The Council Tax Hardship Fund has been established to finance the cost of discretionary council tax relief awarded.

#### 11. OTHER OPERATING EXPENDITURE

2016/17 £000		2017/18 £000
814	Parish council precepts	887
-	Payments to the Government Housing Capital Receipts Pool	-
-	(Gains)/losses on the disposal of non-current assets	-
(19)	Capital receipts unattached to non-current assets	-
795	Total	887

#### 12. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2016/17 £000		2017/18 £000
79	Interest payable and similar charges	78
617	Pensions net interest on the net defined benefit liability/(asset)	488
(90)	Interest receivable and similar income	(85)
(4)	Income and expenditure in relation to investment properties and changes in their fair value	(154)
602	Total	327

#### 13. TAXATION AND NON SPECIFIC GRANT INCOME

2016/17 £000		2017/18 £000
(4,655)	Council tax income	(4,864)
(1,892)	Non domestic rates income and expenditure	(2,142)
(3,082)	Non-ringfenced government grants	(2,332)
-	Capital grants and contributions	-
(9,629)	Total	(9,338)

**14. PROPERTY, PLANT AND EQUIPMENT****Movements on Balance Sheet**

Movements in 2017/18

	Other Land & Buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community Assets £000	Surplus assets £000	Assets under construction £000	Total property, plant & equipment £000
<b>Cost or Valuation</b>							
At 1 April 2017	<b>15,435</b>	<b>4,682</b>	-	<b>511</b>	<b>652</b>	-	<b>21,280</b>
Additions	12	11	-	-	1	-	24
Donations	-	-	-	-	-	-	-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	162	-	-	-	3	-	165
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	112	-	-	-	10	-	122
Derecognition – disposals	-	(651)	-	-	-	-	(651)
Derecognition – other	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	10	-	10
Other movements in cost or valuation	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>15,721</b>	<b>4,042</b>	-	<b>511</b>	<b>676</b>	-	<b>20,950</b>
<b>Accumulated Depreciation and Impairment</b>							
At 1 April 2017	<b>736</b>	<b>3,994</b>	-	-	<b>15</b>	-	<b>4,745</b>
Depreciation charge	336	210	-	-	6	-	552
Depreciation written out to the Revaluation Reserve	(55)	-	-	-	-	-	(55)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(33)	-	-	-	-	-	(33)
Impairment losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-
Derecognition – disposals	-	(652)	-	-	-	-	(652)
Derecognition – other	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>984</b>	<b>3,552</b>	-	-	<b>21</b>	-	<b>4,557</b>
<b>Net Book Value</b>							
<b>At 31 March 2018</b>	<b>14,737</b>	<b>490</b>	-	<b>511</b>	<b>655</b>	-	<b>16,393</b>
<b>At 31 March 2017</b>	<b>14,699</b>	<b>688</b>	-	<b>511</b>	<b>637</b>	-	<b>16,535</b>
Owned asset as at 31 March 2018	14,737	108	-	511	655	-	16,011
Asset acquired under finance lease as at 31 March 2018	-	382	-	-	-	-	382
<b>Total</b>	<b>14,737</b>	<b>490</b>	-	<b>511</b>	<b>655</b>	-	<b>16,393</b>

## Comparative Movements in 2016/17

	Other Land & Buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community Assets £000	Surplus assets £000	Assets under construction £000	Total property, plant & equipment £000
<b>Cost or Valuation</b>							
At 1 April 2016	<b>14,165</b>	<b>4,587</b>	-	<b>511</b>	<b>656</b>	-	<b>19,919</b>
Additions	(8)	95	-	-	-	-	87
Donations	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	1,278	-	-	-	(4)	-	1274
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-
Derecognition – disposals	-	-	-	-	-	-	-
Derecognition – other	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-
Other movements in cost or valuation	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>15,435</b>	<b>4,682</b>	-	<b>511</b>	<b>652</b>	-	<b>21,280</b>
<b>Accumulated Depreciation and Impairment</b>							
At 1 April 2016	<b>462</b>	<b>3,710</b>	-	-	<b>10</b>	-	<b>4,182</b>
Depreciation charge	325	284	-	-	5	-	614
Depreciation written out to the Revaluation Reserve	(51)	-	-	-	-	-	(51)
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-
Derecognition – disposals	-	-	-	-	-	-	-
Derecognition – other	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>736</b>	<b>3,994</b>	-	-	<b>15</b>	-	<b>4,745</b>
<b>Net Book Value</b>							
<b>At 31 March 2017</b>	<b>14,699</b>	<b>688</b>	-	<b>511</b>	<b>637</b>	-	<b>16,535</b>
<b>At 31 March 2016</b>	<b>13,703</b>	<b>877</b>	-	<b>511</b>	<b>646</b>	-	<b>15,737</b>
Owned asset as at 31 March 2017	14,699	157	-	511	637	-	16,004
Asset acquired under finance lease as at 31 March 2017	-	531	-	-	-	-	531
<b>Total</b>	<b>14,699</b>	<b>688</b>	-	<b>511</b>	<b>637</b>	-	<b>16,535</b>

## Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – 10-60 years
- Vehicles, Plant, Furniture & Equipment - 5-10 years

## Capital Commitments

At 31 March 2018 the Authority had not entered into any contracts for the construction or enhancement of Property Plant and Equipment. However the Authority had ordered three recycling vehicles valued at £643k which are due to be financed through an operating lease.

## Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations are normally carried out externally. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on historic cost.

All properties have been reviewed in 2017/18 by the City of York Council.

## 15. HERITAGE ASSETS

In compliance with the 2017/18 Code, the Authority has reviewed its assets and concluded that there is no reclassification of assets to heritage assets to disclose in the accounts.

## 16. INVESTMENT PROPERTIES

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2017/18 £000	2016/17 £000
Income from Investment Property	199	205
Net gain / (loss) from fair value adjustment	112	(43)
	311	162
Direct operating expenses arising from investment property	(157)	(158)
<b>Net gain / (loss)</b>	<b>154</b>	<b>4</b>

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year.

	2017/18 £000	2016/17 £000
<b>Balance at start of the year</b>	<b>2,263</b>	<b>2,306</b>
Additions	-	-
Purchases	-	-
Construction	-	-
Subsequent expenditure	-	-
Disposals	(360)	-
Net gains / (losses) from fair value adjustments	112	(43)
Transfers:	-	-
To/from inventories	-	-
To/from Property Plant and Equipment	-	-
Other changes	-	-
<b>Balance at end of the year</b>	<b>2,015</b>	<b>2,263</b>

### Fair Value Hierarchy

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (see Note 1 Accounting Policy xxiv for an explanation of the fair value levels).

### Valuation Techniques Used to Determine Level 2 Fair Values for Investment Property

The fair value of investment property has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's Investment Asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy.

There has been no change in the valuation techniques used during the year for investment properties.

### Highest and Best Use

In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

### Valuation Process for Investment Properties

The Council's investment property has been valued as at 31 March 2017 by the City of York Council in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

## 17. INTANGIBLE ASSETS

The Authority accounts for its software as intangible assets to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Authority are:

	Internally Generated Assets	Other Assets
5 Years	None	Revenues and benefits system Electronic document management system Cash receipting system Financial management system

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £23k charged to revenue in 2017/18 was charged direct to services where appropriate, however, an element was charged to the IT Administration cost centre and

then as overhead across the service headings in the net expenditure of services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on Intangible Asset balances during the year is as follows:

	2017/18			2016/17		
	Internally Generated Assets £000	Other Asset Costs £000	Total £000	Internally Generated Assets £000	Other Asset Costs £000	Total £000
Balance at start of year:						
Gross carrying amounts	-	1,222	1,222	-	1,171	1,171
Accumulated amortisation	-	(1,157)	(1,157)	-	(1,139)	(1,139)
Net carrying amount at start of year	-	65	65	-	32	32
Additions:						
Internal development	-	-	-	-	-	-
Purchases	-	52	52	-	51	51
Acquired through business combinations	-	-	-	-	-	-
Assets reclassified as held for sale	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-
Revaluation increases or decreases	-	-	-	-	-	-
Impairment losses recognised or reversed directly in the Revaluation Reserve	-	-	-	-	-	-
Impairment losses recognised in the surplus/deficit on the Provision of Services	-	-	-	-	-	-
Reversal of amortisation on disposal	-	-	-	-	-	-
Amortisation for the period	-	(23)	(23)	-	(18)	(18)
Other changes	-	-	-	-	-	-
Net carrying amount at year end	-	94	94	-	65	65
Compromising:						
Gross carrying amounts	-	1,274	1,222	-	1,222	1,222
Accumulated amortisation	-	(1,180)	(1,180)	-	(1,157)	(1,157)
	-	94	94	-	65	65

There are no items of capitalised software that are individually material to the financial statements.

The Authority has no capital commitments outstanding for the acquisition of intangible assets.

**18. FINANCIAL INSTRUMENTS**

The following categories of financial instruments are carried in the Balance Sheet:

	Long-term		Current	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Investments</b>				
Loans and receivables	-	-	17,115	16,013
Available-for-sale financial assets	-	-	-	-
Unquoted equity investment at cost	-	-	-	-
Financial assets at fair value through profit and loss	-	-	-	-
<b>Total Investments</b>	<b>-</b>	<b>-</b>	<b>17,115</b>	<b>16,013</b>
<b>Debtors</b>				
Loans and receivables	457	340	-	-
Financial assets carried at contract amounts	-	-	930	961
<b>Total Debtors</b>	<b>457</b>	<b>340</b>	<b>930</b>	<b>961</b>
<b>Borrowings</b>				
Financial liabilities at amortised cost	(1,632)	(1,671)	(21)	(22)
Financial liabilities at fair value through profit and loss	-	-	-	-
<b>Total Borrowings</b>	<b>(1,632)</b>	<b>(1,671)</b>	<b>(21)</b>	<b>(22)</b>
<b>Other Liabilities</b>				
Finance lease liabilities	(240)	(388)	(148)	(144)
<b>Total Other Liabilities</b>	<b>(240)</b>	<b>(388)</b>	<b>(148)</b>	<b>(144)</b>
<b>Creditors</b>				
Financial liabilities at amortised cost	(3,234)	(3,033)	-	-
Financial liabilities carried at contract amount	-	-	(4,406)	(4,899)
<b>Total Creditors</b>	<b>(3,234)</b>	<b>(3,033)</b>	<b>(4,406)</b>	<b>(4,899)</b>

## Fair value of Assets and Liabilities

	Fair value		Historic cost	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Borrowings	(2,092)	(2,141)	(1,653)	(1,693)
Loans and receivables	17,115	16,090	17,115	16,013

There is no difference between the carrying value and fair value of the Authority's debtors and creditors. Minimum future lease payments are disclosed in note 37.

The fair value of borrowings is higher than the carrying amount because the authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2018) arising from a commitment to pay interest to lenders above current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £2.092m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms

that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates. However, the authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £1.653m would be valued at £2.092m. But, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £2.535m.

**19. INVENTORIES**

	Consumable Stores		Client Services Work in Progress		Property Acquired or Constructed for Sale		Total	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
<b>Balance outstanding at start of year</b>	<b>49</b>	<b>37</b>	-	-	-	-	<b>49</b>	<b>37</b>
Purchases	246	303	-	-	-	-	246	303
Recognised as an expense in the year	(248)	(290)	-	-	-	-	(248)	(290)
Written off balances	-	(1)	-	-	-	-	-	(1)
Reversals of write-offs in previous years	-	-	-	-	-	-	-	-
<b>Balance outstanding at year-end</b>	<b>47</b>	<b>49</b>	-	-	-	-	<b>47</b>	<b>49</b>

**20. CONSTRUCTION CONTRACTS**

As at the 31 March 2018 the Authority had no significant contracts in progress.

**21. DEBTORS**

	31 March 2018 £000	31 March 2017 £000
Central government bodies	81	77
Other local authorities	207	259
NHS Bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	642	625
<b>Total</b>	<b>930</b>	<b>961</b>

**22. CASH AND CASH EQUIVALENTS**

The balance of cash and cash equivalents is made up of the following elements

	31 March 2018 £000	31 March 2017 £000
Cash held by the Council	244	351
Bank current account	2,509	(4)
Special Interest Bearing Account	-	-
<b>Total Cash and Cash Equivalents</b>	<b>2,753</b>	<b>347</b>

**23. ASSETS HELD FOR SALE**

	Current		Non Current	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
<b>Balance outstanding at start of year</b>	<b>10</b>	<b>170</b>	-	-
Assets newly classified as held for sale:				
Property, Plant and equipment	-	-	-	-
Intangible Assets	-	-	-	-
Revaluation losses	-	(64)	-	-
Revaluation gains	-	-	-	-
Impairment losses	-	-	-	-
Assets declassified as held for sale:				
Property, Plant and equipment	(10)	-	-	-
Intangible Assets	-	-	-	-
Assets sold	-	(96)	-	-
Transfers from non-current to current	-	-	-	-
<b>Balance outstanding at year end</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>

**24. CREDITORS**

	31 March 2018 £000	31 March 2017 £000
Central government bodies	1,736	2,198
Other local authorities	1,364	1,563
NHS Bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	1,306	1,138
<b>Total</b>	<b>4,406</b>	<b>4,899</b>

**25. PROVISIONS**

2017/18	Business Rate Retention Appeals £000
Balance at 1 April 2017	742
Additional Provisions made in 2017/18	427
Amounts used in 2017/18	-
Unused amounts reversed in 2017/18	-
<b>Total</b>	<b>1,169</b>

2016/17	Business Rate Retention Appeals £000
Balance at 1 April 2016	643
Additional Provisions made in 2016/17	99
Amounts used in 2016/17	-
Unused amounts reversed in 2016/17	-
<b>Total</b>	<b>742</b>

**Provision for Business Rate Appeals**

The Local Government Finance Act 2012 introduced a business rates retention scheme that enabled local authorities to retain a proportion of the business rates generated in their area. The new arrangements for the retention of business rates came into effect on 1 April 2013.

Ryedale District Council, as the business rates billing authority, acts as an agent on behalf Central Government, North Yorkshire County Council, North Yorkshire Fire & Rescue Service and themselves and are required to make a provision for any refunds that may become payable to ratepayers following successful appeals against the rateable value of their properties on the ratings list.

The Council retains a 40% share of net business rates income under the new localised scheme. The amount shown in the Council's Balance Sheet reflects the Council's proportion of the appeals provision as at 31 March 2018.

There are no other significant events that have taken place that would give the Authority a legal or constructive obligation to provide any material provision for the financial year ending 31 March 2018.

**26. USABLE RESERVES**

31 March 2017 £000		31 March 2018 £000
8,692	Earmarked General Fund Reserves	12,808
221	Capital Receipts Reserve	408
96	Capital Grants Unapplied	90
<b>9,009</b>	<b>Total Usable Reserves</b>	<b>13,306</b>

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

**Earmarked General Fund Reserves**

Details of the movements within the individual earmarked reserves are shown in note 10, together with an explanation of the purpose of each reserve.

**Capital Receipts Reserve**

2016/17 £000		2017/18 £000
285	<b>Balance at 1 April</b>	221
96	Receipts from disposal of non-current assets and held for sale assets	230
-	Transfer from the Deferred Capital Receipts Reserve upon receipt of cash	4
25	Other receipts	40
406		495
(185)	Receipts used to finance capital expenditure	(87)
221	<b>Balance at 31 March</b>	408

The Capital Receipts Reserve holds cash received from the disposal of non-current assets and held for sale assets, or other money received that can be applied towards financing capital expenditure or repay loan debt.

**Capital Grants Unapplied**

2016/17 £000		2017/18 £000
-	<b>Balance at 1 April</b>	96
96	Reversal of grants credited to the Comprehensive Income and Expenditure Statement but expenditure has not been incurred	-
96		96
-	Grants used to finance capital expenditure	(6)
96	<b>Balance at 31 March</b>	90

This reserve retains the receipts of grants and contributions from central government and other funding organisations available to finance capital expenditure and will be applied to fund relevant projects in future years.

**27. UNUSABLE RESERVES**

31 March 2017 £000		31 March 2018 £000
5,142	Revaluation Reserve	5,283
-	Available for Sale Financial Instruments Reserve	-
11,771	Capital Adjustment Account	11,434
-	Financial Instruments Adjustment Account	-
-	Deferred Capital Receipts Reserve	126
(19,767)	Pensions Reserve	(17,723)
(179)	Collection Fund Adjustment Account	(475)
(68)	Accumulated Absences Account	(77)
<b>(3,101)</b>	<b>Total Unusable Reserves</b>	<b>(1,432)</b>

**Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property Plant and Equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2016/17 £000		£000	2017/18 £000
3,924	<b>Balance at 1 April</b>		5,142
1,329	Upward revaluation of assets	220	
(39)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-	
1,290	Surplus or deficit on revaluation of non-current assets and held for sale assets not posted to the Surplus or Deficit on the Provision of Services		220
(72)	Difference between fair value depreciation and historical cost depreciation	(79)	
-	Accumulated gains on assets sold or scrapped	-	
(72)	Amount written off to the Capital Adjustment Account		(79)
5,142	<b>Balance at 31 March</b>		5,283

**Available for Sale Financial Instruments Reserve**

The Authority has not entered into any available-for-sale asset arrangements during the financial year.

**Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis). The Account is credited

with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 9 provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

2016/17 £000		£000	2017/18 £000
12,219	<b>Balance at 1 April</b>		11,771
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(614)	• Charges for depreciation and impairment of non-current assets	(396)	
-	• Revaluation losses on Property, Plant and Equipment	-	
(64)	• Loss on revaluation of held for sale assets	-	
35	• Reduction in Revaluation Reserve on disposal of held for sale assets	-	
(18)	• Amortisation of Intangible Assets	(24)	
(96)	• Amounts of non-current assets and held for sale assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(360)	
(426)	• Revenue Expenditure Funded by Capital Under Statute	(740)	
(1,183)			(1,520)
72	Adjusting amounts written out of the Revaluation Reserve		79
11,108	Net written out amount of the cost of non-current assets consumed in the year		10,330
	Capital financing applied in the year:		
185	• Use of the capital receipts reserve to finance new capital expenditure	87	
312	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that has been applied to capital financing	646	
-	• Application of grants to capital financing from the Capital Grants Unapplied Account	6	
174	• Statutory provision for the financing of capital investment charged against the General fund	179	
41	• Capital expenditure charged against the General Fund	114	
712			1,032
(43)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		112
-	Movements in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		-
(6)	Movements in Long-term Debtors		(40)
11,771	<b>Balance at 31 March</b>		11,434

### Financial Instruments Adjustment Accounts

The Financial Instruments Adjustment Account absorbs the timing differences arising from different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The account balance is nil.

### Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority's accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2016/17 £000		2017/18 £000
(18,359)	<b>Balance at 1 April</b>	(19,767)
(899)	Re-measurements of the net defined benefit liability/(asset)	2,750
(2,059)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(1,864)
1,550	Employer's pensions contributions and direct payments to pensioners payable in the year	1,158
(19,767)	<b>Balance at 31 March</b>	(17,723)

### Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority would not treat these gains as usable for the financing of new capital expenditure until they are by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2016/17 £000		2017/18 £000
-	<b>Balance at 1 April</b>	-
-	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	130
-	Transfer to the Capital Receipts Reserve upon receipt of cash	(4)
-	<b>Balance at 31 March</b>	126

**Collection Fund Adjustment Account**

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2016/17 £000		2017/18 £000
85	<b>Balance at 1 April</b>	(179)
(264)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(296)
(179)	<b>Balance at 31 March</b>	(475)

**Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2016/17 £000		£000	2017/18 £000
(114)	<b>Balance at 1 April</b>		(68)
114	Settlement or cancellation of accrual made at the end of the preceding year	68	
(68)	Amount accrued at the end of the current year	(77)	
46	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(9)
(68)	<b>Balance at 31 March</b>		(77)

**28. CASH FLOW STATEMENT – OPERATING ACTIVITIES****a. Adjust net surplus or deficit on the provision of services for non-cash movements**

2016/17 £000		2017/18 £000
614	Depreciation	551
-	Impairment and downward valuations	(155)
18	Amortisation	24
-	Increase / decrease in impairment for bad debts	-
2,462	Increase / decrease in creditors	150
118	Increase / decrease in debtors	29
(12)	Increase / decrease in inventories	2
509	Movement in pension liability	54
96	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	360
142	Other non-cash items charged to the net surplus or deficit on the provision of services	315
3,947		1,330

**b. Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities**

2016/17 £000		2017/18 £000
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	-
(115)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(360)
(408)	Any other items for which the cash effects are investing or financing cash flows	(646)
(523)		(1006)

**c. Interest received, interest paid and dividends received**

2016/17 £000		2017/18 £000
89	Interest received	83
(79)	Interest paid	(79)
-	Dividends received	-

**29. CASH FLOW STATEMENT – INVESTING ACTIVITIES**

2016/17 £000		2017/18 £000
(151)	Purchase of property, plant and equipment, investment property and intangible assets	(46)
(33,700)	Purchase of short-term and long-term investments	(26,900)
(24)	Other payments for investing activities	(36)
115	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	234
29,300	Proceeds from short-term and long-term investments	25,800
416	Other receipts from investing activities	691
(4,044)	Net cash flows from investing activities	(257)

**30. CASH FLOW STATEMENT – FINANCING ACTIVITIES**

2016/17 £000		2017/18 £000
-	Cash receipts of short and long term borrowing	-
-	Other receipts from financing activities	-
(139)	Cash payments for the reduction of the outstanding liabilities relating to finance leases	(145)
(39)	Repayments of short and long-term borrowing	(39)
(523)	Other payments for financing activities	(473)
(701)	Net cash flows from financing activities	(657)

**31. MEMBERS ALLOWANCES**

The Authority paid the following amounts to members of the Authority during the year:

	2017/18 £000	2016/17 £000
Allowances	125	127
Expenses	7	6
Total	132	133

A summary of payments made to each member is publicised through the Authority's website and is also available for viewing at the reception of the administrative offices.

**32. OFFICERS REMUNERATION**

The remuneration paid to the Authority's senior employees is as follows:

Job Title	Year	Salary, fees and allowances £	Bonuses £	Expenses allowances £	Compensation for loss of office £	Pension contribution £	Total £	Note
Chief Executive	2017/18	49,432	-	2,554	-	9,244	61,230	A
	2016/17	105,505	-	5,505	-	15,193	126,203	
Corporate Director	2017/18	-	-	-	-	-	-	B
	2016/17	36,057	-	482	-	5,192	41,731	C
Deputy Chief Executive	2017/18	79,450	-	963	-	14,857	95,270	D
	2016/17	-	-	-	-	-	-	
Delivery & Frontline Services Lead Head of Env, Streetscene & Facilities	2017/18	53,659	-	963	-	10,148	64,770	E
	2016/17	51,934	-	963	-	7,716	60,613	
Head of Corporate Services	2017/18	-	-	-	-	-	-	F
	2016/17	62,875	-	883	-	9,054	72,812	G
Economy & Partnerships Lead Head of Economy & Infrastructure	2017/18	57,448	-	963	-	10,743	69,154	H
	2016/17	56,879	-	963	-	8,191	66,033	
Head of Planning Head of Planning & Housing	2017/18	57,448	-	963	-	10,743	69,154	I
	2016/17	56,879	-	963	-	8,191	66,033	
Head of Legal Services Council Solicitor	2017/18	57,448	-	963	-	10,743	69,154	
	2016/17	56,879	-	963	-	8,191	66,033	
Resources & Enabling Lead Finance Manager (s151)	2017/18	51,068	-	963	-	9,550	61,581	J
	2016/17	48,043	-	311	-	6,918	55,272	
Customer Services Lead Business Hub Manager	2017/18	45,898	-	963	-	8,595	55,456	K
	2016/17	39,969	-	311	-	5,756	46,036	

Senior Officers served for the whole of 2017/18 unless stated below.

Notes:

A The Chief Executive left the Authority on 17<sup>th</sup> September 2017.

B New Structure in April 2017 – no Corporate Director role.

C The Corporate Director left the Authority on 30<sup>th</sup> September 2016, the remuneration highlighted in the table above excludes any termination benefits which are shown in note 39.

D The Deputy Chief Executive assumed their temporary position as Chief Executive on 1<sup>st</sup> September 2017.

E The Head of Environment, Streetscene & Facilities assumed their new position of Delivery & Frontline Services Lead on 5<sup>th</sup> December 2016.

F New Structure in April 2017 – no Head of Corporate Services role.

G The Head of Corporate Services assumed their new position of Deputy Chief Executive on 17<sup>th</sup> October 2016.

H The Head of Economy & Infrastructure assumed their new position of External Partnerships Lead on 5<sup>th</sup> December 2016.

I The Head of Planning & Housing assumed their new position of Head of Planning on 5<sup>th</sup> December 2016.

J The Finance Manager (s151) assumed their new position of Resources & Enabling Services Lead on 5<sup>th</sup> December 2016.

K The Business Hub Manager assumed their new position of Customer Services Lead on 5<sup>th</sup> December 2016.

The Authority's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) is as follows:

Remuneration Band	2017/18 Number of employees	2016/17 Number of employees
£50,000 - £54,999	3	1
£55,000 - £59,999	3	3
£60,000 - £64,999	-	1
£65,000 - £69,999	-	-
£70,000 - £74,999	-	-
£75,000 - £79,999	-	-
£80,000 - £84,999	1	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 to £114,999	-	1

**33. EXTERNAL AUDIT COSTS**

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

	2017/18 £000	2016/17 £000
* Fees payable to KPMG LLP with regard to external audit services carried out by the appointed auditor for the year	42	42
* Fees payable to KPMG LLP for the certification of grant claims and returns for the year	11	12
* Fees payable in respect of other services provided by KPMG LLP during the year	-	-
* Refund of fees payable by PSAA during the year	(6)	-
	<b>47</b>	<b>54</b>

**34. GRANT INCOME**

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2017/18:

	2017/18 £000	2016/17 £000
<b>Credited to Taxation and Non Specific Grant Income:</b>		
Revenue Support Grant	379	763
New Homes Bonus	1,420	1,673
Transitional Grant to Rural Local Authorities	459	569
S31 grant Business Rates	1039	531
Other Grants	73	77
<b>Total</b>	<b>3,370</b>	<b>3,613</b>
<b>Credited to Services:</b>		
<b>Government Grants:</b>		
Disabled Facilities Grant	596	408
Housing Benefit Subsidy and Rent Rebate	8,986	10,675
Housing Benefit & Council Tax Support Administration	173	198
Safer Stronger Communities	-	11
Community Housing Grant	-	431
Food Enterprise Zone	-	41
Other Government Grants	115	59
<b>Total</b>	<b>9,870</b>	<b>11,823</b>
<b>Contributions</b>	<b>286</b>	<b>63</b>

As at the 31 March 2018 the Authority has one grant with a balance of £9,000 that has yet to be recognised as income as it has conditions attached to it. This is in relation to a DEFRA grant towards the development of a Food Enterprise Zone (31 March 2017 £9,000).

**35. RELATED PARTIES**

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

**Central Government**

Central government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties, e.g. council tax bills, housing benefits. Grants received from government departments are set out in Note 34.

**Members**

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2017/18 is shown in Note 31.

**Officers**

Chief Finance Officer (Section 151), Anton Hodge, of Ryedale District Council is a related party of Veritau North Yorkshire Ltd and the North Yorkshire Building Control Partnership by virtue of being a client officer.

**Other Public Bodies**

During the year transactions with related parties arose as follows:

		Receipts £000	Payments £000
The Vale of Pickering Internal Drainage Board	- levy	-	93
Foss Internal Drainage Board	- levy	-	3
Veritau North Yorkshire Ltd	see note below	-	55
North Yorkshire Building Control Partnership	see note below	(17)	61

At the end of the financial year the total amount due to and from these related parties was £nil.

With effect from 1 April 2012, Veritau North Yorkshire Ltd provided an internal audit service for a number of local authorities in the region. Ryedale District Council was a full shareholder, other local authorities within the Company being Selby DC, Hambleton DC and Richmondshire DC. Ryedale District Council's contribution to the Company's share capital is £3,000 as at 31 March 2018. Previously, the North Yorkshire Audit Partnership provided internal audit services to Ryedale and the other aforementioned district councils but ceased to exist on 31 March 2012.

The North Yorkshire Building Control Partnership provides a building control service on behalf of five councils: Ryedale DC (host authority), Selby DC, Hambleton DC, Scarborough BC and Richmondshire DC. Ryedale District Council's proportion of the Partnership's accumulated reserve is £36,000 as at 31 March 2018.

### Entities Controlled or Significantly Influenced by the Council

With effect from 1 October 2014, Sports & Leisure Management Ltd ran the Authority's leisure centre and swimming pools. Payment of grant of £182,000 was made to Sports & Leisure Management Ltd to support the operation of the leisure facilities in 2017/18. Previously, Community Leisure Ltd, an Industrial Provident Society, ran the leisure centre and swimming pools for Ryedale until 30 September 2014.

### 36. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2017/18 £000	2016/17 £000
<i>Opening Capital Financing Requirement</i>	2,227	2,351
Capital investment		
Property plant and equipment	24	88
Investment properties	-	-
Held for sale assets	-	-
Intangible assets	53	51
Revenue expenditure funded from capital under statute	740	426
Loans	36	23
<i>Sources of finance</i>		
Capital receipts	(87)	(185)
Government grants and other contributions	(652)	(312)
Sums set aside from revenue		
Direct revenue contributions	(114)	(41)
Minimum Revenue Provision	(179)	(174)
<i>Closing Capital Financing Requirement</i>	2,048	2,227
<i>Explanation of movements in year</i>		
Increase/(Decrease) in underlying need to borrow (unsupported by government financial assistance)	(179)	(174)
Assets acquired under finance leases	-	50
<i>Increase / (decrease) in Capital Financing Requirement</i>	(179)	(124)

**37. LEASES****Authority as Lessee – Finance Leases**

The Authority has acquired a number of vehicles and some equipment under finance leases.

This Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the vehicles and the equipment acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2018 £000	31 March 2017 £000
Finance lease liabilities (net present value of minimum lease payments)		
Current	148	144
Non-current	240	388
Finance costs payable in future years	37	59
Minimum lease payments	425	591

The minimum lease payments will be payable over the following periods:

	Minimum lease payments		Finance lease liabilities	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Not later than one year	166	166	148	144
Later than one year and not later than five years	259	425	240	388
Later than five years	-	-	-	-
	425	591	388	532

**Authority as Lessee - Operating Leases**

The Authority normally acquires vehicles, plant and equipment using operating leases. The Authority also provides certain employees with lease vehicles under three year contract hire agreements.

The future minimum lease payments due under non-cancellable leases in future years are:

	31 March 2018 £000	31 March 2017 £000
Not later than one year	63	65
Later than one year and not later than five years	90	98
Later than five years	-	7
	153	170

The expenditure charged to the Cost of Services line in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2017/18 £000	2016/17 £000
Minimum lease payments	137	153
Contingent rents	-	-
Sublease payments receivable	-	-
	137	153

**Authority as Lessor**

The Authority has not leased out property, vehicles or equipment under either finance lease or operating lease arrangements.

**38. IMPAIRMENT LOSSES**

During 2017/18 the Authority has recognised reversals of impairment losses of £155k following the 5 year revaluation of all Property, Plant and Equipment.

**39. TERMINATION BENEFITS**

The Authority has agreed to terminate the contracts of 4 employees in 2017/18, incurring liabilities of £36,157.

The number of exit packages that have been agreed, accrued for and charged to the Authority's Comprehensive Income and Expenditure Statement with total cost per band are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
£0 - £20,000	-	-	4	15	4	15	£36,157	£122,396
£20,001 - £40,000	-	-	-	4	-	4	-	£119,115
£40,001 - £60,000	-	-	-	1	-	1	-	£41,220
£60,001 - £80,000	-	-	-	2	-	2	-	£143,566
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	1	-	1	-	£129,105
Total	-	-	4	23	4	23	£36,157	£555,402

**40. DEFINED BENEFIT PENSION SCHEMES****Participation in Pension Schemes**

As part of the terms and conditions of employment of its officers, the authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. The Authority participates in two post employment schemes:

- The Local Government Pension Scheme, administered by North Yorkshire County Council – this is a funded defined benefit final salary scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.

### Transactions Relating to Retirement Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movements in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
<b>Comprehensive Income and Expenditure Statement</b>				
<i>Cost of Services:</i>				
• Current service cost	1,383	1,133	-	-
• Past service costs / (gains)	10	328	-	-
• (Gain) / Loss from settlements	-	-	-	-
<i>Financing and Investment Income and Expenditure:</i>				
• Net interest expense	464	589	7	9
<b>Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>1,857</b>	<b>2,050</b>	<b>7</b>	<b>9</b>
<i>Other Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</i>				
<i>Remeasurement of the net defined benefit liability comprising:</i>				
• Return on plan assets (excluding the amount included in the net interest expense)	(3,134)	(9,168)	-	-
• Actuarial gains and losses due to changes in financial assumptions	(72)	13,585	4	36
• Actuarial gains and losses due to changes in demographic assumptions	-	628	-	3
• Actuarial gains and losses due to liability experience	430	(4,183)	22	(2)
<b>Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>(919)</b>	<b>2,912</b>	<b>33</b>	<b>46</b>
<i>Movement in Reserves Statement:</i>				
• Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post employment benefits in accordance with the Code	(919)	2,912	33	46
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>				
• Employers contributions payable to scheme	1,142	1,534		
• Retirement benefits payable to pensioners			16	16

### Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

	Local Government: Pension Scheme £000		Discretionary Benefits £000	
	2017/18	2016/17	2017/18	2016/17
Present value of the defined benefit obligation	(79,036)	(77,836)	(306)	(289)
Fair value of plan assets	62,271	58,358	-	-
Net liability arising from defined benefit obligation	(16,765)	(19,478)	(306)	(289)

### Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

	Local Government: Pension Scheme £000		Discretionary Benefits Arrangements £000	
	2017/18	2016/17	2017/18	2016/17
Opening fair value of scheme assets	58,358	48,205	-	-
Interest income	1,451	1,629	-	-
Remeasurement gain/(loss):				
• The return on plan assets, excluding the amount included in the net interest expense	3,134	9,168	-	-
The effect of changes in foreign exchange rates	-	-	-	-
Contributions from employer	1,794	1,534	16	16
Contributions from employees into the scheme	284	325	-	-
Benefits paid	(2,750)	(2,503)	(16)	(16)
Closing fair value of scheme assets	62,271	58,358	-	-

### Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligations)

	Funded liabilities: Local Government Pension Scheme £000		Unfunded liabilities: Discretionary Benefits £000	
	2017/18	2016/17	2017/18	2016/17
Opening balance at 1 April	77,836	66,305	289	259
Current service cost	1,383	1,133	-	-
Interest cost	1,915	2,218	7	9
Contribution from scheme participants	284	325	-	-
Remeasurement (gains) and losses:				
• Financial Assumptions	(72)	13,585	4	36
• Demographic Assumptions	-	628	-	3
• Liability Experience	430	(4,183)	22	(2)
Past service costs	10	328	-	-
Losses/(gains) on curtailment	-	-	-	-
Entity combinations	-	-	-	-
Benefits paid	(2,750)	(2,503)	(16)	(16)
Closing balance at 31 March	79,036	77,836	306	289

**Local Government Pension Scheme assets comprised:**

	31 March 2018 £000	31 March 2017 £000
Equities	40,352	38,166
Property	4,982	4,961
Government Bonds	10,275	8,287
Corporate Bonds	-	1,809
Cash	124	58
Other	6,538	5,077
Closing fair value of scheme assets at 31 March	62,271	58,358

**Basis for Estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the County Council Fund being based on the full valuation of the scheme as at 31 March 2016.

The significant assumptions used by the actuary have been:

	31 March 2018	31 March 2017
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.9 yrs	22.8 yrs
Women	26.4 yrs	26.3 yrs
Longevity at 65 for future pensioners:		
Men	25.1 yrs	25.0 yrs
Women	28.7 yrs	28.6 yrs
Rate of Inflation (RPI)	3.20%	3.10%
Rate of Inflation (CPI)	2.10%	2.00%
Rate of increase in salaries	3.35%	3.25%
Rate of increase in pensions	2.10%	2.00%
Rate of revaluation in pension accounts	2.10%	2.00%
Rate for discounting scheme liabilities	2.60%	2.50%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumptions analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

**Impact on the Defined Benefit Obligation in the Scheme**

	Base Figure	+0.1% pa -0.1% pa Discount Rate	+0.1% pa -0.1% pa Salary Increase Rate	+0.1% pa -0.1% pa Pension Increase Rate	-1 year +1 year Mortality Assumption
Present Value of Total Obligation (£000)	79,036	77,666 80,431	79,307 78,768	80,157 77,932	81,368 76,718
Change in Present Value of Total Obligation (%)		-1.7 1.8	0.3 -0.3	1.4 -1.4	3.0 -2.9
Projected Service Cost (£000)	1,430	1,390 1,471	1,430 1,430	1,471 1,390	1,481 1,379
Approx Change in Projected Service Cost (%)		-2.8 2.8	0.0 0.0	2.8 -2.8	3.6 -3.6

Further information can be found in the North Yorkshire Pension Fund's Annual Report that is available upon request from Financial Services, County Hall, Northallerton, DL7 8AL.

**Impact on the Authority's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The North Yorkshire Pension Fund has an investment strategy in place to address the funding deficit over a 30 year period, based on an appropriate level of employers' contributions, producing a positive cash flow into the fund. The Council is currently seven years into this period.

Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2019.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 2014. The Act provides for scheme regulations to be made within a common framework, to establish a new career average revalued earnings scheme to pay pensions and other benefits to certain public servants.

The authority anticipated to pay £1,158,000 expected contributions to the scheme in the year to 31 March 2018.

The weighted average duration of the defined benefit obligation for scheme members is 17.5 years 2017/18 (17.5 years 2016/17).

**41. CONTINGENT LIABILITIES**

At 31 March 2018, the Authority had one material contingent liability:

**Municipal Mutual Insurance**

The authority has paid a sum of £19k following the triggering of the scheme of arrangement by Municipal Mutual Insurance Limited (MMI). This figure equates to a levy calculated by the scheme administrators at 25% of settlements paid since 1993. The total amount of claims payments which would be liable to claw-back, at a levy rate of 100%, is currently £75k.

**Local Land Charges**

A group of Property Search Companies sought to claim refunds of fees paid to the Council to access land charges data. The Council agreed to settle and some costs were settled in 2016/17. There remains the potential for new claimants to come forward but the value of the liability is unknown.

**Pay Claims**

The Employment Appeal Tribunal (November 2014) ruled that holiday pay should include non-guaranteed overtime which may have implications for the Council where our employees are required to work overtime as a regular part of their job. There remains the potential for some claims but the scale of any liabilities cannot be assessed.

**Employers Liability Insurance Claim**

The Authority has one ongoing significant employers liability insurance claim, this is being handled by the Council's insurers Zurich Municipal. It is not anticipated that there will be any further financial liability on the Council in respect of this claim as there is a zero excess applicable to this policy.

**42. CONTINGENT ASSETS**

At 31 March 2018 the Authority had no material contingent assets to report.

#### 43. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments; and
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements.

The Authority's overall risk management procedures focus on the unpredictability of financial markets and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Investment Guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- By formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- By the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations, standing orders and constitution;
- By approving annually in advance prudential and treasury indicators for the following three years limiting:
  - The councils overall borrowing;
  - Its maximum and minimum exposures to fixed and variable rates; and
  - Its maximum and minimum exposures to the maturity structure of its debt; and
  - Its maximum and annual exposures to investments maturing beyond a year; and
- By approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

These are required to be reported and approved at or before the Authority's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

##### **Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings services. The Annual Investment Strategy also considers the maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria is applied.

This Authority uses the creditworthiness service provided by its treasury advisers. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries

The authority's maximum exposure to credit risk in relation to its investments in banks and building societies of £3m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. The risk of non recovery applies to all of the authority's deposits but there is no evidence at 31 March 2018 that this was likely to crystallise.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the council.

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on experience of default and uncollectability in previous financial years, adjusted to reflect current market conditions.

	Amount at 31 March 2017	Historical Experience of Default	Historical Experience adjusted for market conditions at 31 March 2017	Estimated maximum exposure to default and uncollectabil ity at 31 March 2018 £000	Estimated maximum exposure to default and uncollectabi lity at 31 March 2017 £000
	£000	%	%		
Deposits with Banks and Financial Institutions	17,115	0%	0%	-	-

### Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available when needed. If unexpected movements happen, the Authority has ready access to borrowings from the money markets and the Public Works Loan Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The maturity analysis of financial liabilities is as follows:

	31 March 2018 £000	31 March 2017 £000
Up to 20 years	639	679
21 to 50 years	1,014	1,014
	1,653	1,693

All trade and other payables are due to be paid in less than one year.

### Market Risk

#### Interest Rate Risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall;
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise; and
- investments at fixed rates – the fair value of the assets will fall.

Changes in interest payable and receivable on variable rate borrowings and investments and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Authority has set an upper limit of 5% of its borrowings in variable rate loans and an upper limit of 50% of its investments in variable rates. However, all investments and borrowings are currently fixed rate, which helps to reduce uncertainty. The authority continues to keep a proportion of its investments short term to allow for flexibility in interest rate movements.

#### Price Risk

The Authority does not generally invest in equity shares and is therefore not subject to any price risk, that is, the risk that the authority will suffer loss as a result of adverse movements in the price of financial instruments.

#### Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies, therefore it has no exposure to loss arising as a result of adverse movements in exchange rates.

2016/17			2017/18		
Council Tax £000	Business Rates £000		Council Tax £000	Business Rates £000	Note
		<b>INCOME</b>			
(34,831)		Council Tax	(36,581)		
		Transfers from General Fund - Council Tax Benefits			
	(16,832)	Income collectable from business ratepayers		(16,153)	
	142	Transitional Protection Payments		(1,062)	
(34,831)	(16,690)	Total Income	(36,581)	(17,215)	
		<b>EXPENDITURE</b>			
		Precepts and Demands:			(2)
24,310		North Yorkshire County Council	25,539		
4,613		North Yorkshire Police & Crime Commissioner	4,753		
1,400		North Yorkshire Fire & Rescue	1,443		
4,689		Ryedale District Council	4,890		
35		Street Lighting Expenses	50		
		Business Rates:			(3)
	8,462	Payment to National Pool			
	6,770	Central Government		8,364	
	1,523	Ryedale District Council		6,691	
	169	North Yorkshire County Council		1,505	
		North Yorkshire Fire & Rescue		167	
	111	Allowance for cost of Business Rate Collection		110	
(40)	(40)	Allowance for Impairment	30	(10)	(4)
	248	Provision for Appeals		1,066	(4)
72	22	Write Off of uncollectable amounts	67	(3)	(4)
35,079	17,265	Total Expenditure	36,772	17,890	
248	575	(Surplus) / deficit for the year	191	675	
(674)	16	Surplus at 1 April	(426)	591	
(426)	591	Surplus at 31 March	(235)	1,266	

## 1. General

This statement represents the transactions of the Collection Fund, a statutory fund separate from the General Fund of the Council. The Collection Fund accounts independently for income relating to Council Tax and Non-Domestic rates on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised.

The Collection Fund accounts are consolidated with the other accounts of the Council. Transactions are prescribed by legislation and are prepared on an accruals basis. The costs of administering collection are accounted for in the General Fund.

The surplus or deficit on the Collection Fund at the end of the year is required to be distributed to or made good by contributions from the Council, Central Government, North Yorkshire County Council, North Yorkshire Police & Crime Commissioner and North Yorkshire Fire and Rescue Authority in a subsequent financial year.

The Local Government Finance Act 2012 introduced a business rates retention scheme that enabled local authorities to retain a proportion of the business rates generated in their area. The new arrangements for the business rates came into effect on 1 April 2013. Billing authorities act as agents on behalf of the major preceptors (10%), central government (50%) and themselves (40%)

## 2. Council Tax

The Council Tax is a tax levied on all domestic properties, in a proportion, which is determined by the valuation band allocated to a property. The Council Tax base, i.e. the number of chargeable dwellings in each valuation band converted to an equivalent number of Band D dwellings, was calculated as follows:

Band	No of Chargeable Dwellings	No of Equivalent Properties	Ratio	Band D Equivalent Dwellings
A	2,367	1,932	6/9	1,288
B	6,285	5,594	7/9	4,351
C	5,863	5,340	8/9	4,747
D	4,373	4,113	1	4,113
E	3,453	3,239	11/9	3,959
F	2,058	1,954	13/9	2,822
G	1,163	1,097	15/9	1,828
H	109	101	18/9	202
<b>TOTAL</b>	<b>25,671</b>	<b>23,370</b>		<b>23,310</b>
Empty Property Premium				23.79
Cost of LCTS Scheme				(1,754.89)
Less adjustment for Collection Rate				(301.78)
<b>Council Tax Base</b>				<b>21,277.12</b>

Precepts and demands for 2017/18 are analysed as follows:

	Ryedale DC £000	NYCC £000	NYPCC £000	NYFRA £000
2017/18 Precept/Demand	4,845	25,309	4,709	1,430
Payment in respect of 2016/17 surplus	45	230	44	13
	4,890	25,539	4,753	1,443

The balance of Council Tax within the Collection Fund is available for funding the precept requirement for the authorities as follows:

	£000
Ryedale District Council	(31)
North Yorkshire County Council	(164)
North Yorkshire Police & Crime Commissioner	(31)
North Yorkshire Fire & Rescue Authority	(9)

### 3. **Income from Business Rates**

The Authority collects business rates for its area, which are based on local rateable values multiplied by a uniform rate.

Additional information is as follows:

Total National Non Domestic Rateable Value in £ at 31 March 2018	48,899,315
NDR Rate in £ for 2017/18	47.9p
Small Business Rate in £ for 2017/18	46.6p
Number of Business Premises (Hereditament) at 31 March 2018	3,009
Number of Local Council Tax Support Claimants at 31 March 2018	3,016

Business Rate Yield for 2017/18 is analysed as follows:

	Ryedale DC £000	NYCC £000	NYFRA £000	Government £000
2017/18 Estimates Yield	6,767	1,522	169	8,459
Payment in respect of 2016/17 deficit	(76)	(17)	(2)	(95)
	6,691	1,505	167	8,364

The balance of Non domestic rates within the Collection Fund is apportioned as follows:

	£000
Ryedale District Council	506
North Yorkshire County Council	114
Central Government	633
North Yorkshire Fire & Rescue Authority	13

### 4. **Bad and Doubtful Debts and Provision for Appeals**

The figures show any movement on the provision for bad and doubtful debts. Provision has been made for Council Tax payers of £340,000 (2016/17: £310,000) and Business Ratepayers of £50,000 (2016/17: £60,000) and is included within Debtors in the Authority's Balance Sheet. Provision has been made for the cost of successful business rate appeals of £2,921,000 (2016/17: £1,855,000).

## Scope of Responsibility

Ryedale District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

RYEDALE  
DISTRICT  
COUNCIL



The Code of Governance sets out the principles of good governance and describes the arrangements the Council has put in place to meet each of these principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

## The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve the Council's aims and objectives, but it seeks to provide reasonable rather than absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks to the achievement of the Council's aims and objectives.

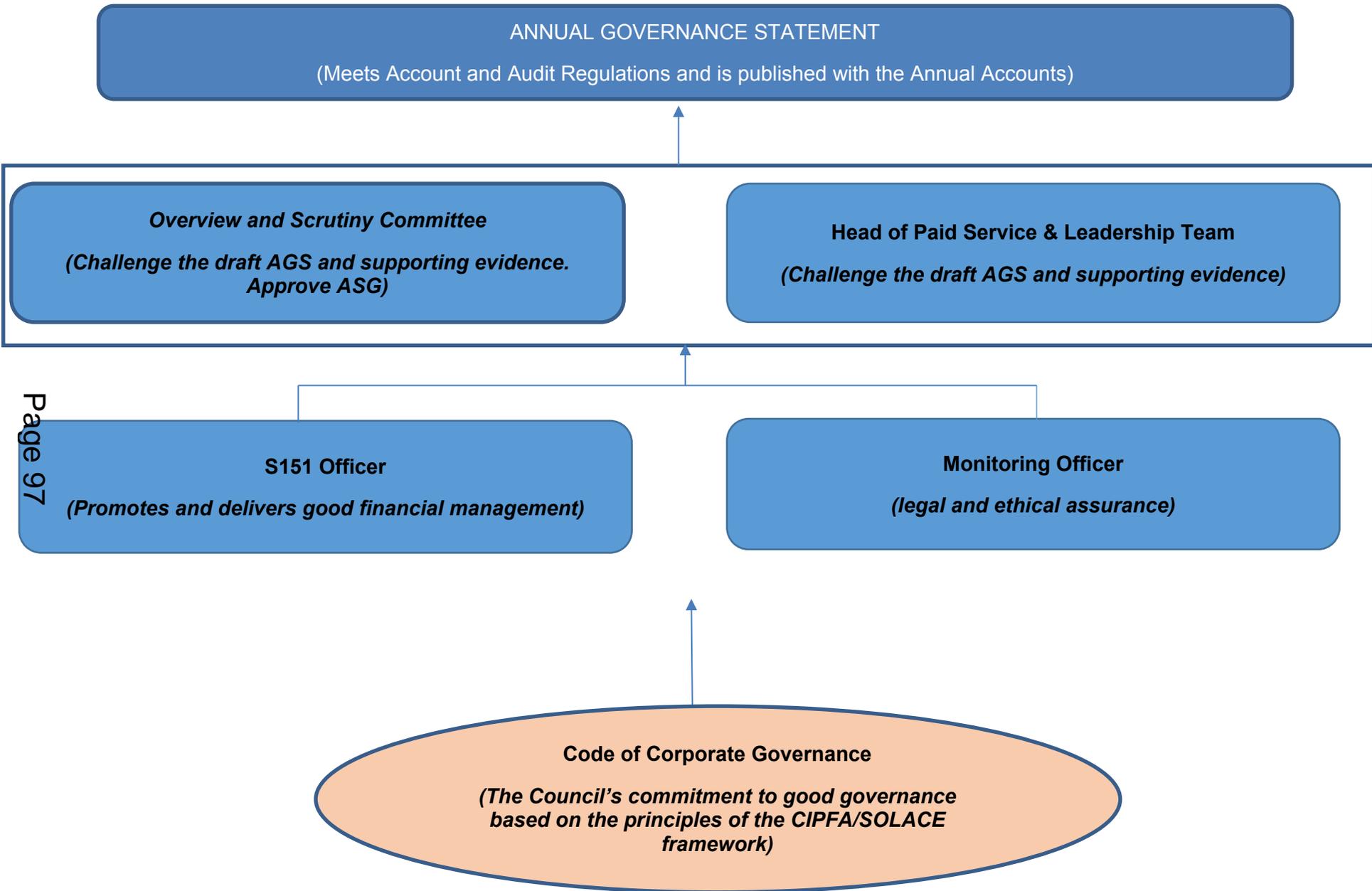
The governance framework has been in place at Ryedale District Council for the year ended 31 March 2018 and up to the date of approval of the annual statement of accounts.

The Council's Governance Framework addresses the way the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The Framework recognises that the Council's business is focused upon its corporate priorities and seeks to facilitate delivery to our local communities of the goals set out in the Corporate Plan.

The structures and processes, risk management and other internal control systems, such as standards of conduct, form part of this Framework, which is about managing the barriers to achieving the Council's objectives.

Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This task is managed by the Leadership Team which comprises the Head of Paid Service, Lead Officers and the Council Solicitor.

The Council has designed systems and processes to regulate, monitor and control its activities in order to achieve its vision and objectives.



**Code of Corporate Governance**

Page 98

**Constitution**  
**Code of Conduct**  
**Scheme of Delegation**  
**Complaints Process**  
**Equality and Diversity**

- Standards Committee
- Complaints Summary Reports
- Public Consultations
- Local Government Ombudsman Report

**Strategic Plan**  
**Policies and Procedures**  
**Business Planning**  
**Performance Results**  
**Partnership Protocol**

- Performance Reports
- Committee Reports
- Annual Audit Opinion (Internal)
- Scrutiny Committee

**Financial Management Framework**  
**Budget Monitoring Process**  
**Compliance with CIPFA Guidelines**

- Medium Term Financial Strategy
- Treasury & Investment Strategy
- Statement of Accounts
- Annual Audit Letters (External)
- Finance & Contract Procedure Rules

**HR Policies**  
**Pay Policy**  
**Risk Management**

- Corporate Risk Register
- Service Risk Registers
- Personal Appraisals
- Bribery, Anti-Fraud & Corruption Policy
- Whistleblowing Policy

### Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- the work of the Leadership Team who have responsibility for the development and maintenance of the governance environment;
- the Annual Internal Audit Assurance opinion, as provided by Veritau North Yorkshire;
- comments made by the external auditors and other review agencies and inspectorates;
- the Overview & Scrutiny Committee review that the elements of the governance framework are in place and effective, to ensure compliance with the principles. They also reviewed the system of internal audit and concluded it was effective and remained a key source of assurance for the Council in 2017/18.

Page 69

In accordance with section 3.7 of the Code of Practice on Local Authority Accounting for 2017/18, Ryedale's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government (2010).

The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council. In 2017/18 the Monitoring Officer continued his review of the efficiency and effectiveness of all arrangements relating to Council and Committee meetings, working groups, and the required officer support.

The Standards Committee has monitored standards of conduct of Members and advised the Council on probity issues. Entries made in the Register of Members' Interests were reviewed by the Monitoring Officer.

In 2017-18 the Council responded to 44 stage 1 and 12 stage 2 formal customer complaints, with an average response time of 4.60 days (the service standard is 5 days).

Other key officers have also been consulted for their views on the standards of governance within the Council – specifically the:

- S151 Finance Officer
- Monitoring Officer
- Head of Internal Audit (Veritau)

The Performance Management Framework has operated effectively during the year. Monitoring information on key areas of performance has been provided to the Leadership Team for review and action. Performance management outputs have also been reviewed by the Overview & Scrutiny and Policy & Resources Committee.

### Review of Effectiveness

The Overview and Scrutiny (O&S) Committee process has provided challenge and has monitored the Council's policies and performance on an ongoing basis. Lead Members have also kept issues under review during meetings with managers. During 2017/18 the Members of O&S have worked together, adopting a non-political approach, developing and using their knowledge and expertise, and that of others to the best effect. An evidence-based approach to the O&S work has been instrumental in achieving good results. There have been contributions, and input, from a range of stakeholders, including public and voluntary sector organisations, the public, officers and Members of the Council. Highlights have included:

#### Scrutiny

- Treasury Management
- Statement of Accounts
- Complaints
- Council Plan and Performance

#### Task Groups on

- Performance Indicators
- Affordable Housing Targets
- Staff Survey
- Swimming Lessons

#### Other Work

- Attendance at Policy Committees
- Review of Membership of Outside Bodies

Monitoring Reports from Key Partnerships and External Bodies including:  
Safer Ryedale                      Everyone Active                      Ombudsman

During 2017-18, Overview and Scrutiny has been reviewing the performance reporting of the Council's key indicators and a new and improved report has been developed. Affordable Housing has been a specific target of interest

The Council is dedicated to ensuring that its resources are utilised in the most effective and efficient manner whilst delivering continuous improvement. Work during 2017-18 on the **Towards 2020** transformation programme delivered financial savings of circa £436k towards the 2018-19 budget. Transformation work in 2017-18 focussed on Streetscene services, Assets and Rycare and delivered c. £200k towards the 2018-19 budget savings target. In addition officers have acted on feedback from Internal and External audit; and fed back customer complaints to the relevant Operational Managers to improve service delivery

The Council has in place regular reporting arrangements on the financial affairs of the Council. The budget for 2017/18 was agreed by Full Council in February 2017 and financial performance was reported on a regular basis to Members.

### Review of Effectiveness

Based on the assurance work undertaken by Internal Audit, the Head of Internal Audit (Veritau) has provided an opinion on the adequacy of the control environment which concluded that this gave Reasonable Assurance. It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute. Areas in which controls were below the required standard are reported initially to the relevant Manager who ensures prompt corrective action is taken, and ultimately to the Overview & Scrutiny Committee who monitor progress with improvements via follow up reports from Internal Audit.

All key systems were audited in 2017-18 and a total of 15 audit reports were provided to management and the O&S Committee. This included an audit of the Council's Risk Management arrangements the findings of which were addressed and reported to the O&S Committee Review of Effectiveness

In September 2017 the Council's external auditor (KPMG) provided the Council with an unqualified opinion on the Council's accounts within their Annual Audit and Inspection letter. KPMG also provided an unqualified opinion of the Council's arrangements to secure Value For Money.

Ryedale has undergone a Corporate Peer Challenge during 2016/17 and 2017/18, officers produced an action plan to address the findings. A Member working group was established in 2017-18 to address the findings.

In the 2016-17 Annual Governance Statement, six key issues were identified. Four of these issues are ongoing and will rollover into and/or be amended in the new version.

## Key Issues

This Statement is intended to provide reasonable assurance. It is stressed that no system of control can provide absolute assurance against material misstatement or loss. In concluding this overview of the Council's governance arrangements, 6 issues have been identified that need to be addressed to ensure continuous improvement in the Governance Framework. The aim is to address these weaknesses during the 2018-19 financial year, by way of an action plan for improving the governance framework and system of internal control. This will be subject to monitoring by the Overview and Scrutiny Committee.

Status	Control Issue	Action Proposed	Responsibility	Target Date	Current Position
<b>Brought Forward</b> <b>and amended</b>	On-going and future changes to the Council's financial framework including several changes to national and local funding regimes will increase the financial pressure on the Council and risk profile. These changes arise from continued downward pressure on government funding of Councils as confirmed in the indicative long term financial settlement	<p>The agreed Medium Term Financial Strategy of the Council reflects the expected need to make future savings over the medium term taking into account anticipated changes in financing. This informs the budget process for future years.</p> <p>The s151 Officer considers the risk as part of the closure of accounts including the need to make appropriate provisions and</p>	Chief Finance Officer (s151)	Ongoing, but with review of financial monitoring by October 2018. Quarterly reporting thereafter	The updated Medium Term Financial Strategy was approved by Members in February 2018.

Status	Control Issue	Action Proposed	Responsibility	Target Date	Current Position
	Ensure that officers and members receive adequate and robust financial information on which to base budget decisions	reserves at the year-end.  Review budget monitoring processes and information flows and reporting arrangements			
<b>Brought forward</b>	The Corporate Peer Challenge findings recommended a review of Governance arrangements	The areas highlighted were: Political Leadership Succession planning, Member development, involvement of members in priority setting	Members and Officers	Ongoing	The Corporate Peer Challenge findings recommended a review of Governance arrangements
<b>Brought forward</b>	The results of the recent Staff Survey indicated the bullying of employees within Ryedale District Council.	Overview & Scrutiny Committee is conducting a full investigation into the indication of bullying of employees. Officers will comply with all requests for information that the Committee makes in relation to the investigation. A budget of £10,000 (funded from general reserves) was agreed to facilitate this.	Members	Ongoing	Members have now received an initial report and are considering that.

Status	Control Issue	Action Proposed	Responsibility	Target Date	Current Position
<b>2018-19</b>	Ensure that arrangements regarding shared services, such as HR, payroll and financial support are in place to support the Council.	Monitoring of performance by Leadership Team	Leadership Team, but to note that Scrutiny will also review this area.	Quarterly reporting	Currently finalising arrangements. Overview and Scrutiny Committee has confirmed (on 14 June 2018) that this will be a topic for review in 2018-19.
<b>Amended</b>	The audit opinion of the control environment for the management of risk is "provides limited assurance". This has been updated from "weak" in the previous year, but a number of issues remain which will ensure this remains a priority.	An action plan has been agreed including sharing risk register with OSC, regularly reviewing risks, looking at online training	S151 officer and service leads	October 2018	Action plan now agreed

Approval of the  
Annual  
Governance  
Statement

Through the action referred to on the previous page, we propose over the coming year to address the issues that have been identified, with a view to further enhancing our governance arrangements. These steps will identify improvements that are needed and we will monitor their implementation and operation as part of our next annual review.

Signed:

Councillor Luke Ives  
Chairman of Policy and Resources Committee

Date: 26 July 2018

Signed:

Clare Slater  
Interim Chief Executive

Date: 26 July 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYEDALE DISTRICT COUNCIL****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of Ryedale District Council ('the Authority') for the year ended 31 March 2018 which comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement, the Collection Fund and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2018 and of the Authority's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Authority in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Other information published with the financial statements**

The Chief Financial Officer is responsible for the other information published with the financial statements, including the Narrative Statement and the Annual Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. In our opinion the other information published with the financial statements for the financial year is consistent with the financial statements.

**Chief Financial Officer's responsibilities**

As explained more fully in the statement set out on page 10, the Chief Financial Officer is responsible for: the preparation of the Authority's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future.

**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

**REPORT ON OTHER LEGAL AND REGULATORY MATTERS****Report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources****Conclusion**

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2017, we are satisfied that, in all significant respects, Ryedale District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

**Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1) (c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether Ryedale District Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Ryedale District Council put in place proper arrangements for

securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

### **Statutory reporting matters**

The Code of Audit Practice requires us to report to you if:

- any matters have been reported in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit;
- any recommendations have been made under Section 24 of the Local Audit and Accountability Act 2014;
- an application has been made to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- an advisory notice has been issued under Section 29 of the Local Audit and Accountability Act 2014;
- an application for judicial review has been made under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

### **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

### **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the financial statements of Ryedale District Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Rashpal Khangura  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

July 2018

This analysis provides supplementary information to the audited accounting statements. It provides details of the expenditure and income for each individual service for the Cost of Services line in the Comprehensive Income and Expenditure Statement:

2016/17 Net Exp. £000	Service	2017/18 Expenditure £000	2017/18 Income £000	2017/18 Net Exp. £000
	<b>Central Services to the Public</b>			
102	Grants, Bequests & Donations	103	-	103
39	Emergency Planning	34	-	34
418	Local Tax Collection	626	241	385
148	Elections	128	3	125
3	Local Land Charges	96	84	12
<b>710</b>	<b>Net Expenditure Central Services to the Public</b>	<b>987</b>	<b>328</b>	<b>659</b>
	<b>Cultural &amp; Related Services</b>			
116	Culture & Heritage	107	-	107
95	Open Spaces	84	5	79
598	Recreation & Sport	563	10	553
124	Tourism	127	6	121
<b>933</b>	<b>Net Expenditure Cultural &amp; Related Services</b>	<b>881</b>	<b>21</b>	<b>860</b>
	<b>Environmental &amp; Regulatory Services</b>			
32	Closed Churchyards	5	-	5
-	Community Safety (CCTV)	1	(1)	2
59	Community Safety (Crime Reduction)	58	-	58
1	Community Safety (Safety Services)	-	(1)	1
110	Flood Defence & Land Drainage	132	-	132
576	Recycling	1,450	1,158	292
888	Regulatory Services	849	252	597
366	Street Cleansing	366	17	349
(19)	Trade Waste	758	781	(23)
545	Waste Collection	561	12	549
<b>2,558</b>	<b>Net Expenditure Environmental &amp; Regulatory Services</b>	<b>4,180</b>	<b>2,218</b>	<b>1,962</b>
	<b>Planning Services</b>			
(26)	Building Control	244	247	(3)
57	Business Support	42	-	42
89	Community Development	86	-	86
376	Development Control	632	636	(4)
146	Economic Development	177	63	114
92	Environmental Initiatives	86	-	86
298	Planning Policy	245	194	51
<b>1,032</b>	<b>Net Expenditure Planning Services</b>	<b>1,512</b>	<b>1,140</b>	<b>372</b>

2016/17 Net Exp. £000	Service	2017/18 Expenditure £000	2017/18 Income £000	2017/18 Net Exp. £000
	<b>Highways &amp; Transport Services</b>			
(570)	Parking Services	233	835	(602)
56	Transport Support	51	-	51
<b>(514)</b>	<b>Net Expenditure Highways &amp; Transport Services</b>	<b>284</b>	<b>835</b>	<b>(551)</b>
	<b>Housing Services</b>			
59	Enabling	99	50	49
214	Homelessness	479	338	141
71	Housing Advice	68	-	68
180	Housing Benefits Administration	440	240	200
(2)	Housing Benefits Payments	8,987	8,986	1
(348)	Housing Strategy	169	38	131
17	Other Council Property	136	62	74
32	Other Welfare Services	252	244	8
95	Private Sector Housing Renewal	783	676	107
<b>318</b>	<b>Net Expenditure Housing Services</b>	<b>11,413</b>	<b>10,634</b>	<b>779</b>
	<b>Corporate &amp; Democratic Core</b>			
661	Corporate Management	608	68	540
600	Democratic Representation & Management	531	-	531
<b>1,261</b>	<b>Net Expenditure Corporate &amp; Democratic Core</b>	<b>1,139</b>	<b>68</b>	<b>1,071</b>
	<b>Other Corporate &amp; Non Distributed Costs</b>			
13	Other Services	(2)	-	(2)
324	Non Distributed Costs	(22)	-	(22)
<b>337</b>	<b>Net Expenditure Other Corporate &amp; Non Distributed Costs</b>	<b>(24)</b>	<b>-</b>	<b>(24)</b>
<b>6,635</b>	<b>COST OF SERVICES</b>	<b>20,372</b>	<b>15,244</b>	<b>5,128</b>

**Accounting Concepts**

The fundamental accounting principles that are applied to ensure that the Statement of Accounts 'present fairly' the financial performance and position of the Council.

**Accounting Period**

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the balance sheet date, 31 March.

**Accounting Policies**

Accounting Policies and estimation techniques are the principles, bases, conventions, rules and practices applied by the Authority that specify how the effects of transactions and other events are to be reflected in its financial statements. An accounting policy will, for example, specify the estimation basis for accruals where there is uncertainty over the amount.

**Accruals**

Sums included in the final accounts to cover income or expenditure, whether revenue or capital in nature, attributable to the accounting period but for which payment has not been made/received at the balance sheet date.

**Actuarial Gains and Losses**

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses which arise because either events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

**Amortisation**

The gradual elimination of a debt by periodic payments over a specified number of years.

**Asset**

Something of worth which is measurable in monetary terms. These are normally divided into current assets and fixed assets.

**Assets Under Construction**

This is the value of work on uncompleted tangible fixed assets at the balance sheet date.

**Balance Sheet**

A statement of the recorded assets, liabilities and other balances of the Authority at the end of the accounting period.

**Business Rates Retention Scheme**

A new scheme introduced from April 2013 which provides for local authorities sharing any surplus or deficit in Business Rates Income above or below a pre-determined baseline funding level set by Central Government.

**Capital Adjustment Account**

The balance on this account principally represents amounts set aside from revenue accounts, capital receipts used to finance capital expenditure and the excess of depreciation over the Minimum Revenue Provision.

**Capital Charge**

A charge to service revenue accounts to reflect the cost of utilising non-current assets in the provision of services.

**Capital Expenditure**

Expenditure on the acquisition of fixed assets that will be of use or benefit to the Authority in providing its services beyond the year of account or expenditure that adds to, and does not merely maintain, an existing fixed asset.

**Capital Expenditure charged to Revenue Account (CERA)**

A method of financing capital expenditure in the accounting period rather than over a number of years.

**Capital Financing**

The method by which money is raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing (CERA), usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

**Capital Programme**

The capital schemes the Authority intends to carry out over a specified time period.

**Capital Receipts**

Money received from the sale of fixed assets, or other money received towards capital expenditure. A specified proportion of this may be used to finance new capital expenditure.

**Cash Flow Statement**

A statement summarising the inflows and outflows of cash, arising from transactions between the Authority and third parties, for revenue and capital purposes.

**Charging Authority**

The Authority responsible for administering the Collection Fund, including raising bills for and collecting the appropriate council tax and national non-domestic rates (NNDR).

**Collection Fund**

A fund administered by the Charging Authorities into which is paid council tax and NNDR income and outstanding community charge income. Precepts are paid from the fund to Precepting Authorities, including the Charging Authority, and the NNDR collected is paid to the Government.

**Community Assets**

Assets that the Authority intends to hold in perpetuity that have no determinable useful life, or that may have restrictions on their disposal. Examples of such items are parks and historic buildings.

**Consistency**

The concept that the accounting treatment of like items, within an accounting period, and from one period to the next, is the same.

**Contingent Asset**

A possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control.

**Contingent Liability**

A possible liability that can be the result of either a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control or a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

**Corporate and Democratic Core**

The corporate and democratic core comprises all activities that the Authority engages in specifically because it is an elected, multi-purpose authority. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. The code of practice, therefore, does not require these costs to be apportioned to services.

**Council Tax**

A charge on residential property within the Authority's area to finance a proportion of the Authority's expenditure.

**Creditors**

Amounts owed by the Authority for work done, goods received or services rendered within the accounting period but for which payment was not made at the balance sheet date.

**Current Assets**

Assets that can be expected to be consumed or realised (cease to have material value) during the next accounting period.

**Current Liabilities**

Amounts that will become due or could be called upon during the next accounting period.

**Current Service Cost (Pensions)**

The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

**Curtailment**

For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments can include termination of employees' services earlier than expected (due to ceasing an activity) and termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

**Debtors**

Amounts due to the Authority for goods or services provided within the accounting period but not received at the balance sheet date.

**Deferred Debtors**

Amounts due to the Authority that are not expected to be repaid in full within the next accounting period.

**Deferred Liabilities**

These are liabilities which, by arrangement, are payable beyond the next year, either at some point in the future or by an annual sum over a period of time.

**Defined Contribution Pension Scheme**

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

**Depreciation**

The measure of the cost or revalued amount of the benefits of the fixed asset that have been consumed during the period. Consumption includes the wearing-out, using up or other reduction in the useful life of a fixed asset. This can arise from use, passing of time or obsolescence through, for example, changes in technology or demand for the goods and services provided by the asset.

**Emoluments**

These are all sums paid to, or receivable by, an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by either the employer or the employee are excluded.

**Expected Rate of Return on Pension Assets**

This applies to a funded defined benefit pension scheme and is the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

**Fair Value**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

**Financial Reporting Standards (FRSs)**

Statements prepared by the Accounting Standards Committee. Many of the Financial Reporting Standards (FRSs) and the earlier Statements of Standard Accounting Practice (SSAPs) apply to local authorities and any departure from these must be disclosed in the published accounts.

**Financial Year**

Period of time to which a Statement of Accounts relates. The financial year of the Authority runs from 1 April to 31 March.

**Fixed Assets**

Tangible and intangible assets that can be expected to be of use or benefit to the Authority in providing its services for more than one accounting period.

**General Fund**

The main account of the Authority that records the costs of service provision.

**Going Concern**

The concept that the Authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

**Government Grants**

Payments by central government towards the cost of Local Authority services either specifically (e.g. improvement grants) or generally (e.g. revenue support grant).

**Impairment**

A reduction in the value of a fixed asset below its carrying amount on the Authority's balance sheet.

**Income and Expenditure Account**

The Income and Expenditure Account combines the income and expenditure relating to all the Authority's functions.

**Infrastructure Assets**

These are fixed assets that are inalienable, i.e. expenditure on assets that cannot be sold, but where there is economic benefit over more than one year to the Council. Examples of infrastructure are highways and footpaths.

**Intangible Fixed Asset**

These are assets which do not have a physical substance, e.g. computer software, but which yield benefits to the Council, and the services it provides, for a period of more than one year.

**Interest Cost**

This relates to a defined benefit pension scheme. The expected increase during the period is the present value of the scheme liabilities because the benefits are one period closer to settlement.

**International Financial Reporting Standards (IFRS)**

Accounting standards set by the International Accounting Standards Board. The standards provide guidance and advice for the preparation of financial statements.

**Investment**

An investment is considered to be long term if it is intended to be held for use on a continuing basis in the activities of the Council. Investments should be classified as such only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments that do not meet the above criteria should be classified as current assets.

**Investment Properties**

An interest in land and/or buildings where construction work and development has been completed and which is held for its investment potential, any rental income being negotiated at arms length.

**Leasing**

A method of financing capital expenditure where a rental charge is paid for the asset over a specified period of time.

**Liability**

An account due to an individual or organisation that will be paid at some future date.

**Liquid Resources**

Current investments that are readily disposable by the Authority without disrupting its business and are readily convertible to cash.

**Long-Term Contracts**

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

**Minimum Revenue Provision**

The minimum amount which must be charged to the Authority's revenue accounts each year and set aside as a provision to meet the Authority's credit liabilities.

**Monitoring Officer**

Under the provisions of the Local Government and Housing Act 1989 Councils have a duty to appoint a Monitoring Officer to ensure the lawfulness and fairness of Authority decision making. Councils may choose who to designate as Monitoring Officer except that it may not be the Head of Paid Service (Chief Executive).

**National Non-Domestic Rates (NNDR)**

An NNDR poundage is set annually by central government and collected by Charging Authorities. The proceeds are redistributed by the government between Local Authorities through Top Ups and Tariffs.

**Net Book Value**

Amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

**Non- Current Assets**

These are assets with a physical substance that yield benefits to the Authority and the services it provides for a period of more than one year.

**Non Distributed Costs**

These are overheads from which no user benefits, and therefore they cannot be allocated to a service area.

**Non-Operational Assets**

These are fixed assets owned by the Council, but not directly occupied, used or consumed in the delivery of Authority services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, awaiting sale or redevelopment.

**Operational Assets**

These are fixed assets held and occupied, used or consumed by the Authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

**Past Service Cost**

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

**Post Balance Sheet Events**

Events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the responsible finance officer.

**Precept**

The amount that a Precepting Authority requires from a Charging Authority to meet its expenditure requirements.

**Precepting Authority**

Local Authorities, including parish councils and police authorities, which cannot levy a council tax directly on the public but have the power to precept Charging Authorities.

**Prior Year Adjustments (or Prior Period Adjustments)**

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring conditions or adjustments of accounting estimates made in prior years.

**Provisions**

Amounts set aside in the accounts for future liabilities that are likely to be incurred, but which cannot accurately be quantified.

**Prudence**

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets, the ultimate cash realisation of which can be assessed with reasonable certainty.

**Prudential Indicators**

The Local Government Act 2003 specifies a number of prudential indicators covering both capital and treasury management activities which local authorities must set as part of their budget process. They are designed to show the affordability of the capital programme and that the local authority borrowing is prudent and sustainable.

**Realisable Value**

The value of the asset at existing use, if sold between a willing buyer and a willing seller.

**Related Party**

Two or more parties are related where one party has control or is able to influence the financial or operational policies of another.

**Reserves**

Amounts set aside in the accounts for the purpose of defraying particular future expenditure. A distinction is drawn between reserves and provisions, which are set up to meet known liabilities.

**Residual Value**

The net realisable value of an asset at the end of its useful life. Residual values are based on current prices at the date of the acquisition (or revaluation) of the asset and do not take account of expected future price changes.

**Retirement Benefits**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

**Revaluation Reserve**

This account contains surpluses and losses arising from the periodic valuation of non-current assets.

**Revenue Account**

An account which records the Authority's day to day expenditure and income on such items as salaries and wages, running costs of service provision and the financing of capital expenditure.

**Revenue Expenditure Funded from Capital Under Statute**

Expenditure which may be properly capitalised but which does not result in or remain matched with assets controlled by the Authority.

**Revenue Support Grant (RSG)**

A general central government grant paid to the Income and Expenditure Account in support of the Charging Authority's revenue expenditure.

**Scheme Liabilities**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

**Section 151 Officer (s151)**

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2003 to ensure that the Authority's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. Furthermore section 25 of the Local Government Act 2003 requires the Section 151 Officer to comment on the robustness of the budget estimates and the adequacy of reserves.

**Statement of Recommended Practice (SORP)**

This is the guidance issued by CIPFA to enable Authority's to ensure that the Accounts published comply with IFRS as it applies to local authority financial matters.

**Stocks (inventories)**

Items of raw materials and stores purchased by the Authority to use on a continuing basis which have not been used. The value of those items not used at the balance sheet date are included as assets of the Council.

**Support Services**

The costs of departments that provide professional and administrative assistance to services e.g. Financial Services, Human Resources.

**Temporary Borrowing/Investment**

Money borrowed or invested for an initial period of less than one year.

**Useful Life**

The period over which the Authority will derive benefits from the use of an asset.

**Work in Progress**

The value of work done on an uncompleted project that has not been recharged to the appropriate account at the balance sheet date.

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LS1 4DA

When telephoning, please ask for:

Anton Hodge

ext 392

[anton.hodge@ryedale.gov.uk](mailto:anton.hodge@ryedale.gov.uk)

July 2018

Dear Rashpal

This representation letter is provided in connection with your audit of the financial statements of Ryedale District Council ("the Authority"), for the year ended 31 March 2018, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial position of the Authority as at 31 March 2018 and of the Authority's expenditure and income for the year then ended;
- ii. whether the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

These financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the Collection Fund and the related notes (including the Expenditure and Funding Analysis).

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

### Financial statements

1. The Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015, for the preparation of financial statements that:
  - i. give a true and fair view of the financial position of the Authority as at 31 March 2018 and of the Authority's expenditure and income for the year then ended;
  - ii. have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Authority in making accounting estimates, including those measured at fair value, are reasonable.



3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.

**Information provided**

4. The Authority has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from the Authority for the purpose of the audit; and
- unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.

6. The Authority confirms the following:

- i) The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- ii) Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.
- ii) The Authority has disclosed to you all information in relation to:
  - a) Fraud or suspected fraud that it is aware of and that affects the Authority and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and
  - b) allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

7. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
8. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.



9. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

10. The Authority confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view.
- b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Authority to continue as a going concern.

11. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 (Revised) Employee Benefits.

The Authority further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
  - statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - funded or unfunded; and
  - approved or unapproved,

have been identified and properly accounted for; and

- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Policy & Resources Committee on 26 July 2018.

Yours sincerely

Councillor Luke Ives  
Chair of Policy and Resources Committee

Anton Hodge  
S151 Officer



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## **Appendix to the Authority Representation Letter of Ryedale District Council: Definitions**

### **Financial Statements**

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information and the Expenditure and Funding Analysis.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

### **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.



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## **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

## **Management**

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

## **Related Party and Related Party Transaction**

### **Related party:**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled, or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii. The entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.



Key management personnel in a local authority context are all chief officers (or equivalent), elected members, the chief executive of the authority and other persons having the authority and responsibility for planning, directing and controlling the activities of the authority, including the oversight of these activities.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control, joint control or significant influence over the reporting entity;  
and
- b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

**Related party transaction:**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.



# External Audit ISA260 Report 2017/18

**Ryedale District  
Council**

July 2018

**DRAFT**

Note - This is draft document and subject to change as we finalise our audit work. Text in red will be updated/removed as appropriate as our audit work is finalised.

# Summary for Audit Committee

**This document summarises the key findings in relation to our 2017-18 external audit at Ryedale District Council ('the Authority').**

**This report covers our final on-site work which was completed in June and July 2018 on the Authority's significant risk areas, as well as other areas of your financial statements.**

## Financial statements

**Subject to all outstanding queries being resolved to our satisfaction we anticipate issuing an unqualified audit opinion on the Authority's financial statements before the deadline of 31 July 2018. We note the following outstanding work:**

- Enquiries in relation to the carrying value of assets not revalued in 2017/18 and the impairment review in 2017/18;
- Enquiries relating to pensions queries;
- Testing of post closing journal entries; and
- Final review of the financial statements following processing of adjustments.

Based upon our initial assessment of risks to the financial statements (as reporting to you in our *External Audit Plan 2017/18* and updated during our audit) we identified the following significant risks (excluding those mandated by International Standards on Auditing – see Page 6):

- **Valuation of PPE;**
- **Valuation of Pensions Liabilities; and**
- **Faster Close.**

We have identified one audit adjustments with a total value of £0.652million. See page 21 for details. These adjustments result in a net decrease of £0.652 million in the reported surplus on provision of services. This adjustment also affected a number of other notes in the statement of accounts.

Based on our work, we have raised 5 new recommendations. Details of our recommendations can be found in Appendix 1.

**While we have completed the audit of the Council's draft financial statements subject to completing testing on the areas listed above, we have not yet completed the audit work on the Council's Whole of Government Accounts submission. Until that work is completed we will not be able to issue our completion certificate.**

# Summary for Audit Committee (cont.)

## Value for money arrangements

We have completed our risk-based work to consider whether in all significant respects the Authority has proper arrangements to ensure has taken properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**We therefore anticipate issuing an unqualified value for money opinion.**

See further details on page 14.

## Exercising of audit powers

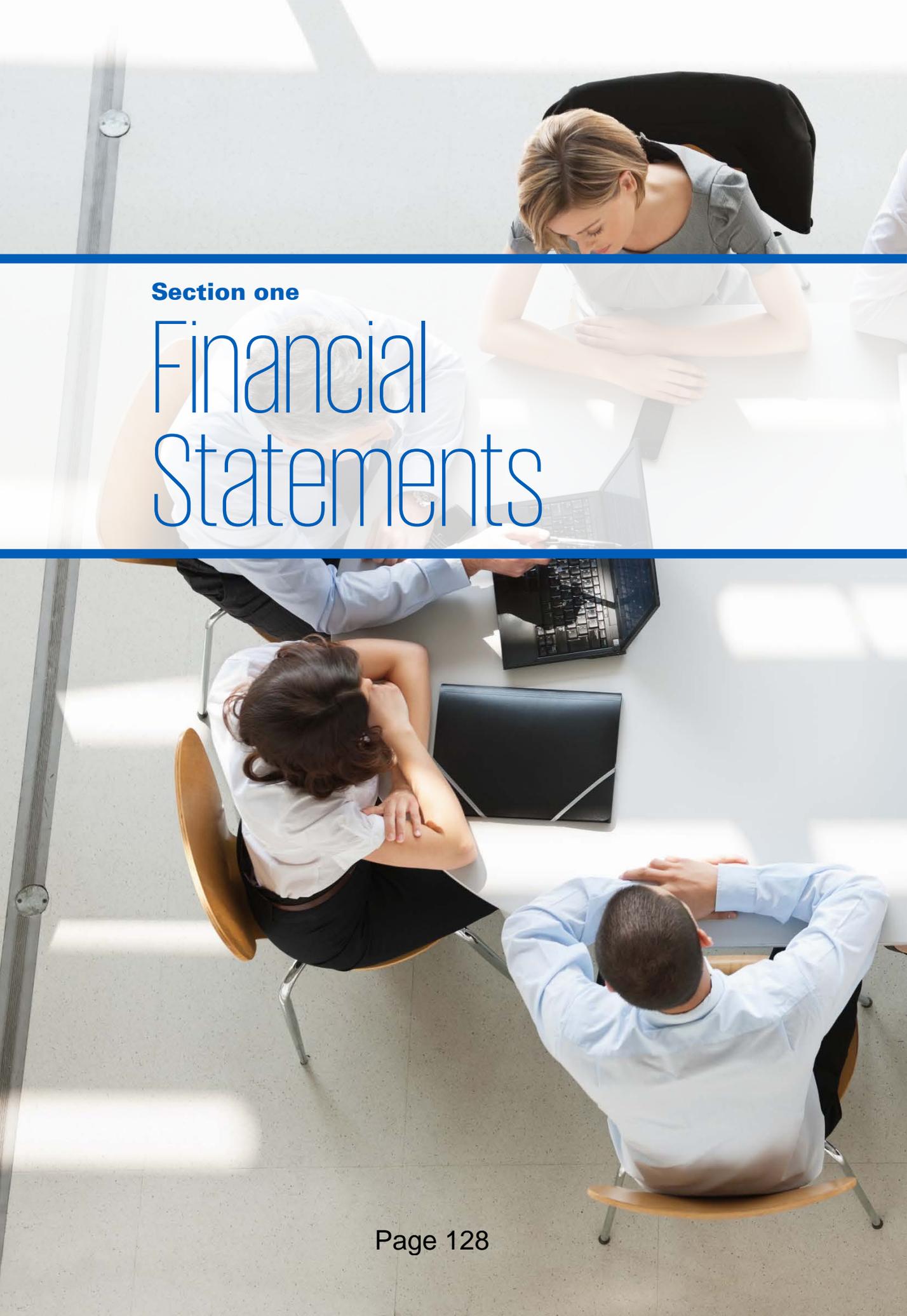
We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.

We have not identified any matters that would require us to issue a public interest report.

In addition, we have not had to exercise any other audit powers under the Local Audit & Accountability Act 2014.

## Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help.

An overhead photograph of four business professionals (three men and one woman) sitting around a white conference table. They are dressed in business attire. Two laptops are open on the table. The scene is brightly lit, with shadows cast across the floor and table. A blue horizontal bar is overlaid across the middle of the image, containing the text.

**Section one**

# Financial Statements

# Accounts production and audit process

**Audit standards (ISA 260) require us to communicate our views on the significant qualitative aspects of the Authority's accounting practices and financial reporting.**

**We also assessed the Authority's process for preparing the accounts and its support for an efficient audit. The efficient production of the financial statements and good-quality working papers are critical to meeting the tighter deadlines.**

**The Authority's overall process for the preparation of the financial statements is adequate.**

**The Authority has implemented some of the recommendations in our *ISA 260 Report 2016/17*.**

## **Accounts practices and production process**

The Authority incorporated a number of measures into its closedown plan to further improve the project management of this complex process. Specifically, the Authority recognised the additional pressures which the earlier closedown brought and we engaged with officers in the period leading up to the year end in order to proactively address issues as they emerge.

We consider that the overall process for the preparation of your financial statements is adequate.

We also consider the Authority's accounting practices appropriate.

## **Going concern**

The financial statements of the Authority have been prepared on a going concern basis. We confirm that we have identified no significant matters which would, in our view, affect the ability of the Authority to continue as a going concern.

## **Implementation of recommendations**

We raised 2 recommendations in our ISA 260 Report 2016/17. Further details are included in Appendix 2.

## **Completeness of draft accounts**

We received a complete set of draft accounts on 31 May 2018, which is the statutory deadline.

## **Quality of supporting working papers**

The supporting working papers were provided in a timely manner and were of an adequate quality.

## **Response to audit queries**

Officers dealt with our audit queries in a timely manner.

# Specific audit areas

**We anticipate issuing an unqualified audit opinion on the Authority's 2017-18 financial statements by 31 July 2018. We will also report that your Annual Governance Statement complies with the guidance issued by CIPFA/SOLACE ('Delivering Good Governance in Local Government') published in April 2016.**

Auditing standards require us to consider two standard risks for all organisations. We consider these as a matter of course in our audit and will have set out the findings arising from our work in our ISA 260 Report below.

## 01

### Management override of controls

Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Our audit methodology incorporates the risk of management override as a default significant risk. We have not identified any specific additional risks of management override relating to this audit.

In line with our methodology, we carried out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.

There are no matters arising from this work that we need to bring to your attention.

## 02

### Fraudulent revenue recognition

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

In our *External Audit Plan 2017-18* we reported that we do not consider this to be a significant risk for Local Authorities as there is unlikely to be an incentive to fraudulently recognise revenue.

This is still the case. Since we have rebutted this presumed risk, there has been no impact on our audit work.

# Specific audit areas

## Significant Audit Risks – Authority

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error in relation to the Authority.

**Risk:** | **Valuation of PPE**

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle. As a result of this, however, individual assets may not be revalued for four years.

This creates a risk that the carrying value of those assets not revalued in year differs materially from the year end fair value. In addition, as the valuation is undertaken as at 1 April, there is a risk that the fair value is different at the year end.

**Our assessment and work undertaken:** |

We reviewed the approach that the Authority has adopted to assess the risk that assets not subject to valuation are materially misstated and consider the robustness of that approach. We will also assess the risk of the valuation changing materially during the year.

In addition, we considered movement in market indices between revaluation dates and the year end in order to determine whether these indicate that fair values have moved materially over that time.

In relation to those assets which have been revalued during the year we assessed the valuer’s qualifications, objectivity and independence to carry out such valuations and review the methodology used (including testing the underlying data and assumptions).

As a result of this work we determined that the Authority has accounted for the valuation of PPE appropriately.

We have set out our view of the assumptions used in relation to accounting for Property, Plant & Equipment at page 9.

# Specific audit areas (cont.)

## Significant Audit Risks – Authority (cont.)

<b>Risk:</b>	<p><b>Pension Liabilities</b></p> <p>The net pension liability represents a material element of the Authority’s balance sheet. The Authority is an admitted body of North Yorkshire Pension Fund, which had its last triennial valuation completed as at 31 March 2016. This forms an integral basis of the valuation as at 31 March 2018.</p> <p>The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Authority’s overall valuation.</p> <p>There are financial assumptions and demographic assumptions used in the calculation of the Authority’s valuation, such as the discount rate, inflation rates, mortality rates etc. The assumptions should also reflect the profile of the Authority’s employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>There is a risk that the assumptions and methodology used in the valuation of the Authority’s pension obligation are not reasonable. This could have a material impact to net pension liability accounted for in the financial statements.</p>
<b>Our assessment and work undertaken:</b>	<p>As part of our work we reviewed the controls that the Council has in place over the information sent directly to the Scheme Actuary. We also liaised with the auditors of the Pension Fund in order to gain an understanding of the effectiveness of those controls operated by the Pension Fund. This included consideration of the process and controls with respect to the assumptions used in the valuation. We also evaluated the competency, objectivity and independence of the Actuary.</p> <p>We reviewed the appropriateness of the key assumptions included within the valuation, compared them to expected ranges, and consider the need to make use of a KPMG Actuary. We reviewed the methodology applied in the valuation by the Actuary.</p> <p>In addition, we reviewed the overall Actuarial valuation and considered the disclosure implications in the financial statements.</p> <p>As a result of this work we determined that the Authority has accounted for the pension liability appropriately.</p> <p>We did identify one audit misstatement which has been adjusted for in the statement of accounts. This related to a pensions up front payment towards the pension deficit which had incorrectly been included as a prepayment in the draft statement of accounts. This cost has to be fully recognised in the CIES in the year of the payment. These adjustments result in a net decrease of £0.652 million in the reported surplus on provision of services. This adjustment also affected a number of other notes in the statement of accounts.</p> <p>We have set out our view of the assumptions used in valuing pension assets and liabilities at page 10.</p>

# Specific audit areas (cont.)

## Significant Audit Risks – Authority (cont.)

<p><b>Risk:</b></p>	<p><b>Faster Close</b></p> <p>In prior years, the Authority has been required to prepare draft financial statements by 30 June and then final signed accounts by 30 September. For years ending on and after 31 March 2018 however, revised deadlines apply which require draft accounts by 31 May and final signed accounts by 31 July.</p> <p>These changes represent a significant change to the timetable that the Authority has previously worked to. The time available to produce draft accounts has been reduced by one month and the overall time available for completion of both accounts production and audit is two months shorter than in prior years.</p> <p>In order to meet the revised deadlines, the Authority may need to make greater use of accounting estimates. In doing so, consideration will need to be given to ensuring that these estimates remain valid at the point of finalising the financial statements. In addition, there are a number of logistical challenges that will need to be managed. These include:</p> <ul style="list-style-type: none"><li>— Ensuring that any third parties involved in the production of the accounts (including valuers and actuaries) are aware of the revised deadlines and have made arrangements to provide the output of their work in accordance with this;</li><li>— Revising the closedown and accounts production timetable in order to ensure that all working papers and other supporting documentation are available at the start of the audit process;</li><li>— Ensuring that the Audit Committee meeting schedules have been updated to permit signing in July; and</li><li>— Applying a shorter paper deadline to the July meeting of the Audit Committee meeting in order to accommodate the production of the final version of the accounts and our ISA 260 report.</li></ul> <p>In the event that the above areas are not effectively managed there is a significant risk that the audit will not be completed by the 31 July deadline.</p> <p>There is also an increased likelihood that the Audit Certificate (which confirms that all audit work for the year has been completed) may be issued separately at a later date if work is still ongoing in relation to the Authority’s Whole of Government Accounts return. This is not a matter of concern and is not seen as a breach of deadlines.</p>
<p><b>Our assessment and work undertaken:</b></p>	<p>We liaised with officers in preparation for our audit in order to understand the steps that the Authority was taking in order to ensure it met the revised deadlines.</p> <p>We received draft financial statements on the statutory deadline of 31 May 2018. The quality of this draft was consistent that of prior years and a result we identified that faster close did not pose a significant risk to the audit. Therefore this does not constitute a significant risk to the financial statements audit.</p>



# Judgements (cont.)

Subjective area	2017-18	2016-17	Commentary																												
Valuation of pension assets and liabilities	4	3	<p>The Authority continues to use Aon Hewitt to provide actuarial valuations in relation to the assets and liabilities recognised as a result of participation in the Local Government Pension Scheme. Due to the overall value of the pension assets and liabilities, small movements in the assumptions can have a significant impact on the overall valuation.</p> <p>The actual assumptions adopted by the actuary were determined to be slightly optimistic overall but fell within our expected ranges as set out below:</p>																												
			<table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>KPMG Range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>2.60%</td> <td>2.35-2.65%</td> <td>4</td> </tr> <tr> <td>CPI inflation</td> <td>2.10%</td> <td>1.91-2.41%</td> <td>3</td> </tr> <tr> <td>Net discount rate</td> <td>0.5%</td> <td>(0.06)-0.74%</td> <td>4</td> </tr> <tr> <td>Salary Increases</td> <td>CIP plus 1.25%</td> <td>CPI plus 0% to 2.0%</td> <td>3</td> </tr> <tr> <td>Life expectancy</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    Males currently 45/65</td> <td>25.1/22.9</td> <td>23.5/22.1</td> <td rowspan="2">2</td> </tr> <tr> <td>    Females currently 45/65</td> <td>28.7/26.4</td> <td>25.4/23.9</td> </tr> </tbody> </table>	Assumption	Actuary Value	KPMG Range	Assessment	Discount rate	2.60%	2.35-2.65%	4	CPI inflation	2.10%	1.91-2.41%	3	Net discount rate	0.5%	(0.06)-0.74%	4	Salary Increases	CIP plus 1.25%	CPI plus 0% to 2.0%	3	Life expectancy				Males currently 45/65	25.1/22.9	23.5/22.1	2
Assumption	Actuary Value	KPMG Range	Assessment																												
Discount rate	2.60%	2.35-2.65%	4																												
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Females currently 45/65	28.7/26.4	25.4/23.9																													



# Proposed opinion and audit differences

**Subject to all outstanding queries being resolved to our satisfaction, we anticipate issuing [an unqualified audit opinion on the Authority's 2017-18 financial statements following approval of the Statement of Accounts by the Audit Committee on 25 July 2018.**

## Audit differences

In accordance with ISA 260 we are required to report uncorrected audit differences to you. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

The final materiality (see Appendix 4) for this year's audit was set at £0.4 million. Audit differences below £20k are not considered significant.

We identified one material misstatement relating to an up front payment of pension deficit contributions. The tables below illustrate the total impact of audit differences on the Authority's movements on the General Fund for the year and balance sheet as at 31 March 2018. We identified a number of issues that have not been adjusted by management as they do not have a material effect on the financial statements.

In addition, we identified a small number of presentational adjustments required to ensure that the accounts are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 ('the Code'). We have set out details of significant presentational adjustments in Appendix 3. We understand that the Authority will be addressing these where significant.

### Movement on the General Fund 2017-18

### Balance Sheet as at 31 March 2018

£m	Pre-Audit	Post-Audit	£m	Pre-Audit	Post-Audit
Surplus on the provision of services	3,648	2,996	Property, Plant & Equipment	16,393	16,393
			Other long term assets	2,566	2,566
Adjustments between accounting basis and funding basis under regulations	468	1,120	Current assets	21,497	20,845
			Current liabilities	-5,753	-5,753
<b>Increase in General Fund</b>	<b>4,116</b>	<b>4,116</b>	Long term liabilities	-22,177	-22,177
			<b>Net worth</b>	<b>12,526</b>	<b>11,874</b>
			General Fund	12,808	12,808
			Other useable reserves	498	498
			Unusable reserves	-780	-1,432
			<b>Total Reserves</b>	<b>12,526</b>	<b>11,874</b>

## Annual governance statement

We have reviewed the Authority's 2017-18 Annual Governance Statement and confirmed that:

- It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- It is not misleading and is consistent with other information we are aware of from our audit of the financial statements.

## Narrative report

We have reviewed the Authority's 2017-18 narrative report and have confirmed that it is consistent with the financial statements and our understanding of the Authority.



# Completion

**We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's 2017/18 financial statements.**

**Before we can issue our opinion we require a signed management representation letter.**

**Once we have finalised our opinions and conclusions we will prepare our Annual Audit Letter and close our audit.**

## Declaration of independence and objectivity

As part of the finalisation process we are required to provide you with representations concerning our independence.

In relation to the audit of the financial statements of Ryedale District Council for the year ending 31 March 2018, we confirm that there were no relationships between KPMG LLP and Ryedale District Council, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Public Sector Audit Appointments Ltd requirements in relation to independence and objectivity.

We have provided a detailed declaration in Appendix 5 in accordance with ISA 260.

## Management representations

You are required to provide us with representations on specific matters such as your financial standing and whether the transactions within the accounts are legal and unaffected by fraud. We have provided a template to the S151 Officer for presentation to the Audit Committee. We require a signed copy of your management representations before we issue our audit opinion.

## Other matters

ISA 260 requires us to communicate to you by exception 'audit matters of governance interest that arise from the audit of the financial statements' which include:

- Significant difficulties encountered during the audit;
- Significant matters arising from the audit that were discussed, or subject to correspondence with management;
- Other matters, if arising from the audit that, in the auditor's professional judgment, are significant to the oversight of the financial reporting process; and
- Matters specifically required by other auditing standards to be communicated to those charged with governance (e.g. significant deficiencies in internal control; issues relating to fraud, compliance with laws and regulations, subsequent events, non disclosure, related party, public interest reporting, questions/objections, opening balances etc.).

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report or our previous reports relating to the audit of the Authority's 2017-18 financial statements.

**Section two**

# Value for Money Arrangements



# Specific value for money risk areas

Our 2017-18 VFM conclusion considers whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

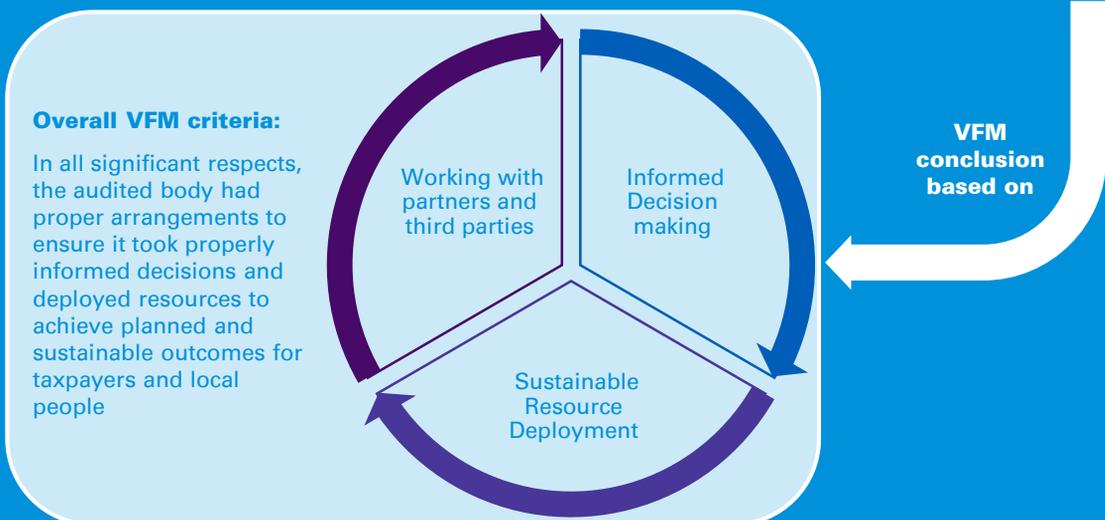
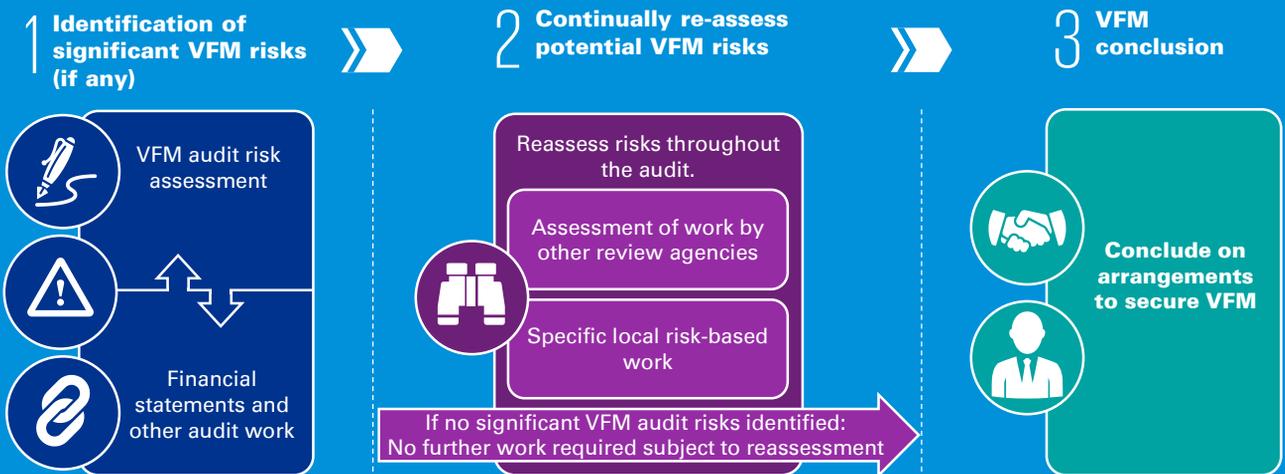
We have concluded that the Authority has made proper arrangements to ensure it took properly-informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

As communicated to you in our *External Audit Plan 2017-18*, we have not identified any risks requiring specific audit attention and procedures to address the likelihood that proper arrangements are not in place to deliver value for money.

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

We follow a risk based approach to target audit effort on the areas of greatest audit risk.



# Appendices

A close-up photograph of a person's right hand holding a silver pen, writing on an orange sticky note attached to a whiteboard. The whiteboard is covered with several other colorful sticky notes in shades of pink, purple, and green. The background is a soft-focus blue wall. The image is split horizontally by a purple band containing the title 'Appendices'.

**Appendix 1:**

# Key issues and recommendations

Our audit work on the Authority’s 2017-18 financial statements has identified a number of issues. We have listed these issues in this appendix together with our recommendations which we have agreed with Management. We have also included Management’s response to this recommendation.

The Authority should closely monitor progress in addressing the risks, including the implementation of our recommendations.

We have given each recommendation a risk rating and agreed what action management will need to take.

### Priority Rating for Recommendations

<b>1</b>	<b>Priority One:</b> Issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	<b>2</b>	<b>Priority Two:</b> Issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	<b>3</b>	<b>Priority Three:</b> Issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.
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The following is a summary of the issues and recommendations raised in the year 2017/18.

Priority	This Report	Total
High	0	<b>0</b>
Medium	1	<b>1</b>
Low	4	<b>4</b>
<b>Total</b>	<b>5</b>	<b>5</b>

# Key issues and recommendations (cont.)

No.	Risk	Issue & Recommendation	Management Response
1	3	<p><b>Northgate review of privileged access users</b></p> <p>There are no periodic reviews of the administrative roles for privileged access users. Responsibility for identification of excess privileges lies with line managers. This may result in users who have excess privileges on the Northgate system. We recommend instituting access users reviews, including the relevant privileges of each user. We also recommend that this is documented to provide evidence that this has been completed on a regular basis.</p>	<p>This has been identified in previous annual internal audits and it has been accepted that due to the relatively small number of staff employed by the Authority, members of the ICT &amp;/or Revenues and Benefits teams are familiar with everyone and this in itself can be an informal control. We do undertake an annual check however we are developing a regular procedure for identifying inactive accounts on the directory relating to individuals that may not be familiar to ICT &amp;/or Revenues and Benefits system administrators. Current procedure for RDC leavers involves a note on the intranet from HR and a formal user amendment form sent to ICT from the leaver’s manager.</p> <p><b>Responsible Officer</b></p> <p>Angela Jones, Customer Service Lead</p> <p><b>Implementation Deadline</b></p> <p>31st Oct 18</p>
2	3	<p><b>Northgate leavers</b></p> <p>There is no formalised notification process to notify the Northgate systems admin team of leavers to be removed from Northgate. We recommend instituting a formalised procedure to notify the Northgate team of leavers so these people can be removed from the system on a timely basis.</p>	<p>This has been identified in previous annual internal audits and it has been accepted that due to the relatively small number of staff employed by the Authority, members of the ICT, Revenues and Benefits teams are familiar with everyone and this in itself can be an informal control. We do undertake an annual check however we are developing a regular procedure for identifying inactive accounts on the directory relating to individuals that may not be familiar to ICT, Revenues and Benefits system administrators. Current procedure for RDC leavers involves a note on the intranet from HR and a formal user amendment form sent to ICT from the leaver’s manager.</p> <p><b>Responsible Officer</b></p> <p>Angela Jones, Customer Service Lead</p> <p><b>Implementation Deadline</b></p> <p>31st Oct 18</p>

# Key issues and recommendations (cont.)

No.	Risk	Issue & Recommendation	Management Response
3	3	<p><b>Civica review of system users</b></p> <p>There is no periodic review of the system's users, including super-users to determine if the current user access list is sufficient and correct. This is a control that should be undertaken on at least a quarterly basis to ensure that all system users, including super-users, are still correct, sufficient, and will effectively ensure that access to the system is restricted to those who require it.</p>	<p>This has been identified in previous annual internal audits and it has been accepted that due to the relatively small number of staff employed by the Authority, members of the ICT &amp;/or Customer Service (Business &amp; Democracy) teams are familiar with everyone and this in itself can be an informal control. We do undertake an annual check however we are developing a regular procedure for identifying inactive accounts on the directory relating to individuals that may not be familiar to ICT &amp;/or Customer Service (Business &amp; Democracy) administrators. Current procedure for RDC leavers involves a note on the intranet from HR and a formal user amendment form sent to ICT from the leaver's manager.</p> <p><b>Responsible Officer</b> Anton Hodge</p> <p><b>Implementation Deadline</b> 31st Oct 18</p>
4	3	<p><b>Payroll controls retaining of documentation</b></p> <p>The documentation of the control around reconciling oncosts invoices from CYC to the CYC voucher are not retained. As a matter of best practice, these should be retained going forward.</p> <p>The control around reviewing exception reports provided by City of York Council is not formally documented and retained. As a point of best practice, this should be documented.</p>	<p>We are currently reviewing our procedures.</p> <p><b>Responsible Officer</b> Andrew Ellis</p> <p><b>Implementation Deadline</b> 31st Oct 18</p>
5	2	<p><b>Resource in the accounts production team</b></p> <p>There have been recent staffing changes in the finance team that mean there is limited resource in the team. The financial statements are made up of a number of judgements and estimates that require management to come to a decision. The Council currently relies on consulting other Councils to come to a decision.</p> <p>We recommend that management review the current capacity of the team to determine whether further support is required from elsewhere.</p>	<p>A review of the resources available in the finance team is currently underway with a view to securing additional support from another Council.</p> <p><b>Responsible Officer</b> Anton Hodge</p> <p><b>Implementation Deadline</b> 31 Oct 2018</p>

**Appendix 2:**

# Follow-up of prior year IT recommendations

The Authority has implemented all of the recommendations raised through our previous audit.

This appendix summarises the progress made to implement the recommendations identified in our *ISA 260 Report 2016/17*.

**Number of recommendations that were**

Included in the original report	2
Implemented in year or superseded	2
Outstanding at the time of our audit	0

No.	Risk	Issue & Recommendation	Management Response	Status as at 23/07/2018
1	3	<p><b>Issue:</b></p> <p><b>Accruals identification</b></p> <p>During the cut-off testing we identified non-significant expenditure that had not been accrued into 2016/17.</p> <p>This was not in line with the Council's accounting policy on accruals of income and Expenditure.</p> <p><b>Recommendation:</b></p> <p>For 2017/18 the Council need to review accounting policy on accruing income and expenditure and either amend the accounting policy for de-minimus values, or ensure that the accruals process is in line with the policy.</p>	<p>Accepted</p> <p>Further training will be given to managers and staff on the use of the purchase ordering system. The importance of the information held in the system for identifying accruals will be reiterated.</p> <p><b>Responsible Officer</b> Resources &amp; Enabling Services Lead Officer</p> <p><b>Implementation Deadline</b> December 2017</p>	<p>Through our cut-off testing performed in 2017/18 we did not identify any issues.</p> <p><b>Implemented</b></p>

# Follow-up of prior year recommendations (Cont.)

No.	Risk	Issue & Recommendation	Management Response	Status as at 23/07/2018
2	2	<p><b>Issue:</b></p> <p><b>Response to Peer Review</b></p> <p>The Council received a peer review during the year which included a number of recommendations that are necessary to improve the arrangements at the Council.</p> <p>An agreed action plan was drawn up and presented to Members in March 2017, however this action plan was referred to Full Council in April 2017.</p> <p>At Full Council, Members decided that they needed a members working party to address the issues raised and confirm / amend the suggested action plan.</p> <p>The working group has been set up and is planning to meet in November 2017.</p> <p><b>Recommendation:</b></p> <p>We recommend that action is agreed and implemented as soon as possible to address the issues identified in the peer review.</p>	<p>Accepted</p> <p>The overview and scrutiny committee have reviewed meeting start times and the management of meetings, as highlighted in the Corporate Peer Challenge. Their recommendations will be considered by the Constitution Working Party.</p> <p>The Interim Chief Executive will continue to work with Members through the Corporate Peer Challenge working party to agree and implement other actions from the Peer Review</p> <p><b>Responsible Officer</b> Interim Chief Executive</p> <p><b>Implementation Deadline</b> July 2018</p>	<p>The CPC Improvement Plan Working Party have met on a number of occasions in the last 12 months. The improvement plan has not yet been agreed by members of Council but progress has been made against a number of action in the draft improvement plan and this has been reported to the members of the working party. The LGA CPC review team revisited the Council in April 2018 and the report of this visit is awaited and will be considered initially by the CPC Improvement Plan Working Party at their meeting on 13 September 2018.</p> <p><b>Implemented</b></p>

## Appendix 3:

# Audit differences

We are required by ISA 260 to report all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance (which in your case is the Audit Committee]).

We are also required to report all material misstatements that have been corrected but that we believe should be communicated to you to assist you in fulfilling your governance responsibilities.

A number of minor amendments focused on presentational improvements have also been made to the 2017-18 draft financial statements. The Finance team is committed to continuous improvement in the quality of the financial statements submitted for audit in future years.

### Adjusted audit differences – Authority

The following table sets out the significant audit differences identified by our audit of Ryedale District Council's financial statements for the year ended 31 March 2018. It is our understanding that these will be adjusted. However, we have not yet received a revised set of financial statements to confirm this.

Table 1: Adjusted audit differences – Authority (£'000)

No.	Income and expenditure statement	Assets	Liabilities	Basis of audit difference
1	Dr Cost of Services 652	Cr Prepayments 652		- This related to a pensions up front payment towards the pension deficit which had incorrectly been included as a prepayment in the draft statement of accounts. This cost has to be fully recognised in the CIES in the year of the payment. These adjustments result in a net decrease of £0.652 million in the reported surplus on provision of services. This adjustment also affected a number of other notes in the statement of accounts.
	<b>Dr 652</b>	<b>Cr 652</b>		<b>Total impact of adjustments</b>

### Unadjusted audit differences - Authority

Our audit did not identify any material unadjusted audit misstatements.

### Presentational adjustments - Authority

We identified a number of minor presentational adjustments required to ensure that the Authority's financial statements for the year ending 31 March 2018 are fully compliant with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 ('the Code').

# Materiality and reporting of audit differences

**The assessment of what is material is a matter of professional judgment and includes consideration of three aspects: materiality by value, nature and context.**

Material errors by value are those which are simply of significant numerical size to distort the reader's perception of the financial statements. Our assessment of the threshold for this depends upon the size of key figures in the financial statements, as well as other factors such as the level of public interest in the financial statements.

Errors which are material by nature may not be large in value, but may concern accounting disclosures of key importance and sensitivity, for example the salaries of senior staff.

Errors that are material by context are those that would alter key figures in the financial statements from one result to another – for example, errors that change successful performance against a target to failure.

We used the same planning materiality reported in our *External Audit Plan 2017-18*, presented to you in January 2018 for the Authority.

## Reporting to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260, we are obliged to report omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

ISA 450 requires us to request that uncorrected misstatements are corrected.

In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £20k for the Authority.

Where management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

## Appendix 5:

# Required communications with the Audit Committee

We have provided below at-a-glance summary of the information we are required to report to you in writing by International Accounting Standards.

Required Communication	Commentary
Our draft management representation letter	We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2018.
Adjusted audit differences	We have identified 1 adjusted audit differences with a total value of £0.652 million. See page 21 for details. These adjustments result in a net decrease of £0.652 million in the reported surplus on provision of services. See page 21 for further details.
Unadjusted audit differences	We have not identified any unadjusted audit differences.
Related parties	There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	We have not identified any significant control deficiencies during our financial statements audit other those disclosed in Appendix 2. See Appendix 2 for further detail.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	We identified no actual or suspected fraud involving the Authority's Member or officers with significant roles in internal control, or where the fraud resulted in a material misstatement in the financial statements.
Significant difficulties	No significant difficulties were encountered during the audit.
Modifications to auditor's report	There are no modifications to our financial statements audit report. A modification has been made to our opinion on the Authority's Value For Money arrangements.
Disagreements with management or scope limitations	The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.

## Appendix 5:

# Required communications with the Audit Committee (cont.)

Required Communication	Commentary
Other information	<p>No material inconsistencies were identified related to other information in the Narrative Report or Annual Governance Statement.</p> <p>These reports were found to be fair, balanced and comprehensive, and compliant with applicable requirements.</p>
Our declaration of independence and any breaches of independence	<p>No matters to report.</p> <p>The engagement team and others in the firm, as appropriate, the firm and, when applicable, KPMG member firms have complied with relevant ethical requirements regarding independence.</p> <p>See Appendix 6 for further details.</p>
Accounting practices	<p>Over the course of our audit, we have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.</p> <p>We have set out our view of the assumptions used in valuing pension assets and liabilities at page 10.</p>
Significant matters discussed or subject to correspondence with management	<p>The following significant matters arising from the audit which were discussed, or subject to correspondence, with management:</p> <ul style="list-style-type: none"><li>— Valuation of PPE;</li><li>— Valuation of pension liability; and</li><li>— Faster Close.</li></ul>

# Declaration of independence

## **ASSESSMENT OF OUR OBJECTIVITY AND INDEPENDENCE AS AUDITOR OF RYEDALE DISTRICT COUNCIL**

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code of Audit Practice, the provisions of Public Sector Audit Appointments Limited's ('PSAA's') Terms of Appointment relating to independence, the requirements of the FRC Ethical Standard and the requirements of Auditor Guidance Note 1 - General Guidance Supporting Local Audit (AGN01) issued by the National Audit Office ('NAO') on behalf of the Comptroller and Auditor General.

This Statement is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

### **General procedures to safeguard independence and objectivity**

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners, Audit Directors and staff annually confirm their compliance with our ethics and independence policies and procedures. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

The conclusion of the audit engagement leader as to our compliance with the FRC Ethical Standard in relation to this audit engagement is subject to review by an engagement quality control reviewer, who is a partner not otherwise involved in your affairs.

We are satisfied that our general procedures support our independence and objectivity.

## Appendix 6:

# Declaration of independence (cont.)

## Independence and objectivity considerations relating to the provision of non-audit services

### Summary of fees

We have considered the fees charged by us to the authority and its controlled entities for professional services provided by us during the reporting period. We have detailed the fees charged by us to the authority and its controlled entities for significant professional services provided by us during the reporting period in Appendix 7, as well as the amounts of any future services which have been contracted or where a written proposal has been submitted. Total fees charged by us for the period ended 31 March 2018 can be analysed as follows:

	2017-18 (planned fee) £	2016-17 £
Audit of the Authority	41,826	41,826
<b>Total audit services</b>	<b>41,826</b>	<b>41,826</b>
Audit related assurance services- housing benefits	11,484	12,150
<b>Total Non Audit Services</b>	<b>11,484</b>	<b>12,150</b>

We are required by AGN 01 to limit the proportion of fees charged for non-audit services (excluding mandatory assurance services) to 70% of the total fee for all audit work carried out in respect of the Authority under the Code of Audit Practice for the year. The ratio of non-audit fees to audit fees for the year was 0:1 as none of the services provided count towards the cap. We therefore do not consider that the total of non-audit fees creates a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out table on the following page.

**Appendix 6:**

# Declaration of independence (cont.)

Analysis of Non-audit services for the year ended 31 March 2018

Description of scope of services	Principal threats to independence and Safeguards applied	Basis of fee	Estimated value of services committed but not yet delivered £
<b>Mandatory assurance services</b>			
Grant Certification – Housing Benefit Subsidy Return	The nature of this mandatory assurance service is to provide independent assurance on each of the returns. As such we do not consider it to create any independence threats.	Fixed Fee	11,484

## Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit Committee.

## Appendix 6:

# Declaration of independence (cont.)

### Confirmation of audit independence

We confirm that as of the date of this report, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This report is intended solely for the information of the Audit Committee of the authority and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

**KPMG LLP**

## Appendix 7:

# Audit fees

As communicated to you in our *External Audit Plan 2017-18*, our scale fee for the audit is £41,826 plus VAT (£41,826 in 2016/17), which is consistent the prior year.

Our work on the certification of the Authority's Housing Benefit Subsidy return is planned for September 2018. The planned scale fee for this is £11,484 plus VAT (£12,150 in 2016/17).

Component of the audit	2017-18 Planned Fee £	2016-17 Actual Fee £
<b>Accounts opinion and value for money work</b>		
PSAA Scale fee (Ryedale Council)	41,826	41,826
<b>Total audit services</b>	<b>41,826</b>	<b>41,826</b>
<b>Mandatory assurance services</b>		
Housing Benefits Certification (work planned for September)	11,484	12,150
<b>Total mandatory assurance services</b>	<b>11,484</b>	<b>12,150</b>
<b>Total non-audit services</b>	<b>11,484</b>	<b>12,150</b>
<b>Grand total fees for the Authority</b>	<b>53,310</b>	<b>53,976</b>

*All fees quoted are exclusive of VAT.*





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### SUSTAINABLE GROWTH

This Council wants to do all it can to create the conditions for economic success in our area. We also want Ryedale residents to have the skills, opportunities and living conditions that allow them to benefit from a healthy local economy and enjoy a good quality of life. A supply of local labour with the right skills is also essential for our businesses. To support both our businesses and our communities we also need new homes, particularly affordable homes for local people. We can only influence and seek to facilitate these matters in partnership with others. To guide our policies, proposals and priorities we monitor our relative performance in terms of the key baseline issues of: Employment and benefit claimant levels, Wage levels, Qualifications and education, Supply of homes (market and affordable) and housing sites. Housing affordability, including fuel poverty, and dealing with homelessness. Where local performance doesn't reflect our ambitions for our economy and communities, we will work with the appropriate partners to seek to address this through the most deliverable means. The Council has approved the Local Plan Sites Document which has been submitted for examination with hearing sessions anticipated in September and October 2018. It is expected that the Sites document will be adopted winter 2018/spring 2019.

### CUSTOMERS AND COMMUNITIES

Following the implementation of the new operating model for the Council, customer facing services such as Council tax collection and rebate and housing benefit have maintained performance levels. The community team are developing new ways of working with parishes and communities, and working closely with partners including the police and fire services. The changes in circumstances processing performance in benefits continues to improve following targeted work.

In terms of supporting the growth agenda the Council has continued to determine major applications in a timely manner with 100% of major applications determined in time and/or agreed extensions of time whilst it is slightly below target in 'other development' categories.

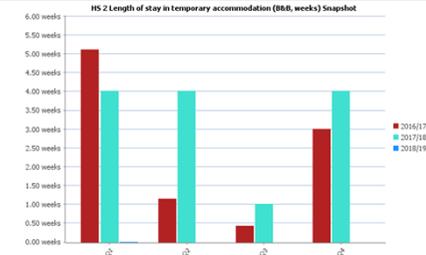
### ONE RYEDALE

Council Tax and NNDR collection rates remain on target with the 2017/18 figures. In terms of income, Development Management fees have performed very well in this first quarter and are currently £50k above target. Also income from searches is also performing above budget in this quarter along with the income received from recyclates.

## SUSTAINABLE GROWTH

- Promoting a strong economy with thriving business and supporting infrastructure
- Capitalising on our culture, leisure and tourism opportunities
- 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

## HOUSING

Traffic Light	Short Name	Description	Current Value	Current Target	Managed By	Trend Chart												
	Properties empty for six months or more	This figure is included on the government return CTB1 which informs the New Homes Bonus Allocation. The figure is the total of empty properties which have been empty for six months or more	201	218	Kim Robertshaw	 <p>HS 11b Properties empty for six months or more</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2019/14</td> <td>250</td> </tr> <tr> <td>2018/15</td> <td>245</td> </tr> <tr> <td>2017/16</td> <td>235</td> </tr> <tr> <td>2016/17</td> <td>215</td> </tr> <tr> <td>2015/16</td> <td>200</td> </tr> </tbody> </table>	Year	Value	2019/14	250	2018/15	245	2017/16	235	2016/17	215	2015/16	200
Year	Value																	
2019/14	250																	
2018/15	245																	
2017/16	235																	
2016/17	215																	
2015/16	200																	
	Average length of stay in temporary accommodation (B&B, weeks)	There have been 0 admissions during this quarter to temporary accommodation for those unintentionally homeless and in priority need.	0 weeks	4.00 weeks	Kim Robertshaw	 <p>HS 2 Length of stay in temporary accommodation (B&amp;B, weeks) Snapshot</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Value (weeks)</th> </tr> </thead> <tbody> <tr> <td>2016/17</td> <td>5.00</td> </tr> <tr> <td>2017/18</td> <td>4.00</td> </tr> <tr> <td>2018/19</td> <td>4.00</td> </tr> </tbody> </table>	Year	Value (weeks)	2016/17	5.00	2017/18	4.00	2018/19	4.00				
Year	Value (weeks)																	
2016/17	5.00																	
2017/18	4.00																	
2018/19	4.00																	



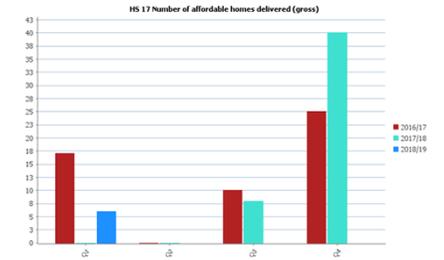
Number of affordable homes delivered (gross)

Following 40 affordable units completed in 2017/18, performance is expected to be much improved this year as several developments are due for completion. The Peckitts Yard development at Sheriff Hutton has delivered 6 units in this first quarter.

6

19  
(Target of 75 for the year)

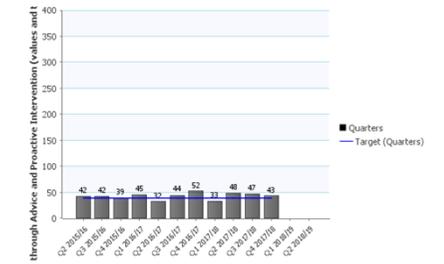
Kim Robertshaw



Prevention of Homelessness through Advice and Proactive Intervention

PI under review due to new Homelessness Reduction Act legislation

Kim Robertshaw

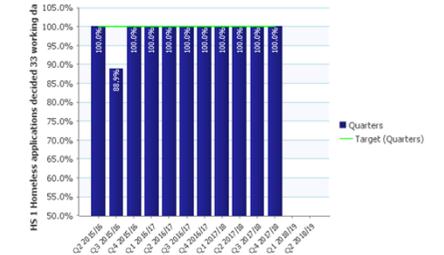


Homeless applications decided 33 working days

PI under review due to new Homelessness Reduction Act legislation

100.0%

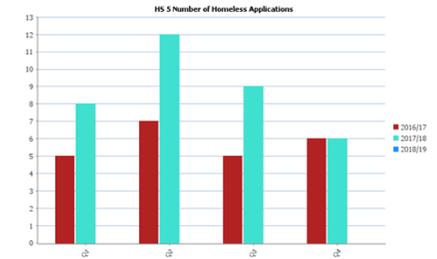
Kim Robertshaw



Number of Homeless applications

PI under review due to new Homelessness Reduction Act legislation

Kim Robertshaw



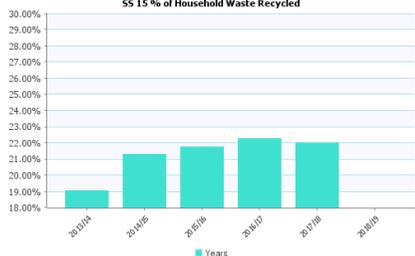
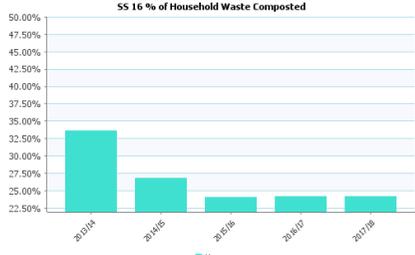
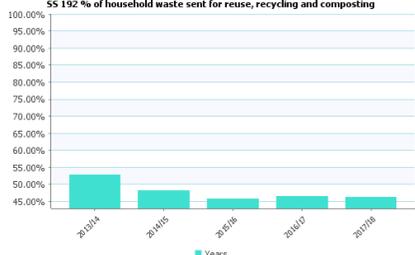
**FORWARD PLANNING**

Traffic Light	Short Name	Latest Note	Current Value	Current Target	Managed By	Trend Chart												
🟢	Net additional homes provided	Performance is strong in this area assisted by continued delivery from larger sites.	278	200	Jill Thompson	<table border="1"> <caption>FP 7 Net additional homes provided</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2019/24</td> <td>225</td> </tr> <tr> <td>2024/25</td> <td>260</td> </tr> <tr> <td>2025/26</td> <td>240</td> </tr> <tr> <td>2026/27</td> <td>320</td> </tr> <tr> <td>2027/28</td> <td>280</td> </tr> </tbody> </table>	Year	Value	2019/24	225	2024/25	260	2025/26	240	2026/27	320	2027/28	280
Year	Value																	
2019/24	225																	
2024/25	260																	
2025/26	240																	
2026/27	320																	
2027/28	280																	
🟢	Supply of deliverable housing sites	The Council has a raw supply of 1365 units which equates to exactly 6.825 years supply against a Plan figure of 200 units /year. Against the recently adjusted figure of 184 units this equates to in excess of 7.4 years supply. Work is currently on going to establish the rate at	120.0%+	100.0%	Jill Thompson	<table border="1"> <caption>FP 8 Supply of deliverable housing sites</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2019/24</td> <td>90.0%</td> </tr> <tr> <td>2024/25</td> <td>115.0%</td> </tr> <tr> <td>2025/26</td> <td>110.0%</td> </tr> <tr> <td>2026/27</td> <td>120.0%</td> </tr> </tbody> </table>	Year	Percentage	2019/24	90.0%	2024/25	115.0%	2025/26	110.0%	2026/27	120.0%		
Year	Percentage																	
2019/24	90.0%																	
2024/25	115.0%																	
2025/26	110.0%																	
2026/27	120.0%																	

🟢 Page 160

Traffic Light	Short Name	Latest Note	Current Value	Current Target	Managed By	Trend Chart
		which the supply will be delivered.				

## ENVIRONMENT

Traffic Light	Short Name	Latest Note	Current Value	Current Target	Managed By	Trend Chart
	% of Household Waste Recycled	Quarter 1 performance slightly below the 20% target.	19.29%	20.00%	Beckie Bennett	
	% of Household Waste Composted	Quarter 1 performance well above the 23% target with garden waste collections in progress.	31.5%	23.00%	Beckie Bennett	
	% of household waste sent for reuse, recycling and composting	Quarter 1 performance well above the 43% target due to above average composting performance	50.79%	43.00%	Beckie Bennett	

Traffic Light	Short Name	Latest Note	Current Value	Current Target	Managed By	Trend Chart												
🟢	% of Food establishments in the area broadly compliant with food hygiene law	The "broadly compliant" performance Indicator is defined as the percentage of food establishments that are broadly compliant with food law.	85%	72%	Robert Robinson	<p>HE 13 % of Food establishments in the area broadly compliant with food hygiene law</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>75%</td> </tr> <tr> <td>2014/15</td> <td>78%</td> </tr> <tr> <td>2015/16</td> <td>86%</td> </tr> <tr> <td>2016/17</td> <td>89%</td> </tr> <tr> <td>2017/18</td> <td>85%</td> </tr> </tbody> </table>	Year	Value (%)	2013/14	75%	2014/15	78%	2015/16	86%	2016/17	89%	2017/18	85%
Year	Value (%)																	
2013/14	75%																	
2014/15	78%																	
2015/16	86%																	
2016/17	89%																	
2017/18	85%																	

**PLANNING**

Traffic Light	Short Name	Latest Note	Current Value	Current Target	Managed By	Trend Chart												
🟢	Planning appeals allowed	One appeal dismissed during this quarter. The overall number of appeals is very low so the performance out turn can be volatile	0%	33.0%	Gary Housden	<p>DM 2 Planning appeals allowed</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>33%</td> </tr> <tr> <td>2014/15</td> <td>38%</td> </tr> <tr> <td>2015/16</td> <td>33%</td> </tr> <tr> <td>2016/17</td> <td>35%</td> </tr> <tr> <td>2017/18</td> <td>22%</td> </tr> </tbody> </table>	Year	Value (%)	2013/14	33%	2014/15	38%	2015/16	33%	2016/17	35%	2017/18	22%
Year	Value (%)																	
2013/14	33%																	
2014/15	38%																	
2015/16	33%																	
2016/17	35%																	
2017/18	22%																	

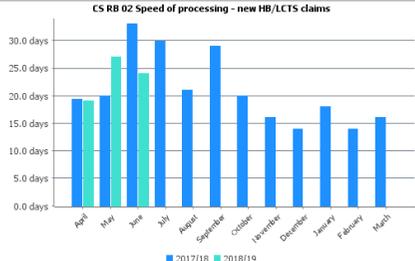
🟢 Page 162

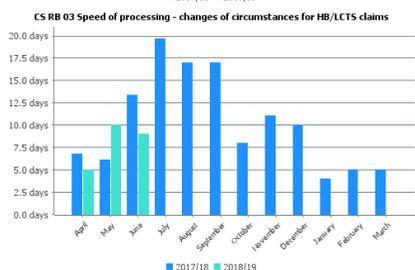
## CUSTOMERS AND COMMUNITIES

- 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
- Supporting communities to identify their needs, plan and develop local solutions and resilience

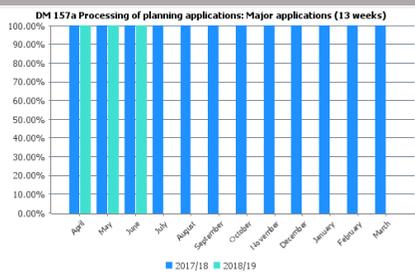
## BENEFITS

Traffic Light	Short Name	Latest Note	Current Value	Current Target	Managed By	Trend Chart
---------------	------------	-------------	---------------	----------------	------------	-------------

	Speed of processing – new HB/LCTS claims		24.0 days	25.0 days	Angela Jones	 <p><b>CS RB 02 Speed of processing - new HB/LCTS claims</b></p>
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	Speed of processing – changes of circumstances for HB/LCTS claims		8.0 days	12.0 days	Angela Jones	 <p><b>CS RB 03 Speed of processing - changes of circumstances for HB/LCTS claims</b></p>
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## PLANNING

	Processing of planning applications: Major applications (13 weeks)		100%	100.00%	Gary Housden	 <p><b>DM 157a Processing of planning applications: Major applications (13 weeks)</b></p>
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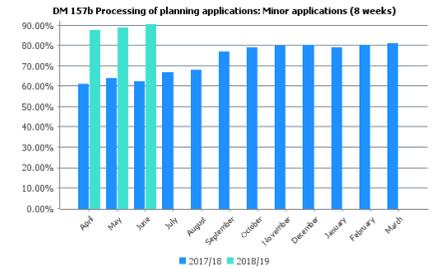


Processing of planning applications: Minor applications (8 weeks)

90.19%

80.00%

Gary Housden

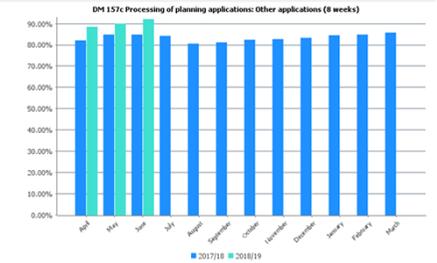


Processing of planning applications: Other applications (8 weeks)

92.05%

90.00%

Gary Housden



Page 164

**ONE RYEDALE**

- Working together as One Ryedale, members and staff share the PROUD values and behaviours
- 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 ICT
- Delivering the Towards 2020 programme and anticipating further savings required to 2022

Traffic Light	Short Name	Latest Note	Current Value	Current Target	Managed By	Trend Chart
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Standard searches carried out in 10 working days

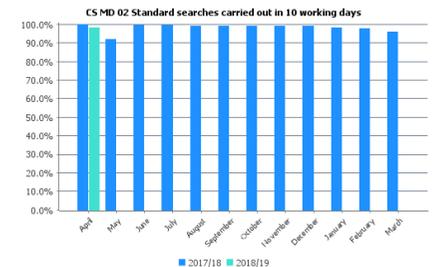
June data not available at the time of dispatch.

97.95%

100%

Angela Jones

April 2018: 98%  
May 2018: 97.9%





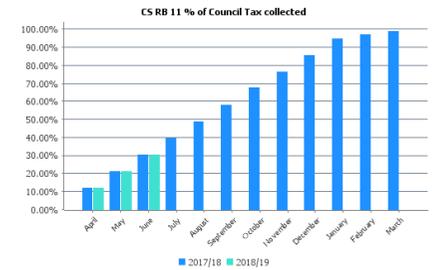
% of Council Tax collected

In-Year collection drop attributable to uptake of 12 monthly payers increasing. The effect of this is that collection is lower between April & January compared to the previous year, but catches back up in February & March.

30.04%

30.17%

Angela Jones



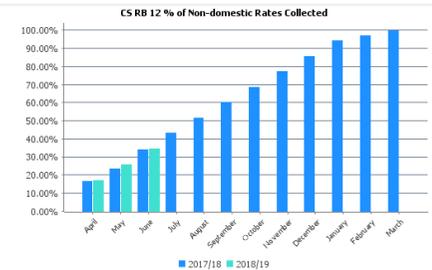
% of Non-domestic Rates Collected

Performance ahead of last year at the end of the first quarter. Increase in uptake of 12 monthly instalment plans and Rateable Value changes continues to support performance.

34.21%

33.80%

Angela Jones



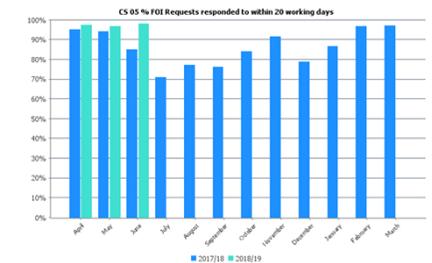
% FOI Requests responded to within 20 working days

208 FOI requests received in the first quarter, with 202 answered within 20 working days.

97.28%

95%

Angela Jones



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES</b>
<b>DATE:</b>	<b>26 JULY 2018</b>
<b>REPORT OF THE:</b>	<b>PRINCIPAL SPECIALIST (PEOPLE) KIM ROBERTSHAW</b>
<b>TITLE OF REPORT:</b>	<b>ASYLUM SEEKER DISPERSAL SCHEME</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 There is a national shortage of Local Authorities who have agreed to act as 'dispersal areas' for Asylum Seekers. Current arrangements for Asylum Seeker dispersal were heavily criticised by a Parliamentary Select Committee in January 2017. The Select Committee highlighted that too few Councils participated and that this placed an unfair financial burden on the small number of Councils who did.
- 1.3 This request is not to be confused with the Governments programme for resettlement of Syrian Refugees, who are not classed as 'asylum seekers' and for whom completely separate arrangements have been made.
- 1.4 This report provides an overview of the implications of this request and seeks agreement from Members as to the Council's response.

### **2.0 RECOMMENDATIONS**

- 1) Note the request from the Home Office to extend dispersal arrangements for asylum seekers into North Yorkshire along with the implications of these arrangements for the District and recommend to Council to
- 2) Agree in principle to participate in a North Yorkshire wide scheme on the negotiated terms highlighted in this report. However due to the recent uncertainty arising from the unsuccessful Asylum Housing Procurement Process that this participation is delayed until September 2019, by which time it is anticipated that the final outcome of the procurement process will be known.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The Home Office are now proactively seeking to increase the number of asylum seeker dispersal areas. Last year they wrote to the Chief Executive to request the Council's co-operation to help Government discharge its obligations. The same request was sent to all North Yorkshire Councils. The scheme is funded through the Home Office and not the District.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The new contracts for Asylum dispersal are due in September 2019. The Council has recently been informed that a substantial part of the £6bn procurement for the new asylum contracts was unsuccessful, consisting of £600m for the Yorkshire & Humber region. As a new contract has not yet been negotiated, if there is a further unsuccessful procurement exercise then housing provision for Asylum seekers in the area would be unknown. If G4S are not successful the current agreements may need to be re visited with the new provider.

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

- 5.1 Consideration of the implications of this request have been made in partnership between the 7 District Councils and North Yorkshire County Council.
- 5.2 The request has already been agreed by Craven DC and Harrogate BC. It has been deferred by Hambleton DC for additional information. Scarborough BC has resolved to object to the proposal citing the Home Office's overall approach to the programme and the lack of financial support to the programme. A decision will be made in Selby on the 4 August 2018 and Richmondshire propose to report the matter to their members in September 2018.
- 5.2 It is also important to note that within a two tier Local Government area, the request from the Home Office and any subsequent requests made by G4S regarding the specific location of any proposed asylum dispersal accommodation needs to be made jointly between the County and the relevant district.

## **REPORT**

### **6.0 REPORT DETAILS**

- 6.1 An Asylum Seeker is a person who has left their country of origin and formally applied for asylum in another country but whose application has not yet been concluded.
- 6.2 According to Home Office statistics, there were 33,000 Asylum Seekers who were awaiting a decision on their status by the Home Office at the end of 2016. During this application assessment period, Asylum Seekers cannot work. They also have no access to public sector housing and social security support. Those asylum seekers who are deemed to be 'destitute' are provided with both accommodation and a small weekly living allowance by the Home Office.
- 6.3 There are currently ten local authorities in the Yorkshire and Humber region (90 in the UK in total), that act as 'Asylum Dispersal Areas'. These are areas where asylum seekers are provided with accommodation pending the determination of their

application. These areas include all of the West Yorkshire and South Yorkshire Authorities and Hull City Council.

- 6.4 The Yorkshire and Humber scheme was initially managed by a consortium of these ten local authorities but more recently has been contracted out to private companies. The latest contract was awarded to G4S in 2012. This contract runs until September 2019.
- 6.5 Under the current contracting arrangements the role of a participating authority within the dispersal process is limited. Both the direct provision of accommodation and day to day management of accommodation is provided via the Home Office's contractor G4S. There is no expectation that authorities are to directly provide or arrange to provide such accommodation.
- 6.6 On arrival Asylum Seekers are placed in short-term hostel style accommodation where they will usually stay for an average of around three weeks. The responsibility for vetting and checking the credentials of all Asylum Seekers during this period sits with the Home Office. Those that are deemed to be destitute are then provided with 'dispersal' accommodation and/or subsistence support and issued with an identity number and a caseworker. The responsibility for vetting and checking the credentials of all Asylum Seekers sits with the Home Office.
- 6.7 G4S are contracted by Government to identify accommodation that is suitable for the Asylum Seeker within the agreed dispersal areas. The accommodation must meet the decent homes standard and be in a suitable location to meet any specific needs of the Asylum Seeker. Accommodation is most likely to be leased from private sector landlords and is usually in the form of a House in Multiple Occupation (HMO).
- 6.8 During their period of stay within the dispersal accommodation, the Asylum Seekers receive a weekly allowance to support their needs from the Home Office. G4S are contracted to carry out monthly inspections of the property along with undertaking any general management duties including day-to-day repairs.
- 6.9 The Asylum Seeker remains in the accommodation while their application is considered. This usually takes around 6 months. If successful the Asylum Seeker will be granted Refugee status. They will then have the same rights as UK citizens. The provision of accommodation by G4S is ended and they can be referred to the Local Housing Authority under the Homelessness Reduction Act legislation for assistance.
- 6.10 If unsuccessful, the Asylum Seekers can enter an appeal process which may last up to a further 18 months. During this time the Asylum Seeker remains under the control of G4S and continues to receive financial and other relevant support. If the appeal process is unsuccessful the Asylum Seeker will be asked to leave the UK. They are evicted from the dispersal accommodation and have no recourse to public funds or housing from that date.
- 6.11 The number of Asylum seekers housed in the region has increased significantly over the last few years and the number now stands at around 4,000. This number is steadily rising and there is a view within Government that the existing participating Local Authorities now need further support and that the pool of participating asylum dispersal areas needs to be increased.
- 6.12 A request has been made to every Local Authority within North Yorkshire to agree to participate as a 'dispersal area'. In practical terms this means giving consent for G4S

to explore potential opportunities to acquire or lease suitable accommodation to be used as dispersal accommodation.

- 6.13 It is important to note that, whilst a request is currently being made from the Home Office, the Secretary of State does have the power to 'instruct co-operation and support' from Local Authorities. In the Government's view the existing arrangements for asylum dispersal are a legacy of previous contracting arrangements and impose an unfair burden on too few authorities. In addition, levels of accommodation and the range of dispersal areas need to be increased overall to cope with national demand.
- 6.14 Whilst there is the potential threat of future imposition regardless of the wishes of the North Yorkshire Councils, the Home Office indicated that they would be prepared to negotiate a voluntary arrangement with North Yorkshire Councils to help mitigate any concerns or potential issues.
- 6.15 Officers have therefore been in negotiation with the Home Office and G4S. A draft countywide dispersal agreement has been developed. **Appendix 1.** Key elements of this agreement include:
- The total number of Asylum Seekers accepted will not exceed 50 throughout North Yorkshire within an initial 2 year period,
  - Of the 50 individuals accepted within this period, no more than 20 asylum seekers will be placed in any single district / borough.
  - G4S (and any future contractors) will only use properties that have been individually and specifically agreed in advance as suitable in writing by both the relevant district council and the county council – there can be no exceptions to this commitment,
- 6.16 Progress on these negotiations has been considered by the North Yorkshire Housing Board who agreed 'in principle' to the agreement as negotiated subject to agreement from each District or Borough.

## **ASSESSMENT PROCESS**

- 6.17 Within the agreement the Council's primary role that that of a consultee. Councils consider and vet requests made to them regarding proposed accommodation options put to them by G4S. This is likely to involve a case-by-case assessment made in partnership between the County, the District and Police along with an inspection of the proposed accommodation by the Council to ensure it meets designated standards.
- 6.18 The Governments criteria to G4S in terms of the suitability of different accommodation options are very broad. Accommodation must meet the Decent Home Standard and be in a suitable location to meet the needs of an Asylum seeker. It is understood that in the main accommodation is leased from landlords by G4S and is typically HMO accommodation. In some areas it is understood that unrelated single person asylum seekers share rooms within the same accommodation.
- 6.19 The proposed agreement exceeds those requirements in that it prevents unrelated individuals from sharing rooms in the same accommodation. It also gives the Council the ability to refuse consent to the use of any proposed property for this purpose.

- 6.20 In addition the Home Office use a benchmark for the number of Asylum Seekers per Local Authority area. This is limited to 1 Asylum Seeker to every 200 people. In practice this figure is never reached and the current number in Yorkshire & The Humber is around 1 to every 500 people. The proposed agreement places a cap on the total number of Asylum Seekers within the County and any individual District.
- 6.21 Within the North Yorkshire context, accommodation within Ryedale may not be as financially viable to G4S as other areas of North Yorkshire. Ryedale also does not have a large supply of HMO type accommodation.
- 6.22 From negotiations to date it is not known as to whether G4S have done any feasibility work within Ryedale District.
- 6.23 The impact on any District is mitigated by the 'cap' that is placed in relation to numbers, e.g. no more than 20 asylum seekers at any given time within one district Council area.

## **7.0 IMPLICATIONS**

- 7.1 Whilst there a range of implications for any Local Authority that agrees to become a dispersal area, any decision needs to be made within the context of the national position. In essence too few areas participate and this creates an unfair burden on those authorities that do. The North Yorkshire area is therefore being asked to consider this request balancing local concerns against a wider area of participation in the dispersal scheme for the common good.
- 7.2 It is also important to remember that there is a humanitarian purpose to the Asylum process. Whilst Members are not being asked to consider the pros and cons of the Governments national policy position to asylum seekers, useful context relating to Asylum Seekers and some general 'myth busting' around this issue is provided by the Refugee Council  
[https://www.refugeecouncil.org.uk/policy\\_research/the\\_truth\\_about\\_asylum/facts\\_about\\_asylum\\_-\\_page\\_1](https://www.refugeecouncil.org.uk/policy_research/the_truth_about_asylum/facts_about_asylum_-_page_1)

### **7.3 Homelessness**

One of the biggest implications to the Council is likely to be the impact on homelessness. Successful asylum seekers would be entitled (and referred to) the Council for housing assistance should their application be successful.

The Council is already under significant pressure in relation to homelessness. Duties were also increased this year following the introduction of the Homeless Reduction Act.

Failed Asylum Seekers once evicted from the dispersal accommodation have no recourse to public funds or housing from that date. Whilst they are asked to leave the country they are not deported as a matter of course. This potentially could result in an increased risk of destitution within the District. The Council would have no power to assist in these circumstances. In the case of destitute families with young children NYCC has certain responsibilities under the Children's Act.

### **7.4 Integration and Resettlement Support**

Unlike the case of the Syrian Vulnerable Persons Scheme (where the Refugee Council has been funded to provide integration and resettlement support) there is no funding provided from Government to pay for any form of support for Asylum Seekers within the community.

It is anticipated by Government that existing organisations (statutory and voluntary sector) absorb the impact of Asylum Seekers within the day-to-day operation of existing services.

#### **7.5 Financial Implications**

Whilst there are no identified 'direct' cost implications to Councils operating as dispersal areas, there are a number of key 'indirect' costs that are likely to be incurred.

For the Council these indirect costs include additional pressure on the use of social housing stock along with potential costs associated with the provision of temporary accommodation and homelessness.

It is difficult to accurately quantify this cost given the uncertainty over numbers, throughput, length of stay in dispersal accommodation and length of stay in temporary accommodation. Also additional increases in homelessness would be likely to have a cumulative impact on the Council's ability to discharge its responsibilities toward Asylum Seekers.

#### **7.6 Community Cohesion and Crime and Disorder**

The impact in terms of Community Cohesion is difficult to predict. Learning locally from the Council's recent participation in the resettlement of Syrian Refugees, residents appear to have welcomed the Council's participation and a large number of individuals and community groups came forward to offer their support to the scheme.

Other key learning from the Resettlement Programme has been the strong degree of support and cooperation from different organisations to make it work. In particular a strong partnership approach was adopted between the District Council, the County Council and the Police.

There is clearly a potential risk however that asylum seekers could be subject to negative reaction. If the Council agrees to participate in this programme similar arrangements to the Refugee Programme would need to be established. This would be to both determine the most suitable location for potential properties and to best manage the impact of dispersal accommodation once it is established.

#### **7.7 Legal, Policy, Staffing, Planning, Environmental, Health and Safety, Sustainability**

No implications.

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**Background Papers:**  
**Appendix 1-**

## **APPENDIX 1**

### **ASYLUM DISPERSAL SCHEME – A PROPOSAL FOR NORTH YORKSHIRE**

#### **1) Introduction**

This proposal has been developed following meetings with the Home Office, G4S and resolutions from the York, North Yorkshire and East Riding Housing Board (the Housing Partnership).

The proposal follows an approach from the Home Office seeking the North Yorkshire Local Authorities' agreement to participate in the national Asylum Dispersal Scheme. This approach is part of a national "push" to widen dispersal, taking pressure off existing dispersal areas. The Housing Partnership has taken the lead in discussions with the Home Office and G4S with the overall aim of achieving a North Yorkshire - wide consensus on the issue. All the North Yorkshire Local Authorities, upper tier and lower tier, have participated in discussions which have culminated in this proposal. This proposal will not be binding on any local authority which has explicitly opted out of participation in the dispersal scheme. Where this is the case, any local agreement or otherwise will be a matter for the relevant district council and the county council and the Home Office, with the Housing Partnership taking no further part.

#### **2) Conditions - general**

The Housing Partnership will agree to participate in the Asylum Dispersal Scheme, subject to the following conditions:

- Asylum dispersal in North Yorkshire will not commence until the arrangements for maximum numbers, support, liaison and management have been agreed in writing with the Housing Partnership,
- No changes will be made to the arrangements for maximum numbers, support, liaison and management without the prior agreement in writing from the Housing Partnership,
- G4S (and any future contractors) will only use properties that have been individually and specifically agreed in advance as suitable in writing by both the relevant district council and the county council – there can be no exceptions to this commitment, Prior to agreement being given by the local authorities :
- G4S (and any future contractor) will give the full postal address of the proposed properties and how said properties will be used (e.g. families/single people, maximum numbers etc).
- The relevant district council and the county council will consider issues such as availability of school places, impact on the local schools, community tensions, access via a safe and reasonable walk to essential services (eg food shops, GP, schools) and public transport that will enable people to reasonably get to Leeds for asylum interviews
- G4S (and any future contractors) will comply with the 'bedroom standard' - a separate bedroom shall be allocated to the following persons:
  - a person living together with another as husband and wife or civil partners (whether that other person is of the same sex or the opposite sex)
  - a person aged 18 years or more
  - two persons of the same sex aged 10 years to 17 years
  - two persons (whether of the same sex or not) aged less than 10 years
  - two persons of the same sex where one person is aged between 10 years and 17 years and the other is aged less than 10 years

- any person aged under 17 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within (c), (d) or (e) above.
- Families and single people are not placed in the same block of flats.

### **3) Conditions – scale and management**

The following conditions will apply :

- The total number of asylum seekers accepted under this proposal will not exceed 50 throughout North Yorkshire within an initial 2 year period,
- Of the 50 individuals accepted within this period, no more than 20 asylum seekers will be placed in any single district / borough,
- After the initial 2 year period has elapsed under this agreement, it will be reviewed by the Housing Partnership but no future commitments can be made in this respect,
- Taking into account conditions specified in section 2, each individual district / borough council and the county council will specify the type of placements which will be acceptable given local conditions - singles or families or both - and this will be strictly adhered to by G4S (or a future contractor)
- Prior to any placements G4S (or a future contractor) will confirm in writing to the relevant district / borough council and the county council clear and robust management/ support arrangements including, as a minimum :
- 1 locally based support worker (within 40 miles of the placement town/ settlement) per 50 asylum seekers contact details for the support worker/s and coordinating manager specified response times - not exceeding 12 working hours provision of out of hours / emergency service as a minimum, 1 liaison meeting per week between the coordinating manager and the nominated district / borough council and county council representative/s



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>26 JULY 2018</b>
<b>REPORT OF THE:</b>	<b>SPECIALIST SERVICES LEAD GARY HOUSDEN</b>
<b>TITLE OF REPORT:</b>	<b>MALTON AND NORTON INFRASTRUCTURE AND CONNECTIVITY IMPROVEMENTS STUDY</b>
<b>WARDS AFFECTED:</b>	<b>PRIMARILY MALTON AND NORTON BUT ALL WARDS INDIRECTLY</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 The report provides an update on progress to date on Malton and Norton connectivity issues and seeks support from Members for further project development work, including financial contributions towards the costs of such work.

### **2.0 RECOMMENDATION**

- 2.1 To recommend to Council that:

- (i) Members endorse the Malton and Norton Infrastructure and Connectivity Improvements Study and agree to working in partnership with NYCC, and other stakeholders as appropriate, to prioritise and develop the recommended work streams via the Malton and Norton Connectivity Working Group (cross-authority officer working group);
- (ii) Officers immediately progress work, in partnership with NYCC Highways Area Office, to develop and implement the proposals for potential 'quick wins' (see Annex 2) in advance of additional rail services commencing in December 2019;
- (iii) Any supplementary proposals from the public and partners, which were not considered during development of the Connectivity Study, be considered by the above Working Group as part of its on-going work stream;

Council approve, in principle, the following intervention specific recommendations (as per paragraph 6.12):

- (iv) *C – Walkway & Bridge*: To consider:
  - a. the Council's role in further project development work

- b. an allocation towards the costs of option appraisal and strategic business case;
- (v) *F – Internal Junction Improvement and Traffic Signal Strategy*: To consider allocating up to £80,000 towards the costs of developing proposals for Malton and Norton Internal Junction Improvements (including updated traffic model, options appraisal and business case development for recommended package of improvements) alongside an allocation from NYCC's Complementary Measures budget.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 There is no obligation on the rail operating companies operating existing or new services on the York to Scarborough line to consider the impact of increased frequency of rail services (detailed in 6.1 below) upon the highways network or to invest in any mitigation that may be required. Both train operating companies have, however, been involved in key stakeholder workshops throughout development of this work and it is proposed this close working will continue.
- 3.2 An Air Quality Management Area (AQMA) has been declared in Malton town centre for the area around Butcher Corner. Ryedale District Council has an obligation under the Environment Act 1995, to devise and implement measures in pursuit of improved air quality within the AQMA (working in partnership with other delivery partners, including North Yorkshire County Council).
- 3.3 Whilst on-going monitoring suggests that air quality in the AQMA is improving, there is a risk that, without coordinated action, the increased frequency of level crossing closures could have a negative effect upon both congestion and air quality. The proposals outlined in this report will inform the process of updating the Council's Air Quality Action Plan.

### **4.0 SIGNIFICANT RISKS**

- 4.1 Investment in project early stages of project development is generally 'at risk', with no guarantee that funding to implement proposals will be secured. There is therefore a risk that initial investment does not achieve the ultimate aim. This risk can be mitigated by undertaking project development work in phases, to minimise the potential for abortive work, and to tie these in as closely as possible with the processes and outcomes that likely funding sources would expect to see.
- 4.2 There are several broad work streams emerging from the Malton Norton Infrastructure and Connectivity Improvements Study. Whilst it is not anticipated that the District Council would lead on many of these work streams (with the exception of the Car Parking Strategy), there would still be a requirement for significant officer time to be committed to developing and overseeing these work streams via the cross-authority working group. Progression of this work also be largely be dependant upon NYCC's capacity and prioritisation of this work.
- 4.3 The most significant risk associated with this work would be in not progressing or investing in further project development work as it is almost certain that, without such support, the majority of proposed interventions would not progress further and the issue of congestion and lack of suitable parking close to the station would not be addressed.

4.4 This work has inevitably raised expectations within the community of enhancements and mitigation work being delivered. How the resulting work streams are taken forward, and interventions delivered, is very much dependant upon the priorities of delivery partners. Without the support of such partners, there is a risk of reputational damage if some of these interventions are not progressed, or are not progressed in a timely manner.

## **5.0 POLICY CONTEXT AND CONSULTATION**

5.1 The proposals outlined in this report contribute directly to:

- North Yorkshire County Council's Local Transport Plan 4 (LTP4) – particularly given that Malton and Norton are identified as two or eight towns which are priority areas for tackling congestion;
- the Council Plan's theme of 'Sustainable Growth' priority of the), particularly the priority of "Promoting a strong economy with thriving businesses and supporting infrastructure for future generations";
- the Ryedale Plan's strategy for Malton and Norton as the District's Principal Town, particularly the approach ambition of "Improved accessibility and movement in and between the twin towns including new and improved pedestrian routes, traffic management measures, improved internal junctions and the Brambling Fields strategic junction improvement";
- delivery of the priority project identified in the Ryedale Economic Action Plan, to "Enhance rail parking and measures to reduce congestion at the rail crossing, Norton."

5.2 Work has been developed with colleagues at North Yorkshire County Council (NYCC); this has been on-going through development and delivery of work on the Malton and Norton Infrastructure and Connectivity Improvements Study. It is proposed that this will continue via an existing cross-authority working group.

5.3 Other key delivery partners, including Network Rail (NR), TransPennine Express (TPE) and Northern, have been involved in various meetings and workshops.

5.4 Instead of stakeholder engagement being undertaken by email/phone, wider stakeholders were involved through consultation events on 23 August 2016 and on 18<sup>th</sup> April 2018 as well as via email updates throughout this period.

5.5 At the half-day stakeholder workshop on 18<sup>th</sup> April 2018, WSP described the list of options that were discounted from the long list through the Early Assessment and Sifting Tool (EAST) and why and put forward the options that were 'short listed' for comment.

5.6 An online public consultation followed in May 2018, which was publicised on the Council's website, social media and via press releases.

5.7 NYCC and RDC officers were aware that the Authorities would not normally consult on scheme development / option development at this early stage. However, it was considered appropriate and necessary to involve the public and key stakeholders early in the process because of the importance and relevance of these issues to the local community and the desire to mitigate the impact of the forthcoming additional closures of the rail crossing.

- 5.8 Previous briefings, including with local Ward Members, have stressed that this study will identify a short list of options, most of which will require full design and testing through future studies and commissions before funding bids can be submitted and implementation occurs.

## 6.0 REPORT

### Background

- 6.1 The Department for Transport (DfT) announced new rail franchises in December 2015, which include a commitment from Arriva Rail North (referred to as Northern) for a new hourly service on the York to Scarborough rail line, from December 2019, alongside the existing hourly TransPennine Express (TPE) service. This additional service will increase the frequency of rail services on the York – Scarborough line to two rail services per hour, in both directions, each stopping at Malton. This will result in an effective doubling in the frequency of level crossing closures, with resulting impacts on traffic flows.
- 6.2 Policy and Resources Committee on 02 February 2017 (Minute 45 (ii)) approved the use of £25,000 from the Ryedale Development Fund (Major Projects strand) towards project development / feasibility work to enhance rail parking and measures to reduce congestion at the rail crossing in Norton. This funding, in conjunction with a matching amount from NYCC, has funded this study.

### Appointment of Consultants

- 6.3 In December 2017 WSP were commissioned by Ryedale District Council (RDC) and North Yorkshire County Council (NYCC), to undertake a study into potential options for improvements (both highway and non-highway) to infrastructure and facilities in the towns of Malton and Norton. The study is titled the Malton and Norton Infrastructure and Connectivity Improvements Study – Options Assessment Report (referred to herein as ‘the Connectivity Study’). The Connectivity Study is particularly focussed on identifying measures to mitigate adverse impacts resulting from increased closure of the railway crossing as a result of the doubling in frequency of rail services through Malton from December 2019. However, the Connectivity Study also seeks to identify measures to support use of the improved rail services and considers the impact that poor connectivity and existing congestion may have on future development plans for the area.
- 6.4 The scope of the work undertaken by WSP in undertaking this study is summarised below:
- 1) **A review of earlier studies**, previously proposed schemes and interventions and previous modelling work.
  - 2) **Evidence Review**: Consideration of the current and future situations, in order to identify key issues and problems and determine the need for intervention – to include review of:
    - a) Previous studies;
    - b) Socio-economics and labour markets;
    - c) Current policy;
    - d) Existing travel patterns
    - e) Road congestion, journey times and reliability;

- f) Sustainable transport provision, including operation of the railway and level crossing (the latter to be informed by primary data from new surveys);
  - g) Road safety
  - h) Environmental constraints; and
  - i) Future development.
- 3) **Stakeholder Engagement:** Engagement of key stakeholders, as identified by NYCC and RDC, to feed into the above evidence review;
  - 4) **Objective Setting:** Identification of Strategic and Specific Objectives, based upon the outcomes of the evidence review, to provide a framework for initial high-level assessment of proposed interventions [See Annex 1b, Figures 2 & 3 for Strategic and Specific Objectives respectively].
  - 5) **Long-listing:** Development of a long list of interventions, informed by the outcomes of 1, 2 and 3 above, and through a collaborative workshop between the WSP and client project teams and stakeholders, as identified by NYCC and RDC.
  - 6) **Option Sifting and Intervention Packaging:** An initial, qualitative, sift to identify any interventions not considered feasible or appropriate to be taken forward for detailed sifting. Packaging of the remaining interventions, as an acknowledgement that no single intervention is likely to address the issues in Malton and Norton. EAST\* based assessment on the resulting packages, in line with the DfT's 'Five Case Model'.
  - 7) **Prioritisation:** Identification of the preferred Package(s) of Interventions, based upon the outcome of the 'EAST' appraisal; this is likely to include options that could be implemented in the short term (0-2yrs) as well as medium and longer term. To include a further workshop to present outcomes
  - 8) **Identification of Potential Funding Sources and Routes to Delivery:** Collaborative working with NYCC and RDC to identify how improvements may be funded and delivered in line with existing and future funding streams.

[\* EAST (Early Assessment and Sifting Tool) is a tool developed by the Department for Transport specifically to enable those considering transport related interventions to:

“quickly summarise and present evidence on options in a clear and consistent format. It provides decision makers with relevant, high level, information to help them form an early view of how options perform and compare. The tool itself does not make recommendations and is not intended to be used for making final funding decisions.” (DfT EAST Guidance)]

6.5 Additional traffic count data for junctions near the level crossing was also obtained as an initial stage of task (1) above in early 2018.

### **Connectivity Study Findings**

6.6 The completed Connectivity Study report is a large and very detailed document and is available, along with Appendices, as a background paper (see below). An Executive Summary of the Report is attached (Annex 1).

6.7 The Connectivity Study has highlighted the need for significant enhancement and interventions and has helped to identify and refine a number of proposed interventions

to contribute towards the identified objectives. The proposed highway-related interventions are those that have been assessed as being likely to have a positive impact, when considered against these objectives. It should be noted, however, that at this stage ***no highways modelling has been undertaken*** and so the relative benefits have yet to be demonstrated through technical modelling.

6.8 In brief, the final report identifies:

- i) a number of Potential Quick Wins – i.e. those that have the potential, *subject to further investigation/consultation and identification of funding*, to be implemented prior to additional rail services starting on December 2019 (Annex 2);
- ii) a summary of short-listed interventions which performed best through the EAST process, entitled ‘Preferred Package and Intervention-Specific Recommended Next Steps’ (Annex 3).

6.9 By necessity the list of Potential Quick Wins includes ***only*** interventions which are likely to be relatively simple, straightforward to implement and relatively low cost, however, these may still require a degree of further investigation and/or consultation before it is certain that any individual measure can be implemented. It should be noted that because of their relatively small scale, the Quick Wins were not included in the public consultation online survey (although a copy of the list of Potential Quick Wins was provided for information). The Potential Quick Wins list includes interventions such as:

- Provision of pedestrian crossing between the bus and rail station
- Provision of safe and secure cycle parking / storage near the station and within the towns of Malton and Norton
- Initiatives to encourage safe use of the level crossing
- Link traffic signals between Butcher Corner and the rail barrier signals to reduce impacts of barrier down time

[See Annex 2 for full list and details]

6.10 Interventions, from both the Potential Quick Wins and Preferred Package, will need to be developed and progressed in close partnership with North Yorkshire County Council. It is proposed that this is done via a Malton and Norton Connectivity Working Group (an officer level cross-authority working party) which has already been established to oversee this study.

6.11 Summaries of the Potential Quick Wins and proposed Preferred Package interventions are set out, alongside proposed next steps, in Annexes 2 and 3 respectively.

6.12 In particular it is proposed that the District Council consider making a financial contribution towards project development of the following two interventions:

*C – Walkway & Bridge*: There is no obvious partner that is likely to lead on project development for this intervention, however, it is considered to be one of the interventions with the potential to make a significant contribution by reducing demand for local private motor vehicle journeys and contribute towards safety by reducing the need for pedestrians and cyclists to use the existing level crossing. Officer are seeking a view from members regarding:

- a. the Council’s role in further project development work;

- b. an allocation towards the costs of project development and option appraisal work (total estimated costs could be in the region of £300k to £500k – at this stage the range of possible costs is broad as the scope of potential options to be considered is not yet defined and any appraisal would have to follow detailed process required by Network Rail);

*F – Internal Junction Improvement and Traffic Signal Strategy:* This intervention also includes the development of a new/updated traffic model for Malton and Norton, which is a pre-requisite for any consideration of significant junction or signalling changes. Officers are seeking approval from Members to allocate up to £80,000 towards the costs (total estimated costs could be in the region of £160,000) of developing proposals for Malton and Norton Internal Junction Improvements (including updated traffic model, options appraisal and business case development for recommended package of improvements) alongside an allocation from NYCC's Complementary Measures budget;

- 6.13 The online public consultation undertaken in May 2018 was primarily undertaken to gauge the public acceptability of the above packages, which had already been identified via previous stakeholder consultation and been subject to initial assessment. The findings of this public consultation were then fed into the final report.
- 6.14 Over 290 responses were received as a result of the consultation and the results demonstrated that the majority of respondents supported all of the interventions proposed as part of the Preferred Package, i.e. each intervention received in excess of 50% (ranging between 52% - 83%) of respondents agreed or strongly agreed to their inclusion in the Package. [A summary of the community consultation results is attached at Annex 4]
- 6.15 As a result of the public consultation a number of additional proposals were received from various sources [See Annex 5]. As these proposals were received towards the latter end of the Connectivity Study development, these proposals have not been subject to assessment and sifting and it is therefore proposed that these are progressed as appropriate via the Malton and Norton Connectivity Working Group (an officer level cross-authority working party).
- 6.16 One such proposal has been made by Ryedale Community Transport involving the purchase of two electric buses to provide an electric bus 'hopper' service between Malton and Norton. The proposal would contribute towards package A - Bus Service Connectivity Improvements and is expected to contribute towards a reduction in private motor vehicle trips as well as improvements to air quality. An initial approach has been made to the Council for a funding contribution but further detailed discussions and analysis is required before a decision can be made on this. Further details will be reported to Members once these area available.

#### **Funding and Implementation**

- 6.17 The NYCC Local Highways Office retains the budget that was allocated for the complimentary measures proposed alongside Brambling Fields, of which it is understood that in the region of £650k remains. This provides an obvious source of funding to match the cost of detailed studies and developing the business cases for schemes. It also provides some funding toward implementation of quick wins.
- 6.18 The Council have already agreed to invest up to £75,000 towards commissioning a car parking strategy, in partnership with North Yorkshire County Council (Council 12 April 2018, Minute 84 – ref. P&R Minute 72 (iv)). This will be a critical initial piece of work

upon which many other interventions are likely to be dependant. Work to develop the brief for this work, and discussions with NYCC, have already commenced.

- 6.19 Some of the interventions are ones which the Council, as a District Council, can lead on, however, the majority, particularly (but not exclusively) highway-specific interventions, will inevitably require NYCC to take a lead role in project development.
- 6.20 At this stage the Connectivity Study report has only just been completed and there will be a need for further development of the proposed interventions. This work will require close partnership working with NYCC to develop the business case for the identified measures and to implement any of the Potential Quick Wins that could be in place before the December 2019 doubling of train frequency. Consequently, a cross-authority Malton and Norton Connectivity officer group has been established to progress proposals. This group includes Tim Coyne of the local highway office.
- 6.21 Further project development work will be required to progress individual interventions (e.g. intervention-specific options appraisals, feasibility studies, strategic business cases and detailed business cases) in order to be able to bid for funding towards implementation. Rail and highways schemes have set processes that need to be followed and that must be followed if funding is to be secured.
- 6.22 This work will also assist officers to make recommendations on the prioritisation of the use of Community Infrastructure Levy (CIL) funding, which is designed to help implement infrastructure improvements such as those identified in the report. Officers propose a future report to Members regarding the prioritisation of CIL.
- 6.23 Many of the interventions will also be dependant upon the identification of appropriate external funding sources, as well as successful funding applications.
- 6.24 Officers will work with NYCC, via the Working Group, to prioritise how delivery of these interventions are progressed, seek to ensure alignment with partners' priorities, identify appropriate funding and progress funding applications to enable progress to be made on further project development.
- 6.25 Officers intend to report back to Members on progress by the end of the year.

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

a) Financial

In addition to the allocation of funding as set out in the recommendations, there may be a requirement for further contributions towards more detailed project development work as individual proposals progress. At this stage it is not possible to quantify any such requirement and further reports would be taken to Policy and Resources as appropriate.

b) Legal

No specific legal implications relating to the recommendations of this report have been identified

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

The proposed interventions set out in this report, if implemented, would be likely

to have positive impacts in terms of equalities and health and safety by improving accessibility between Malton and Norton. It is also expected that there would be environmental benefits as a result of potential modal shift from private motor vehicles to more sustainable modes of transport.

It may be prudent to consider additional staff resources to ensure an appropriate level of District Council's input into the work to enable this work to proceed in a timely manner.

## 8.0 NEXT STEPS

- 8.1 The next stages of this work will be developed and overseen by the cross-authority working party. Initial next steps for specific Potential Quick Win and Preferred Package interventions are set out in Annex 2 and Annex 3.
- 8.2 NYCC are taking a similar report to their Executive Board in the coming weeks, incorporating parallel recommendations to those set out in this report to ensure a coordinated and partnership approach to future work streams.
- 8.3 Any outcomes from this that need reporting to Members will be included in the update report to be provided to Members before the end of the year.

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### Background Papers:

Minute 45 (ii) of Policy and Resources 02 February 2017

<https://democracy.ryedale.gov.uk/ieListDocuments.aspx?CId=119&MId=1670&Ver=4>

Minute 84 (referring to P&R Minute 72 (iv)) of Council 12 April 2018

<https://democracy.ryedale.gov.uk/mgAi.aspx?ID=16924>

Local Transport Plan 4 (LTP4)

[https://www.northyorks.gov.uk/recruitment/media/Local\\_transport\\_plan\\_four\\_\(LTP4\)\\_Part\\_3.pdf](https://www.northyorks.gov.uk/recruitment/media/Local_transport_plan_four_(LTP4)_Part_3.pdf)

The Council Plan

<https://www.ryedale.gov.uk/your-council/council-plan.html>

Ryedale Plan – Local Plan Strategy

<https://www.ryedaleplan.org.uk/local-plan-strategy>

Ryedale Economic Action Plan 2016-2020

<https://democracy.ryedale.gov.uk/documents/s34067/Ryedale%20Economic%20Action%20Plan%202016-2020.pdf>

Malton & Norton Infrastructure & Connectivity Study – Options Appraisal Report & Appendices  
**- TO FOLLOW AS A LATE PAPER**

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North Yorkshire County Council & Ryedale  
District Council

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# MALTON & NORTON INFRASTRUCTURE AND CONNECTIVITY IMPROVEMENTS STUDY

Options Assessment Report - Executive  
Summary





**North Yorkshire County Council & Ryedale District Council**

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# **MALTON & NORTON INFRASTRUCTURE AND CONNECTIVITY IMPROVEMENTS STUDY**

Options Assessment Report - Executive Summary

**TYPE OF DOCUMENT (VERSION) INTERNAL**

**PROJECT NO. 70040023  
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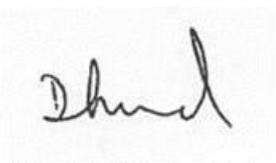
# **MALTON & NORTON INFRASTRUCTURE AND CONNECTIVITY IMPROVEMENTS STUDY**

Options Assessment Report - Executive Summary

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# QUALITY CONTROL

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Date	July 2018			
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## OPTIONS ASSESSMENT REPORT - EXECUTIVE SUMMARY

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### 1. INTRODUCTION

The Malton and Norton Infrastructure and Connectivity Improvements Study is led by a partnership of North Yorkshire County Council (NYCC) and Ryedale District Council (RDC).

WSP was commissioned by NYCC to undertake work associated with identifying potential improvement options to address the issues of traffic congestion and poor connectivity in and around the Malton and Norton urban areas. These issues are likely to be exacerbated when planned increases in train service frequencies at Malton Railway Station are implemented in December 2019.

The Options Assessment Report (OAR) considers the existing evidence base to establish the issues and problems experienced in the study area (identified in **Figure 1** in the accompanying Appendix) and how these may change in the future. This evidence review and analysis examines the case for intervention through the preparation of a sound body of evidence to demonstrate the need to develop any improvement intervention(s).

The OAR then seeks to provide the following:

- i Study specific objectives setting out what the interventions are aiming to achieve;
- i Develop a long-list of interventions, informed by numerous sources, which will be subject to a high-level 'sift' to identify any which would be considered undeliverable in the context of the study.
- i Consider the resulting short-list of interventions and undertake detailed sifting to inform early prioritisation, ahead of public consultation.
- i Identify a Preferred Package and Potential Quick Wins.

The study has closely followed the Department for Transport's (DfT) Transport Appraisal Guidance (WebTAG). The guidance sets out the recommended approach to take in understanding the current and future context and conditions, establishing the need for intervention and developing options to address the identified issues through an objective led approach.

### 2. ESTABLISHING THE NEED FOR INTERVENTION

#### Strategies and Policies

A review of relevant policies and strategies has demonstrated strong support for intervention to address issues of traffic congestion and delay in the urban areas of Malton and Norton, and to support economic development and growth.

#### Economic Context

Malton and Norton act as a Principal Town and district-wide Service Centre for the Ryedale District, occupying an important position in relation to the local and regional economy.

The limited skilled job opportunities, predominance of a low wage economy and conflicting high house prices results in local housing potentially being largely unaffordable for many of the people working in the district. This imbalance coupled with the need for some residents employed in more skilled industries having to commute elsewhere is likely to be resulting in commuting in and out of the towns placing additional pressure on the local transport network.

There are aspirations to further grow and diversify Malton and Norton's economy, particularly in relation to higher value sectors, and specifically in the agri-food and bio-economy sectors; Malton has a designated Food Enterprise Zone and is promoted as Yorkshire's Food Capital.

The local transport network is often perceived as a barrier to achieving additional inward investment and realising this growth.

#### Operation of the Local Transport Network

Accessibility between the two towns is impacted by both the railway line and the River Derwent, which run between them. There are two crossing points over the river, at Railway Street and County Bridge on the B1248 Castlegate, while the one level crossing provides a single route over the railway line, immediately south of County Bridge. These limited crossing points create bottle-necks for traffic in these locations; generally considered to be compounded by a combination of a natural increase in traffic, a historic and constrained network and seasonal and 'through' traffic.

The key routes through the towns (B1257 and B1248) carry relatively high volumes of traffic, particularly HGVs, for the standard of road, resulting in issues of delay in both towns.

Butcher Corner is a key junction in Malton, where the B1257 and B1248 meet at a signal controlled crossroads; the junction experiences high volumes of traffic and resulting congestion throughout the day (around 28,000 vehicles per day – including 1,000 HGVs). Average speeds at Butcher Corner range between 25% - 50% of the corresponding free flow speeds (based on journey times recorded between 1am and 5am when traffic flows and densities are typically low). Congestion issues at Butcher Corner have contributed to poor air quality, journey time unreliability and resulting impacts on public transport punctuality. An Air Quality Management Area (AQMA) was declared, by RDC in 2009, for the area around Butcher Corner.

The level crossing is situated to the east of Malton Station and south of Butcher Corner. When the level crossing barriers are down, traffic builds up on the surrounding network resulting in congestion and delay. Typically, there are two closures per hour, with closure times of between 1.5 minutes and 3.5 minutes in each instance. These closures can lead to queue lengths of up to 54 vehicles forming on approach roads. At the level crossing, average daytime speeds range between 33% - 55% of free flow speeds. This analysis suggests that there are significant journey time savings that could be made if the issue of congestion was adequately addressed. Rail service frequencies at Malton are due to increase to two trains per hour in each direction from December 2019, thereby doubling the number of trains stopping in Malton each hour. This will result in the level crossing barriers being down for a greater overall duration across the hour increasing delays to traffic.

Journey to Work data, from the 2011 Census, reveals that almost half of internal commuting trips (i.e. those that remain within the two towns) are made by car despite the short distances involved. These short, internal, trips utilise the local highway network and are likely to be exacerbating issues of local congestion and resulting delay. The quantity of available car parking, and its relatively low cost, is also considered to be a significant contributory factor in the encouragement of driving to, from and within the towns, including the short internal journey to work trips. The resultant congestion culminates in environmental issues, as well as an adverse impact upon quality of life, public health, safety and the general aesthetics of the towns.

## Sustainable Transport

Malton Railway Station is the only rail station in the Ryedale District with regular passenger services. Nearly all rail services operating on the York to Scarborough line call at Malton; the station is used by approximately 350,000 passengers a year, a figure that has increased by 20% in the last five years.

Malton is a single platform station; this presents significant limitations, in terms of capacity, and is a major constraint to the wider Trans-Pennine route. The provision of a single platform means that services travelling in both directions must use the same line on the approaches to, and through, the station, resulting in no current or future potential to operate services travelling in opposite directions concurrently. Any delays to westbound services, because of having to wait for eastbound services to clear the platform, impacts the service times for the remainder of the route e.g. between Leeds and Manchester. The single platform at Malton also impacts the accessibility of the station for rail users, particularly for residents of Norton and areas to the south of the station who currently have to cross the level crossing to access the station.

Journey to Work data for residents in Malton and Norton illustrates that over half of the residents, who are employed within the towns, undertake their journey to work by active modes; the majority of these trips (40%) are on foot while 11% travel by bike. These figures are far higher than regional and national averages; this is likely due to the geographic size of the urban area, making active modes very realistic modes of travel for these trips.

Bus mode share, for all commuting trips undertaken by residents of the Malton and Norton urban area, regardless of destination, is 2.3%. This is substantially lower than the regional and national averages of 3.6% and 8.5%. This highlights that there are opportunities for mode shift to use of public transport in the towns.

The census Journey to Work data also revealed that almost half of internal commuting trips are made by car, despite the short distances involved; these short, internal, trips utilise the local highway network and are likely to be exacerbating issues of local congestion and resulting delay. It is considered that the high level of car use for these trips offers the opportunity for considerable mode shift to more sustainable modes, with the introduction of appropriate supporting interventions; this, in turn, has the potential to bring about significant positive impacts upon issues of local congestion.

### Environmental Evidence

Ryedale, as a district, covers a large and primarily rural area of exceptionally high quality. This is reflected in the number and geographical scale of areas that are formally subject to environmental designations designed to protect the natural and built environment.

As part of the evidence gathering mapping of environmental constraints within the study area has been undertaken, including flooding - some areas of Malton and Norton are at a high risk of flooding.

High traffic flows and existing congestion are contributing to issues of Air Quality on key routes and an AQMA has been declared at Butcher Corner.

### Committed and Planned Development

RDC's Local Plan Strategy sets out a growth policy that seeks to provide, approximately 200 new houses per year in the district (3,000 over the plan period); 50% of these dwellings will be provided in Malton and Norton. In addition, 37ha (net) of additional employment land (plus a further 8ha additional land supply if required) is to be allocated for the district, in addition to existing commitments; 80% of which is to be provided in and around Malton and Norton.

The level of development proposed across Malton and Norton, (employment, retail and housing) will place additional demand on an already constrained local network unless adequate mitigation measures are identified and implemented. Traffic modelling work, undertaken as part of the development of the Local Plan, forecast that approximately 1,000 additional trips will be generated within the towns as a result of the proposed developments.

### 3. THE NEED FOR INTERVENTION

To maximise Malton and Norton's economic potential, there is a need to plan, not only for the expansion of existing businesses, but also to attract the inward investment required to generate new, high value jobs with transport connectivity key to achieving this. Without intervention within the study area the transport network will remain a constraint. Congestion in urban areas and at localised pinch points, such as Butcher Corner and the level crossing between the towns, can negatively impact connectivity resulting in longer and/or unpredictable journey times, constraining access to labour markets and movement of goods and services. In

turn this can influence business decisions to locate elsewhere.

Initial assessments, undertaken for the Local Plan, suggest that traffic associated with development can be accommodated mainly through localised junction improvements or provision of new roads. However, these improvements will only mitigate impact to existing levels and will not improve upon the current situation. In the longer term, the impact of this growth, if left unmanaged, is likely to deter the further inward investment and diversification of the economy that is considered crucial to ensuring resilience of the district and achieving economic growth projections, both locally and regionally.

### 4. IDENTIFICATION OF OBJECTIVES, OPTION GENERATION AND APPRAISAL

#### Setting Objectives

Based upon the outcomes of the evidence review, and informed by stakeholder engagement, a set of Strategic and Specific Objectives have been identified in accordance with the WebTAG process.

These objectives have been developed to align with the current and future issues identified as part of the evidence base review, and provided a framework for initial high-level assessment of the interventions.

In order to identify how each Specific Objective contributes to the Strategic Objectives, a 'mapping' exercise has been undertaken. Objectives are set out in **Figures 2 and 3** in the accompanying Appendix.

#### Developing the Long-List of Interventions

Following the evidence review, and subsequent stakeholder engagement, a long-list of interventions was developed. Interventions were included as part of the long-list if it was considered that they could seek to address the identified issues and contribute towards achievement of the objectives. The 71 interventions identified were from a range of sources including:

- i A review of existing policies and strategies, relating to transportation in Malton and Norton;
- i A review of proposed transport improvements included in existing and previous studies;
- i Previous stakeholder consultations;
- i Consideration of the issues and opportunities identified in the evidence review; and
- i A study specific Options Workshop (March 2018).

At this stage, the interventions are high level concepts only. Given the complex issues in the study area, as well as being considered separately, each of the interventions has also been looked at in terms of its potential contribution as part of a package of interventions.

### Initial Sift and Short-Listing of Interventions

Due to the number of interventions, identified as part of the long-list, an initial 'sift' has been carried out to identify any that would not be taken forward for more detailed assessment as part of this study. This approach is in accordance with the DfT TAG appraisal process and included consideration of the following:

- i Contribution to the Specific Objectives;
- i Deliverability;
- i Dependence upon other interventions;
- i Indicative cost; and
- i Timescales.

Each of the Initial Sift criteria, set out above, was brought together in an overall framework, allowing for an assessment of individual interventions to be considered on an equal and consistent basis.

Following the Initial Sift 46 interventions were taken forward for more detailed appraisal. 11 Potential Quick Wins were also identified. The identification of Quick Wins, as part of this appraisal, is largely linked to the, December 2019, rail service improvements at Malton Station; any intervention categorised as a 'Quick Win' could, theoretically, be implemented ahead of that time albeit dependent upon factors such as funding availability and gaining relevant permissions. Potential Quick Wins are listed in **Table 1** in the accompanying Appendix.

### Packaging of Interventions

It is considered that the complex nature of the traffic issues experienced in the towns of Malton and Norton, which are primarily a result of the historic nature of the towns, severance by rail and river and a large number of trips that are purely internal to the towns (i.e. wholly within the urban areas) are unlikely to be successfully addressed through delivery of a singular intervention. As such, a 'package' approach to interventions has been adopted, with the aim of successfully addressing the combination of factors that result in issues on the highway network within the study area.

A total of eight packages were developed, which represent the grouping of interventions with common themes. The eight packages are:

- i **Package A** – Traffic Management;
- i **Package B** – Level Crossing Area;
- i **Package C** – Public Transport Improvement;
- i **Package D** – Active Mode Improvements;
- i **Package E** – Car Parking;
- i **Package F** – Major Road Improvements;
- i **Package G** – Behavioural Changes; and
- i **Package H** – Land Use Changes

It should be noted that the packaging process was undertaken to enable the assessment of a suite of interventions and to illustrate the benefits that they could provide cumulatively. As the study progressed the best mix of interventions to provide the desired outcomes was sought. As with all of the proposed interventions, there has been no detailed design of the interventions, they are high-level concepts only.

### Detailed Sift of Packages of Interventions

In order to look at the Packages in more detail a second round of sifting was undertaken using the DfT's Early Assessment and Sifting Tool (EAST).

EAST considers a range of metrics, set out in line with the DfT's 'Five Case Model' – this includes the following factors:

- i Strategic;
- i Economic;
- i Financial;
- i Management; and
- i Commercial.

With this in mind a multi-discipline team was involved in undertaking the scoring of each package against the various metrics. The EAST sift was proportionate to this early stage of the study, where complex modelling would not usually be applied, as per the recommended WebTAG approach.

### Summary of Appraisal of Packages

The results of the EAST appraisal demonstrate that Package D (Active Mode Improvements) and Package G (Behavioural Change) generally provide the best level of fit against the EAST metrics. It should, however, be noted that there was no weighting applied to each metric due to the stage of the study; if this was applied the overall scores and subsequent ranking would likely be impacted.

Given the early stage of the process of option development it was not proposed to discount any of the Packages. None of the Packages scored poorly in the detailed EAST appraisal and, as such, it was determined that no particular mode or theme should be discounted at this stage. The results of the EAST based appraisal highlighted that provision of measures targeting a range of themes should be

considered, and that a multi-modal package of interventions would be necessary to address the complex issues experienced in Malton and Norton.

## 5. IDENTIFICATION OF PREFERRED PACKAGE

Based on the outcomes of the sifting processes, an exercise was undertaken to combine the individual intervention scores against the study objectives (established as part of the Initial Sift), and the overall outcomes of the EAST based appraisal in order to formulate a draft Preferred Package for review at a stakeholder workshop.

Feedback provided at the workshop confirmed that the interventions comprising the draft Preferred Package was, overall, well supported, with one additional intervention (a new junction on A64 with Broughton Road (B1257)) being requested by stakeholders for inclusion ahead of the subsequent public consultation. The interventions making up the final Preferred Package are set out in **Table 2**, (in the accompanying Appendix); it includes interventions that are aspirational, with likely long timeframes for delivery, together with interventions where delivery may be possible over a short to medium timeframe. Timeframes and costs, set out in **Table 2**, are indicative high-level estimates only and would need to be determined based upon detailed scopes of work as interventions are brought forward for further work.

## 6. PUBLIC CONSULTATION

An online questionnaire consultation was undertaken, in April/May 2018, to better understand the level of support, from the wider public, for the Preferred Package proposals.

Over 290 responses were received and the results demonstrated that that the majority of respondents supported all of the interventions proposed as part of the Preferred Package, i.e. each intervention received in excess of 50% (ranging between 52% - 83%) of respondents agreeing or strongly agreeing to its inclusion in the Package.

## 7. NEXT STEPS

Further work will be required to move forward the interventions recommended as part of the Preferred Package. As such, NYCC and RDC have set up an officer working group to consider:

- i appropriate next steps and routes for delivery;
- i priority of interventions for progression; and
- i identification of funding.



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Summary - Appendix





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Appendix

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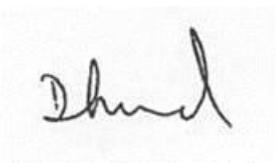
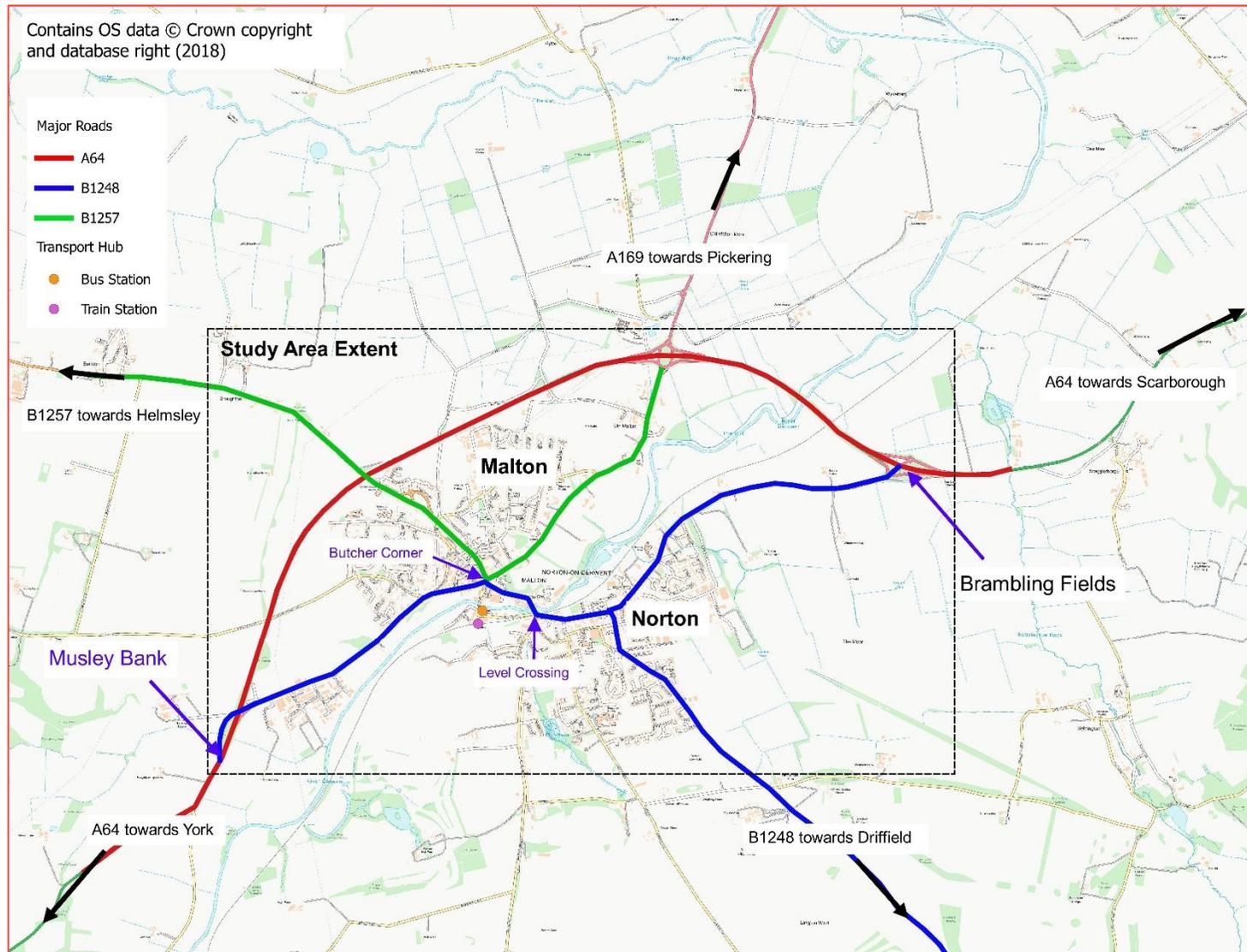
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Remarks				
Date	July 2018			
Prepared by	David Stannard			
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Authorised by	Richard Jones			
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Figure 1 – Study Area





**Figure 2 – Strategic Objectives**

Ref.	Strategic Level Objectives
Enhance economic performance of the study area and improve opportunities for its residents	
SO-01	Support the sustainable growth of Malton and Norton, in accordance with national, regional and local policies, plans and strategies
SO-02	Support progress towards building a more resilient economy within the towns, by making it a more attractive place for investment, particularly for high value sectors and tourism related industries
SO-03	Support the aspiration for improvements to strategic east-west connectivity within the north
Improve efficiency and resilience of the transport system	
SO-04	Improve connectivity between Malton and Norton, and also between the towns and the wider Ryedale district
SO-05	Reduce traffic congestion in the towns, particularly at the identified 'hotspots' of Butcher Corner and in the vicinity of the level crossing
SO-06	Encourage modal shift to more sustainable modes of transport
Promote and support a sustainable built and natural environment	
SO-07	Improve air quality in the study area
SO-08	Protect and enhance the historical qualities, and the built and natural environment, of the study area
Improve safety and health for residents and visitors in the study area	
SO-09	Improve safety within the study area
SO-10	Contribute to improved health, wellbeing and quality of life of residents of Malton and Norton, and the wider Ryedale District

Figure 3 – Specific Objectives

Ref.	Specific Objective:	Contributes to Strategic Objectives										Supports Strategic Objectives									
		S01	S02	S03	S04	S05	S06	S07	S08	S09	S10	S01	S02	S03	S04	S05	S06	S07	S08	S09	S10
SPD-01	Improve journey times on underperforming sections of the transport network in the study area.			Orange	Yellow			Blue				Red	Red								
SPD-02	Improve network resilience, particularly relating to instances of flooding, accidents, road closures and associated long diversions.			Orange	Yellow	Green							Red						Blue		
SPD-03	Reduce traffic volumes, specifically the number of HGVs, on the local network within Malton and Norton, particularly those entering the AQMA				Yellow	Green		Blue	Blue			Red					Green			Dark Blue	Purple
SPD-04	Reduce the volume of traffic rerouting onto unsuitable roads				Yellow	Green				Dark Blue		Red									Purple
SPD-05	Reduce the number of incidents and casualties, particularly at the identified collision cluster sites and for Non-Motorised Users (pedestrians, cyclists and equestrians)						Green			Dark Blue	Purple	Red			Yellow				Blue		Purple
SPD-06	Increase levels of walking and cycling for utility purposes (non-sport or leisure) within the study area, particularly for shorter journeys undertaken within the towns themselves				Yellow	Green	Green	Blue			Purple	Red							Blue		
SPD-07	Encourage greater use of rail services, particularly for longer distance travel					Green	Green					Red	Red	Orange					Blue		
SPD-08	Improve bus and rail facilities including connectivity between, and to, the bus and rail stations	Red		Orange			Green		Blue						Yellow	Green		Blue			
SPD-09	Reduce existing issues of severance between Malton and Norton				Yellow	Green					Purple	Red	Red								
SPD-10	Contribute to a reduction in NO2 emissions, particularly within the AQMA							Blue	Blue												Purple
SPD-11	Enhance streetscapes and provide 'Greener' routes through the towns					Green	Green	Blue	Blue		Purple	Red			Yellow				Dark Blue		
SPD-12	Maximise accessibility of proposed development sites in the study area, particularly by more sustainable modes	Red	Red		Yellow	Green	Green											Blue	Blue		Purple
SPD-13	Improve access and connectivity, to and through Malton and Norton, from the wider district and beyond, by all modes of transport	Red	Red		Yellow												Green				
SPD-14	Improve provision and availability of affordable parking in appropriate locations across the study area, in particular to cater for the expected growth in rail usage		Red			Green						Red							Blue		Purple



**Table 1 – Potential Quick Wins**

<b>Intervention Reference</b>	<b>Intervention Description</b>
<b>QW01</b>	Provision of pedestrian crossing between bus / rail station (e.g. zebra crossing)
<b>QW02</b>	Provision of dropped kerb on north side of Norton Road opposite level crossing for wheelchair/accessibility scooters (to cross over Castlegate)
<b>QW03</b>	Provision of advanced stop lines and filter cycle lanes at key junctions and on routes to schools.
<b>QW04</b>	Provision of safe & secure cycle parking / storage near the station and within the towns of Malton & Norton
<b>QW05</b>	Improved parking signage to manage traffic flow from different directions and direct traffic to most appropriate car park
<b>QW06</b>	Sat Nav to use specific routes avoiding level crossing
<b>QW07</b>	Initiatives to encourage safe use of level crossing e.g. education / PR / enforcement
<b>QW08</b>	Measures to improve management / operation of level crossing – including consideration of, but not limited to: <ul style="list-style-type: none"> <li>i Improve communication between signaller and rail service;</li> <li>i Rail Infrastructure improvements and remodelling of the track layout to optimise speeds and crossing barrier down time (PT07).</li> <li>i Increase rail speed on the railway line through Malton - to reduce impact of barrier down time (PT08).</li> </ul>
<b>QW09</b>	Implementation of permanent Heavy Duty Vehicle Restriction <i>(Temporary/experimental order implemented in Feb 2018)</i>
<b>QW10</b>	Link traffic signals between Butcher Corner and the rail barrier signals to reduce impacts of barrier down time.
<b>QW11</b>	Provision of signage on the A64 to encourage routes that avoid Butcher Corner / Level Crossing

**Table 2 - Preferred Package**

**Short Term Interventions**

Intervention Reference	Intervention Description	Timeframe for delivery & Indicative Cost	Package/Assessment Comments
A	<p><b>Bus service connectivity improvements.</b></p> <p>This intervention will review current bus services and, where applicable, will seek additional service provision, in particular a service connecting key destinations within the towns and consideration of the potential for providing services that avoid impacts of the level crossing either through timetabling and/or routing. In addition, to ensure coordination of bus and rail timetabling to provide for onward connections.</p> <p><b>Potential Outcome</b></p> <p>This intervention aims to encourage use of public transport which would reduce impacts of congestion, and issues of poor air quality, in the towns by reducing the number of short trips being made by car.</p>	<p><b>Short timescale (&lt; 2 years)</b></p> <p>Unlikely to be significant timeframes involved, consultation with various stakeholders required.</p> <p><b>Medium cost: £150k – £300k</b></p>	<p><b>High score against objectives and formed part of the Public Transport Improvements package in the EAST sifting process.</b></p> <p>This intervention may encourage use of public transport which would reduce impacts of congestion and issues of poor air quality in the towns.</p> <p>Benefits provided by improved journey times and better accessibility to/from the towns by public transport, by enabling use of both bus and rail modes for longer travel through improved coordination of timetabling.</p> <p>There may be some deliverability issues relating to the need for agreement from different service providers and possible interactions with wider network of services. However, the doubling of train service frequencies should make co-ordinating rail and bus timetables easier.</p>



<b>B</b>	<p><b>Behaviour Change Measures</b> targeting local businesses, schools and new residential developments.</p> <p><b>Description</b></p> <p>Behaviour change education and measures would look to target local businesses, schools, and new housing developments, to encourage a change in travel behaviour for shorter journeys. This can also include, but is not limited to:</p> <ul style="list-style-type: none"> <li>i Working with businesses to manage their operations to reduce congestion e.g. reduce / restrict deliveries to times outside of level crossing closure hours;</li> <li>i Working with schools, businesses and new residents to promote alternatives to the car, helping to plan individual journeys and delivery of initiatives such as cycle training.</li> </ul> <p><b>Potential Outcome</b></p> <p>Walking, cycling and public transport have the potential to effectively substitute for short journeys currently being undertaken by car. Encouraging travel by more sustainable modes can remove these unnecessary car trips from local roads, helping to tackle congestion and poor air quality.</p>	<p><b>Short timescale (&lt; 2 years)</b> Could be implemented quickly.</p> <p><b>Very low cost:</b> <b>£10k</b> dependent upon delivery mechanism.</p>	<p><b>Mid-level score against objectives and formed part of the Behavioural change package in the EAST sifting process.</b></p> <p>Benefits resulting from reduced traffic volumes on the network, and reduction in associated adverse impacts. In particular in terms of reducing traffic volumes/congestion in the AQMA and improving journey efficiency.</p> <p>Engagement with employees and schools could encourage use of active modes for short journeys and make travel through the towns safer.</p> <p>There are no significant land or engineering issues affecting delivery.</p>
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## Medium Term Interventions

Intervention Reference	Intervention Description	Timeframe for delivery & Indicative Cost	Package/Assessment Comments
<b>C</b>	<p><b>Walkway and Bridge</b> to cater for pedestrians, cyclists and provide access for people with disabilities, over the railway line in the vicinity of Malton Station.</p> <p>The proposal is for a new bridge, for pedestrians and cyclists, over the railway line in the vicinity of the rail station. This would provide a pedestrian / cycle link between the towns, avoiding the need to use the level crossing.</p> <p><b>Potential Outcome</b></p> <p>A new bridge would provide an additional link across the railway line, improving walking and cycling trips within and across the towns. This is likely to reduce the number of short car trips and overall number of vehicles in the town centres, and within the Air Quality Management Area (AQMA), as well as at the level crossing. A bridge would also improve accessibility to the rail and bus stations, encouraging use of these modes.</p>	<p><b>Medium timescale (2 to 5 years)</b></p> <p>Planning, approvals, identification of land and construction will make the provision of the bridge a medium timescale measure.</p> <p><b>High cost: £1.5-3m</b></p>	<p><b>Very high score against the objectives and formed part of the Active Mode package in the EAST sifting process.</b></p> <p>This intervention will complement other elements, included in this package, which support / enable improvements at the station; this includes the provision of a second platform (PT6) and provision of a bus/rail interchange (LU1/PT2).</p>
<b>D</b>	<p><b>Improved Footpath and Cycle Links:</b> Walking and Cycling Strategy.</p> <p><b>Description</b></p> <p>A Strategy approach to considering walking and cycling improvements is proposed in order to ensure a coordinated approach for footpath and cycle provision and linkages across the towns. This will holistically</p>	<p><b>Medium timescale (2 to 5 years)</b></p> <p>Identification and implementation (design and build) of infrastructure may extend timeframes for delivery.</p>	<p><b>High score against the objectives and formed part of the Active Mode package in the EAST sifting process.</b></p> <p>Improved pedestrian and cycle links to the town centres and the station can encourage walking and cycling as well as use of bus and rail services due to easier connections and perceptions of improved safety. This can reduce private car trips, particularly for short trips and overall number of vehicles in the town centres providing improvements in relation to congestion, safety, the environment and reduced</p>



	<p>consider provision and possible improvements to include, but not limited to:</p> <ul style="list-style-type: none"> <li>i Way finding signage, between Norton and Malton and to and from the rail station.</li> <li>i Identify footway improvement requirements.</li> <li>i Identify cycle routes and infrastructure provision including consideration of routes on and off the main road network i.e. 'greener routes'.</li> </ul> <p><b><u>Potential Outcome</u></b></p> <p>Improved pedestrian and cycle links to the town centres, and to the rail and bus stations, has the potential to encourage walking and cycling, as well as use of bus and rail services, due to easier connections and improved safety. This could reduce car trips, particularly for short journeys, and therefore the overall number of vehicles in the town centres.</p> <p>Encouraging travel by active modes (walking and cycling) also provides benefits in terms of health and wellbeing.</p>	<p><b>Medium cost:</b> <b>Walking and Cycle Strategy including development and design of prioritised schemes: £50-60k</b> (Provision of routes off highway land will increase cost of delivery)</p>	<p>issues of severance. Encouragement of active mode use also provides benefits in terms of health and the economy therefore has multiple benefits</p> <p>There are issues relating to delivery due to lack of space (both on and off highway) within the towns to provide for new cycle/footway routes. This will need further investigation to test/consider provision of active mode enhancements so an overarching holistic strategy for walking and cycling to investigate viable options is suggested – possibly developing a Local Cycling and Walking Infrastructure Plan (LCWIP).</p>
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<b>E</b>	<p><b>Car Parking Strategy for the Ryedale District</b></p> <p><b>Description</b></p> <p>The proposed Car Parking Strategy would include a review of both on- and off-street car parking. It is acknowledged that a holistic strategy is required, rather than changes in individual parking locations, as alterations in one location can have impacts on car parking at other locations.</p> <p>A review of car parking, and implementation of recommended proposals, would aim to improve coordination of parking, and reduce the need to drive across the towns and the recognised congestion points, e.g. Butcher Corner and the level crossing. The Strategy would also recommend potential new parking regimes and additional provision requirements, in particular to support the additional rail services in the towns.</p> <p><b>Potential Outcome</b></p> <p>Specific car parking proposals arising from this study to be considered in the Strategy include, but are not limited to:</p> <ul style="list-style-type: none"> <li>i Potential for additional car parking north and south of the rail station.</li> <li>i Changes to the operation of St Nicholas Street Car Park.</li> <li>i Improved pick/up and drop off facilities at the railway station.</li> <li>i Provision of EV charging points across the towns.</li> </ul>	<p><b>Medium timescale (2 to 5 years)</b></p> <p>Relevant consultations, consents and legal issues required to prepare, design and adopt a parking strategy. Implementation of findings will extend timescales (likely beyond 5 years).</p> <p><b>Low Cost for provision of Car Parking Strategy: £65k - £90k</b> (depending upon level of data collection required)</p>	<p><b>Medium score against objectives and formed part of the Car Parking package in the EAST sifting process.</b></p> <p>A review of car parking, if then implemented, would improve coordination of parking within the towns, reducing demand for driving across the towns and managing the need for people to cross identified pinch points, e.g. Butcher Corner and the level crossing. It would also identify potential new parking regimes and additional provision requirements, and the locations to support this and the additional rail services.</p> <p>Car parking improvements would also encourage trips into the towns from further afield, promoting its position as a local service centre and visitor destination.</p> <p>Deliverability of a review/strategy is achievable in relatively short timeframes and some elements of parking changes can be low cost. Implementation of the strategy findings would extend delivery timescales and potentially increase costs.</p>
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	<p>i Consideration/review of Traffic Regulation Orders (restrictions) in place that impact car parking provision.</p> <p>Car parking improvements could also encourage more trips into the towns from further afield, promoting its position as a local service centre and visitor destination, with positive implications for the local economy.</p>		
<p><b>F</b></p>	<p><b>Internal Junction Improvements and Traffic Signal Strategy</b></p> <p>The proposed Strategy would consider improvements to various junctions across the towns. An overarching strategy is required as changes to any one junction will impact the operation of others, and therefore measures need to be considered and tested as part of a towns-wide package.</p> <p><b>Potential Outcomes</b></p> <p>The Strategy will test and identify a package of improvements to junctions in order to improve operation and to optimise flows through the towns, including consideration of, but not limited to:</p> <ul style="list-style-type: none"> <li>i Junction improvements around the area of the level crossing.</li> <li>i Potential new traffic signals to manage traffic approaching level crossing from all directions.</li> <li>i New junction arrangement at Morrisons' access road / Castlegate junction to improve traffic flow.</li> </ul>	<p><b>Medium timescale (2 to 5 years)</b></p> <p>It will take time to gather data and model/test each junction in order to identify preferred options, consult and implement changes.</p> <p><b>Medium cost (for strategy only): £140k – £160k</b></p> <p>(Data collection, additional junction analysis and model runs would increase costs further, Implementation of recommendations is outside of the scope of this proposal)</p>	<p><b>Medium score against objectives and formed part of the Traffic Management package in the EAST sifting process.</b></p> <p>Junction improvements could provide benefits through increased capacity and improved road safety, facilitating traffic flow through the towns, and reducing impacts of congestion and poor journey times, in addition to reducing adverse impacts in the AQMA.</p> <p>No significant delivery or cost issues but testing of appropriate measures that complement each other will need to be undertaken in order to establish the most appropriate measures to be implemented.</p> <p>Alternatively, junctions can be amended to favour sustainable transport modes (likely to the detriment of vehicle flows) to encourage their use and reduce demand/attractiveness of driving in the towns.</p> <p>As any changes to junctions will interact/impact the operation of other junctions these measures need to be considered and tested as a holistic package.</p>

	<p>i Coordinated traffic light management system to ensure optimal operation of signals across the towns (e.g. SCOOT) in order to better manage traffic flows.</p> <p>Junction improvements could provide benefits through increased capacity and improved road safety, facilitating traffic flow through the towns, and reducing impacts of congestion and poor journey times.</p>		
<p><b>G</b></p>	<p><b>Relocation of Livestock Market</b></p> <p>This proposal is for the relocation of the Livestock Market to an out of town centre location.</p> <p>There is outline planning consent for this use at Eden Camp; the intervention is included in this package as it is considered an important element of improvements to the town centre and public realm.</p> <p><b><u>Potential Outcome</u></b></p> <p>Relocation of the Livestock Market would remove vehicle trips from the town centre, particularly large agricultural vehicles and HGVs, providing benefits in terms of reduced congestion, improved safety and a reduction in impacts within the AQMA.</p> <p>Removal from the town centre would also open up opportunities for redevelopment of the area (which experiences ad-hoc car parking) to complement other improvements in the town centre and the Car Parking Strategy.</p>	<p><b>Medium timescale (2 to 5 years)</b></p> <p>Time needed for design, consultation and gaining relevant permissions and consents for provision of new market at proposed new location.</p> <p><b>Medium cost:</b></p> <p>Costs would be borne by the developers/owners of the site</p>	<p><b>Medium score against objectives and formed part of the Land Use package in the EAST sifting process.</b></p> <p>Relocation of the Livestock Market would remove vehicle trips from the town centre, particularly large agricultural vehicles/HGVs, providing benefits in terms of reduced congestion, improved safety and a reduction in adverse impacts in the AQMA. However, it should be considered that this may displace issues elsewhere.</p> <p>There is outline planning consent for this use at Eden Camp, and therefore a route to delivery; removal from the town centre would open up opportunities for redevelopment of the area (which experiences ad-hoc car parking) to complement other improvements in the town centre and the Car Parking Strategy.</p>



**Long Term Interventions**

Intervention Reference	Intervention Description	Timeframe for delivery & Indicative Cost	Package/Assessment Comments
H	<p><b>Transport Hub / Interchange Masterplan</b></p> <p>It is proposed to carry out a Masterplanning exercise for the area around the bus and rail stations, including Norton Road, with the aim of developing an attractive transport interchange / hub.</p> <p><b>Potential Outcome</b></p> <p>It is considered that providing a more attractive area around the bus and rail stations would increase uptake of public transport, helping to reduce the impacts of congestion and poor air quality in the towns as a result of car trips, as well as providing enhancements to the attractiveness of the towns' gateway.</p> <p>The proposal also complements other interventions involving the rail station, increased service frequencies, and improved accessibility in this area.</p>	<p><b>Medium timescale (2 to 5 years)</b></p> <p>Medium timescales involved in developing a masterplan for the area around the bus and rail stations, involving significant consultation.</p> <p>Construction and permission required for development and changes of use would extend timescales and costs further.</p> <p><b>Medium cost for Masterplan: £100k – £150k</b></p>	<p><b>Very high score against objectives and formed part of the Public Transport Improvements and Land Use packages in the EAST sifting process</b></p> <p>This intervention scored 'very high' against objectives as it could provide multiple benefits from increased uptake in use of public transport, helping to reduce the impacts of congestion and poor air quality in the towns as well as provide enhancements to the attractiveness of the gateway to the town.</p> <p>The proposal also complements other interventions involving the rail station and improved accessibility in this area.</p>

<p>I</p>	<p><b>Provision of Second Platform at Malton Railway Station</b></p> <p>This intervention considers the potential for the introduction of a second platform on the southern side of the railway line, together with access, particularly for cyclists and pedestrians. Vehicular access and potential additional parking would be investigated, including an assessment of highways impacts, to identify deliverable measures.</p> <p><b><u>Potential Outcome</u></b></p> <p>A second platform would facilitate a reduction in vehicle trips across the level crossing, by providing direct access to the railway station from Norton and other areas to the south. This may, in turn, result in greater uptake of walking and cycling in the town as well as the use of rail services.</p> <p>This intervention complements a number of other proposals relating to the improvement of the railway station in particular access to the station.</p>	<p><b>Long timescale (5 to 10 years)</b></p> <p>Long timeframes involved in delivery due to identification of appropriate access, land acquisition and gaining relevant permissions.</p> <p><b>Very high cost: £4-£5m</b> (footbridge costs are not included – see Intervention C)</p>	<p><b>Very high score against objectives and formed part of the Public Transport Improvements package in the EAST sifting process.</b></p> <p>A second platform would reduce trips across the level crossing by providing direct access to the railway station from Norton and areas to the south. This may in turn result in greater uptake of walking and cycling in the town as well as use of rail services.</p> <p>High costs and potential difficulties in providing access, as well as the need for support from Network Rail in order to deliver, results in this being an aspirational scheme which would have a long timescale for delivery.</p> <p>This intervention complements a number of other proposals relating to the improvement of access to the railway station, adding combined benefit/greater impact.</p>
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<p><b>J</b></p>	<p><b>Provision of a New All Movements Junction between A64 and Broughton Road</b></p> <p>This intervention is for the provision of a new all movements junction between the A64 and Broughton Road (B1257).</p> <p><b><u>Potential Outcome</u></b></p> <p>This scheme has been proposed as it would provide access to A64 for areas to the northwest of the towns, while avoiding the need to travel into / through Malton in order to access the A64. This could potentially reduce levels of traffic within the towns, leading to reduced congestion and improvements in air quality and safety.</p>	<p><b>Long timescale (5 to 10 years)</b></p> <p>Time consuming to achieve all relevant consents and permissions and to identify and secure funding, as well as design and build timescales.</p> <p><b>Very high cost: £10m-£15m</b></p>	<p><b>Very high score against objectives and formed part of the Major Road Improvements package in the EAST sifting process.</b></p> <p>This intervention can provide benefits through provision of alternative routes in the town avoiding the need for travel across some of the identified pinchpoints e.g. level crossing and Butcher Corner. This would reduce traffic volumes (particularly HGVs) in the towns and would improve journey times and reduce congestion and resulting impacts on the AQMA. The scheme would also result in resilience benefits by providing greater accessibility to/from the towns and the wider area.</p> <p>This intervention was added to the preferred package following stakeholder/public feedback. However, it is noted that deliverability of this scheme may be problematic as provision of additional junctions to the Strategic Road Network are usually only supported where it would be essential for the delivery of strategic planned growth, additionally, the design and cost of a new junction may be prohibitive. The creation of new accesses to the Strategic Road Network (including the A64) can impact its ability to fulfil the function of facilitating the safe and effective movement of goods and people in support of economic growth by compromising traffic movement and flow.</p>
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<p><b>K</b></p>	<p><b>Upgrade A64 Musley Bank Junction - to provide an all movements junction</b></p> <p>This proposed scheme consists of improvements that would result in an all-movements junction at the existing Musley Bank / A64 / York Road (B1248) junction, to the west of Malton.</p> <p><b><u>Potential Outcome</u></b></p> <p>This scheme would provide improved connections to the A64 enabling some journeys to avoid the need for travel through the towns, across the level crossing and through Butcher Corner. This would reduce traffic volumes within the towns, improve journey times, reduce congestion and provide benefits within the AQMA. The scheme would also provide better access to and from the towns from the wider district.</p>	<p><b>Long timescale (5 to 10 years)</b></p> <p>Time consuming to achieve all relevant consents and permissions and to identify and secure funding, as well as design and build timescales.</p> <p><b>Very high cost: £5m-£7.5m</b></p>	<p><b>Very high score against objectives and formed part of the Major Road Improvements package in the EAST sifting process.</b></p> <p>This intervention will deliver benefits by providing improved connections to the A64, enabling some journeys to avoid the need for travel through the towns and across the identified pinch points e.g. level crossing and Butcher Corner. This would reduce traffic volumes (particularly HGVs) in the towns and would improve journey times and reduce congestion and resulting impacts on the AQMA. The scheme would also result in resilience benefits by providing greater accessibility to/from the towns and the wider area.</p> <p>There are high costs associated with implementation. HE would need to deliver the scheme and, as such, it would require their relevant approval/support, leading this to be a long term aspirational scheme.</p> <p>This scheme is included rather than provision of a new junction on the A64 (i.e. Broughton Road) as improving an existing junction may be more acceptable to HE and other stakeholders, with additional junctions potentially creating delay on the strategic network.</p>
<p><b>L</b></p>	<p><b>Link road between Beverley Road and Hugden Way</b></p> <p>Provision of this link road is a requirement of the proposed housing allocation in the emerging Local Plan (<i>under Policy SD3 Housing Allocation - Land to the east of Beverley Road, Norton: Development Principles</i>) but could potentially be delivered earlier if funding could be identified.</p> <p><b><u>Potential Outcome</u></b></p> <p>The proposed link road would improve accessibility to and from a number of</p>	<p><b>Long timescale (5 to 10 years)</b></p> <p>Time needed for design, consultation and gaining relevant permissions and consents for provision of infrastructure.</p> <p><b>High cost: £2.5-4.5m</b></p>	<p><b>High score against objectives and formed part of the Major Road Improvements package in the EAST sifting process.</b></p> <p>The main benefits of this scheme are the improved accessibility to/from proposed development sites and the contribution to a reduction of traffic volumes through the town centres through providing alternative routes away from the town centre.</p> <p>The scheme could also offer resilience to flooding/road closures by providing greater permeability of the towns.</p> <p>The route to delivery is primarily via the development of the proposed housing allocation at this location, as set out in</p>



	proposed development sites, and would contribute to a reduction in traffic through the town centres by providing alternative routes.		the Local Plan (unless alternative funding becomes available).
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Dale House  
Mount View Business  
Standard Way Business Park  
Northallerton  
DL6 2YD

**wsp.com**

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## Annex 2 – Summary of Quick Wins & Proposed Next Steps

Ref	Potential Quick Win	Proposed Lead	Next Steps / Implementation
QW01	Provision of pedestrian crossing between bus / rail station (e.g. zebra crossing)	NYCC	Site surveys, initial designs, cost estimates & consultations
QW02	Provision of dropped kerb on north side of Norton Road opposite level crossing for wheelchair/accessibility scooters (to cross over Castlegate)	NYCC	Site surveys, initial designs, cost estimates & consultations  (This intervention is about small-scale improvements to accessibility at this junction in the short term)
QW03	Provision of advanced stop lines and filter cycle lanes at key junctions and on routes to schools.	NYCC	Site surveys, initial designs, cost estimates & consultations
QW04	Provision of safe & secure cycle parking / storage near the station and within the towns of Malton & Norton	NYCC / RDC	TPE have already installed additional cycle parking facilities at Malton Station with contributions from RDC and NYCC  Identify additional appropriate locations, site surveys, designs, cost estimates
QW05	Improved parking signage to manage traffic flow from different directions and direct traffic to most appropriate car park	NYCC	Review of existing parking signage and develop improvements as appropriate
QW06	Sat nav to use specific routes avoiding level crossing	NYCC	Contact Sat Nav providers to request default routes avoid level crossing

QW07	Initiatives to encourage safe use of level crossing e.g. education / PR / enforcement	NYCC	Develop proposals for education / PR / enforcement
QW08	<p>Measures to improve management / operation of level crossing – including consideration of, but not limited to:</p> <ul style="list-style-type: none"> <li>• Improve communication between signaller and rail service;</li> <li>• Rail Infrastructure improvements and remodelling of the track layout to optimise speeds and crossing barrier down time (PT07)</li> <li>• Increase rail speed on the railway line through Malton - to reduce impact of barrier down time (PT08)</li> </ul>	<p>NYCC (initial approach)</p> <p>Network Rail (implementation)</p>	Develop initial proposals, detailed work with Network Rail to identify/agree practical / deliverable measures
QW09	Implementation of permanent Heavy Duty Vehicle Restriction (temporary/experimental order implemented in Feb 2018)	NYCC	<p>Undertake early review of operation of existing temporary restriction</p> <p>Prepare to implement permanent restriction prior to temporary restriction expiring (subject to findings of review)</p>
QW10	Link traffic signals between Butcher Corner and the rail barrier signals to reduce impacts of barrier down time.	NYCC	Develop proposals – potentially for temporary trial to assess impact (rather than await development of new traffic model), consultation with Network Rail

QW11	Provision of signage on the A64 to encourage routes that avoid Butcher Corner / Level Crossing	NYCC (initial approach) Highways England (future work)	Review existing signage and develop new signs as appropriate
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### Annex 3 – Summary of Preferred Package and Intervention-Specific Recommended Next Steps

Ref	Package Title	Proposed Lead	Next Steps / Implementation
A	Bus Service Connectivity Improvements	NYCC	<p>Seek further details / analysis and consider potential connectivity improvements prior to decision on potential funding contribution.</p> <p>[Suggestions received for an Electric Hopper local bus service – for which a contribution has been requested from RDC]</p>
B	Behaviour Change Measures	NYCC	Identify and secure external funding as appropriate
C	Walkway & Bridge for pedestrians & cyclists to access Malton Station from the South	<p>RDC</p> <p>Or Joint RDC / NYCC</p>	<p>Initial options appraisal work required to identify appropriate location – would require allocation of funding</p> <p>Working with NYCC, an approach to rail industry (DfT, Network Rail, Transport for the North etc.) to establish level of support, scope for project development, funding sources [potential to link with I]</p> <p>Initial indications are that estimated costs could be in the region of £300k to £500k (at this stage the range of possible costs is broad as the scope of potential options to be considered is not yet defined and any appraisal would have to follow detailed process required by Network Rail)</p> <p>Members' views are requested regarding:</p> <ul style="list-style-type: none"> <li>i) The Council's role in further project development role</li> <li>ii) An appropriate funding allocation towards the cost of project development</li> </ul>
D	Improved Footpath & Cycle Links via Walking & Cycling Strategy	NYCC	<p>Commence development of Cycling &amp; Walking Strategy for Malton / Norton</p> <p>NYCC to prioritise Malton and Norton in future funding rounds of the national LCWIP approach</p>

E	Car Parking Strategy for Ryedale District	RDC	<p>Work in partnership with NYCC to develop joint on and off-street parking strategy for the District</p> <p>Potential to focus on Malton / Norton as initial phase to tie in with rest of project development work and Public Sector Hub development</p> <p>Car Parking strategy is closely linked to the transport modelling and junction improvements below as the outcomes are likely to have an impact on traffic flows</p> <p>[Contribution requested from NYCC and development of brief commenced and being progressed with a view to appointing WSP to develop strategy]</p>
F	Internal Junction Improvements & Traffic Signal Strategy	NYCC	<p>NYCC to approve use of remaining A64 Brambling Fields 'Complimentary Measures' budget towards project development and implementation, including implementation of quick wins and the proposed detailed studies</p> <p>Commence development of brief for strategy – including development of new/updated traffic model for the towns (including initial data gathering) which is required before the potential impacts of proposals can be fully assessed</p>
G	Relocation of Livestock Market out of Malton Town Centre	RDC	<p>Continue ongoing work with partners to secure relocation of the LSM</p> <p>[Separate report to P&amp;R refers]</p>
H	Transport Hub Interchange	RDC	<p>An approach to landowners and partners to explore appetite to progress and submit future request to Council for funding a master plan if there is local support</p>
I	Provision of second rail platform	<p>Joint RDC/NYCC (initial approach)</p> <p>Network Rail (future work)</p>	<p>Working with NYCC, approach the rail industry (DfT, Network Rail, Transport for the North etc.) to establish level of support, scope for project development, funding sources [potential to link with C]</p>

J	Provision of a new All Movements junction between a64 and Broughton Road	Joint RDC / NYCC (initial approach) Highways England (future work)	Working with NYCC, approach to Highways England to seek formal their formal view given public consultation outcomes on the Connectivity Study  [The HE would normally only support a NEW junction on the Strategic Road Network where this facilitates strategic levels of growth – which is not the case in this instance]
K	Upgrade A64 Musley Bank Junction to an All Movements Junction	Joint RDC / NYCC (initial approach) Highways England (future work)	Working with NYCC, approach to Highways England to seek formal their formal view
L	Link Road between Beverley Rd and Hugden Way	RDC	Continue on-going discussions with developer to provide this link as part of a housing scheme in this area

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## Annex 4 – A Summary of the Community Consultation Results

Level of Agreement	Intervention											
	Bus Service Connectivity Improvements	Behaviour Change Measures	Walkway and Bridge (for pedestrians and cyclists)	Improved Footpath & Cycle Links – Walking and Cycling Strategy	Car Parking Strategy for the Ryedale District	Internal Junction Improvements and Traffic Signal Strategy	Relocation of Livestock Market	Transport Hub/Interchange masterplan	Provision of Second Rail Platform at Malton Station	New All Movements Junction between A64 and Broughton Road	Upgrade A64 Musley Bank Junction	Link road between Beverley Road and Hugden Way
<b>1. Strongly Agree</b>	80	71	167	109	93	142	106	70	95	189	177	152
<b>2. Agree</b>	96	79	73	92	109	99	64	91	69	55	57	69
<b>3. Neutral</b>	95	102	33	60	67	35	81	97	90	26	50	57
<b>4. Disagree</b>	22	29	16	25	18	11	22	24	28	15	4	5
<b>5. Strongly Disagree</b>	1	9	6	7	7	4	18	10	10	8	3	8
<b>Agree</b>	176 (60%)	150 (52%)	240 (81%)	201 (69%)	202 (69%)	241 (83%)	170 (58%)	161 (55%)	164 (56%)	244 (83%)	234 (80%)	221 (76%)
<b>Neutral</b>	95 (32%)	102 (35%)	33 (11%)	60 (20%)	67 (23%)	35 (12%)	81 (28%)	97 (33%)	90 (31%)	26 (9%)	50 (17%)	57 (20%)
<b>Disagree</b>	23 (8%)	38 (13%)	22 (7%)	32 (11%)	25 (9%)	15 (5%)	40 (14%)	34 (12%)	38 (13%)	23 (8%)	7 (2%)	13 (4%)

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## Annex 5 – Summary of supplementary proposals received following public consultation

Nature of Proposal	Summary of proposal	Submitted by	Date Added
<b>Potential Short / Medium Term Proposals:</b>			
<b>Community / Public Transport</b>	Half-hourly electric 'hopper' bus trial	John Patten (on behalf of Ryecat)	24/05/2018
<b>Junctions, traffic signals etc</b>	Alter Welham Road/Church Street/Castlegate junction to non-standard mini roundabout (with priority for those entering from Castlegate	Tim Coyne (based on previous proposals from Traffic Team)	24/05/2018
<b>Junctions, traffic signals etc</b>	One-way system (various options) - Castlegate, County Bridge, Norton Road, Railway Street	Steve Mason (on behalf of Lib Dems)	24/05/2018
<b>Junctions, traffic signals etc</b>	One way system - Church Street, Langton Rd, St Nicholas Street	Steve Mason (on behalf of Lib Dems)	24/05/2018
<b>Car Park Strategy</b>	Electric charging points at station / car parks	Graham North	24/05/2018
<b>Grants / Licencing</b>	Encourage taxis at rail station to adopt electric vehicles	Graham North	24/05/2018
<b>Junctions, traffic signals etc</b>	Reconsider railway crossing priorities	Malton Town Council	21/06/2018
<b>Major road/junction improvements</b>	Four-way junction from Broughton Road to A64	Malton Town Council	21/06/2018
<b>Major road/junction improvements</b>	York Road / Musley Bank junction should be improved	Malton Town Council	21/06/2018
<b>Junctions, traffic signals etc</b>	A one-way system in Malton town centre should be investigated	Malton Town Council	21/06/2018
<b>Development Management</b>	No additional development beyond the numbers specified in Ryedale Local Plan should be allowed until the infrastructure issues have been resolved	Malton Town Council	21/06/2018
<b>Review Local Plan</b>	The Ryedale Plan requires amendment, so as to ensure that country areas take their fair share of new development	Malton Town Council	21/06/2018
<b>General</b>	Subject to the above, Malton Town Council supports the additional rail services in principle	Malton Town Council	21/06/2018

<b><i>Longer Term or 'Blue Sky Thinking' Proposals:</i></b>			
<b>Major rail infrastructure project</b>	Raise railway through towns on a viaduct to allow vehicles to pass underneath, with raised platforms	Graham North	24/05/2018
<b>Major Town Centre infrastructure project</b>	New raised roundabout (opposite current station), road ramp from Railway Street, road bridge over railway and new link road to Welham Road, closure of level crossing (inc demolition of station buildings and buildings on 'island' defined by Railway Street, Yorkersgate, Castlegate, Wells Lane)	Gerald Cosens	
<b>Major change to Planning Policy</b>	"New Malton Green" - New Town 'island' built in flood-plain to sustainable principles, with tramway to Malton	Simon Thackray	24/05/2018



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>26 JULY 2018</b>
<b>REPORT OF THE:</b>	<b>SPECIALIST SERVICES LEAD GARY HOUSDEN</b>
<b>TITLE OF REPORT:</b>	<b>MALTON LIVESTOCK MARKET</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 The report seeks support from Council to develop a relocated Livestock Market for Ryedale.

### **2.0 RECOMMENDATION**

- 2.1 That the Council approve 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 Malton Livestock Market, to include additional facilities to support sustainability and deliver a return to the Council and a revised cost plan based upon this.
- 2.2 That £150,000 to be made available to support the development of a business case, specification and procurement exercise for the preferred Option 2.

### **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, helping to reduce food miles and it encourages the trend towards local food production. The local livestock market also helps to reduce the distance that livestock is transported 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 Residual value of the asset should the relocated livestock market fail. This risk is mitigated by the Council owning the land, which would be transferred from the current owner to RDC as part of the development. The value of the additional facilities, the office block, would remain. The site of the proposed relocated livestock market has a higher value as serviced land than as a functioning livestock market.
- 4.2 The ability of the Auctioneers to pay the rent for the new livestock market. The business plan will make clear that the rent of £20k is reasonable and achievable and may be increased as the livestock market develops the business through the new facility.
- 4.3 Failure to rent the office facilities. Pre-lets would be agreed for the facility.
- 4.4 An indicative plan and elevation of the new livestock market facility showing the pens, sale ring, associated offices and retail letting space and café is attached at Annex 1 to this report.
- 4.5 A new livestock market for Ryedale will not be possible without the support of and investment by the Council. Without this level of investment to relocate it is unlikely that the Malton Livestock Market operating in its current location in the centre of Malton is sustainable.

#### **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 for ....new buildings that are necessary to support land based activity and in a working countryside, including farming. A copy of Policy SP9 is attached together with the explanatory text at Annex 2

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. A copy of the decision notice and the submitted illustrative layout plan is at Annex 3 to this report showing the various parcels of land covered by the outline permission. The livestock market is shown on the western parcel of land annotated as 'Western Site' on the plan which remains the location of the proposed 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.
- 6.4 The cost of a new livestock market is estimated to be in the region of £3m. A number of previous studies have been undertaken to scope the design and cost of a livestock market. These are however now aged and it is proposed that a costing exercise be undertaken if Members were to support the principle of investing in a livestock market. Further the two options detailed below serve to illustrate that investment in a basic livestock market will not deliver an acceptable level of return on the investment required for the Council. There are therefore two options outlined below, one for a new livestock market and the other for a livestock market with ancillary facilities which deliver an improved return on investment.
- 6.5 Option 1 – Livestock Market

This option would require investment of an estimated £2.2m from the Council. The Council would be given the land and would own the livestock market on behalf of the community. The livestock market would pay £20k in rent initially with the potential for this to increase, depending on the success of the market. The land is estimated to have a value of £0.75m. The operators of the livestock market would be the auctioneers.

Estimated build cost	£3m
Section 106 contribution	£0.5m
Auctioneers Pledged capital Contribution	£0.3m
RDC Funding requirement	£2.2m
Rental from LSM Operator – the auctioneers’	£20k pa
Rate of return on investment of less than 1%	

#### 6.6 Option 2 – Livestock Market Plus Ancillary Facilities

This option would require an investment by the Council estimated to be £3.2m. The Council would be given the land and would own the livestock market facility and the ancillary facilities on behalf of the community. The ancillary facilities would include an office block to include businesses and education providers to compliment the operation of the livestock market. The rental from the operator of the livestock market, the auctioneers would initially pay £20k per annum. The rental to be achieved from the ancillary facilities would be an estimated £80k per annum

Estimated build cost	£3m
Ancillary buildings	£1m
Section 106 contribution	£0.5m
Auctioneers Pledged capital Contribution	£0.3m
RDC Funding requirement	£3.2m
Rental from LSM Operator – the auctioneers’	£20k pa
Rental from ancillary buildings	£80k pa
Rate of return on investment of at least 3%	

Other livestock markets which have been developed recently, such as those at Thirsk and Skipton, sustain their livestock sales with other events and activities. This would have to be the case at a new livestock market facility in Malton. This does however require a higher specification of building than was perhaps originally envisaged for the relocated livestock market.

#### 6.7 Option 3 – Do Nothing

This option would involve no input from the Council whatsoever. There is however a serious risk that in this scenario that the Malton Livestock Market will be unable to continue to operate from its current site in the centre of Malton and no other alternative site has been identified. The loss of the livestock market from Ryedale would have serious economic impacts and have a significant adverse effect on the District’s cultural heritage and identity.

#### Preferred Option

The preferred option is Option 2. The reasons are that the Livestock Market Plus Ancillary Facilities option enables a reasonable rate of return on investment for the Council. The basic livestock market option does not have the same potential to deliver a return on investment and is not recommended by officers. The ancillary facilities at a cost of £1m are likely to deliver a return on investment at a rate of 8%, compensating for the return on investment of less than 1% for the investment of £3m required for a new livestock market.

If Members are minded to support the principle of investing in the development of a new livestock market facility on the site, a detailed specification and costing exercise would be undertaken to confirm the estimated costs of the preferred scheme.

- 6.8 Discussions have taken place with the Council's s151 officer and a return on investment of 3% is considered a reasonable return to be achieved for the investment required in the current financial investment climate. The facility would be included in the Council's Asset Register and managed as part of the Council's property portfolio.
- 6.9 If Members are minded to support the principle of investing in the development of a new livestock market for Ryedale, a business case would be prepared by the auctioneers who would be the operators of the market facility.
- 6.10 It is a future option to consider a share option for the livestock market once the facility is operating successfully.

## **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). Although a review of reserves and commitments will take place in the coming months, it is expected that funding the livestock market proposal entirely from reserves is possible, subject to a review of those commitments and an expectation that the revenue budget will continue to underspend in 2018-19, as it has done in the previous two years.

The current return on our cash investments is low – 0.46% in 2017-18 and 0.76% to date in 2018-19. By investing in a new livestock market, the potential return on this investment is higher, perhaps in the region of 3%-4%, as set out in section 6 above.

The main issue is the level of financial risk that the Council is willing to take in terms of achieving the income generation and this, alongside the impact on reserves, can be set out in more detail in the proposed business case.

b) Legal

The Council would own the new livestock market, including the site and all assets.

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 a detailed specification for the new livestock market and office facilities
- 8.2 Based on this specification, a costing exercise and plan be developed with a view to a procurement process
- 8.3 A further report to Council via Policy and Resources Committee to confirm support.

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**Background Papers:**

[Council Plan](#)

[Ryedale Plan – Local Plan Strategy](#)

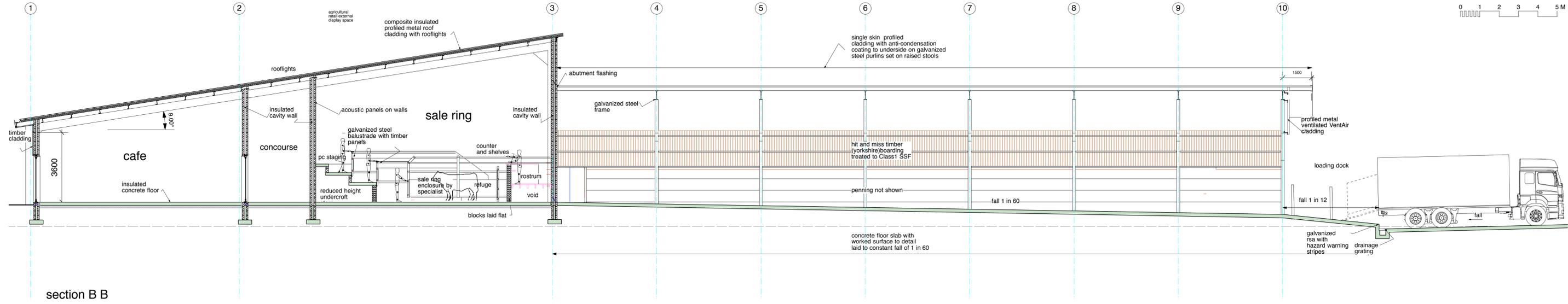
[Economic Action Plan](#)

[Financial Strategy](#)

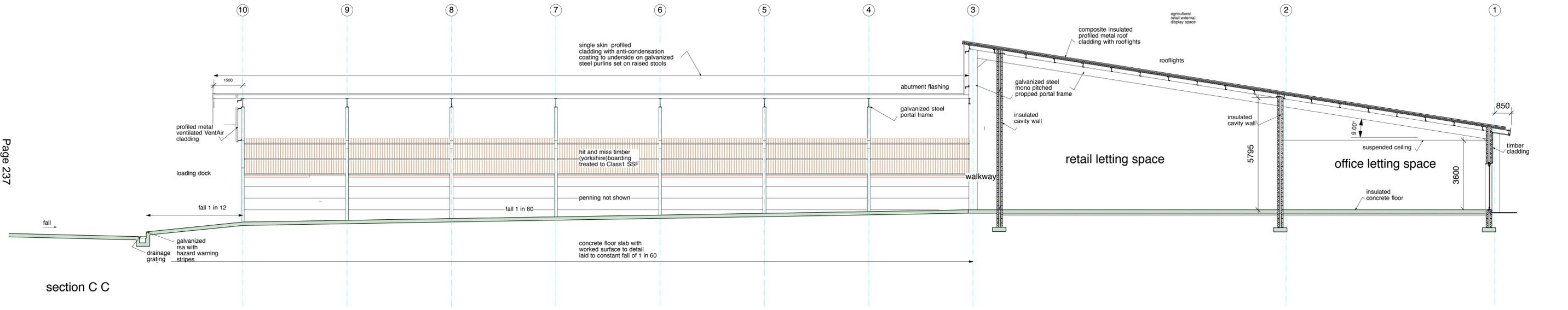
[Food Enterprise Zone Local Development Order](#)

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

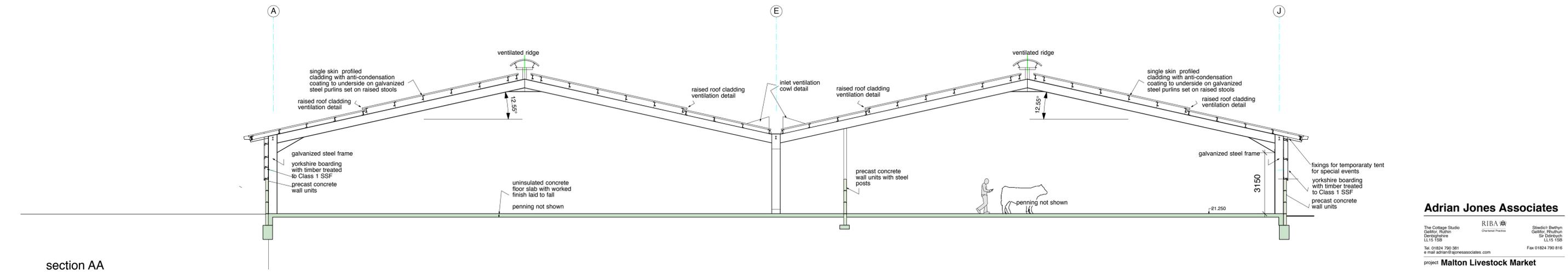
[Livestock Markets in the 21<sup>st</sup> Century](#)



section B B



section C C



section AA

Page 237

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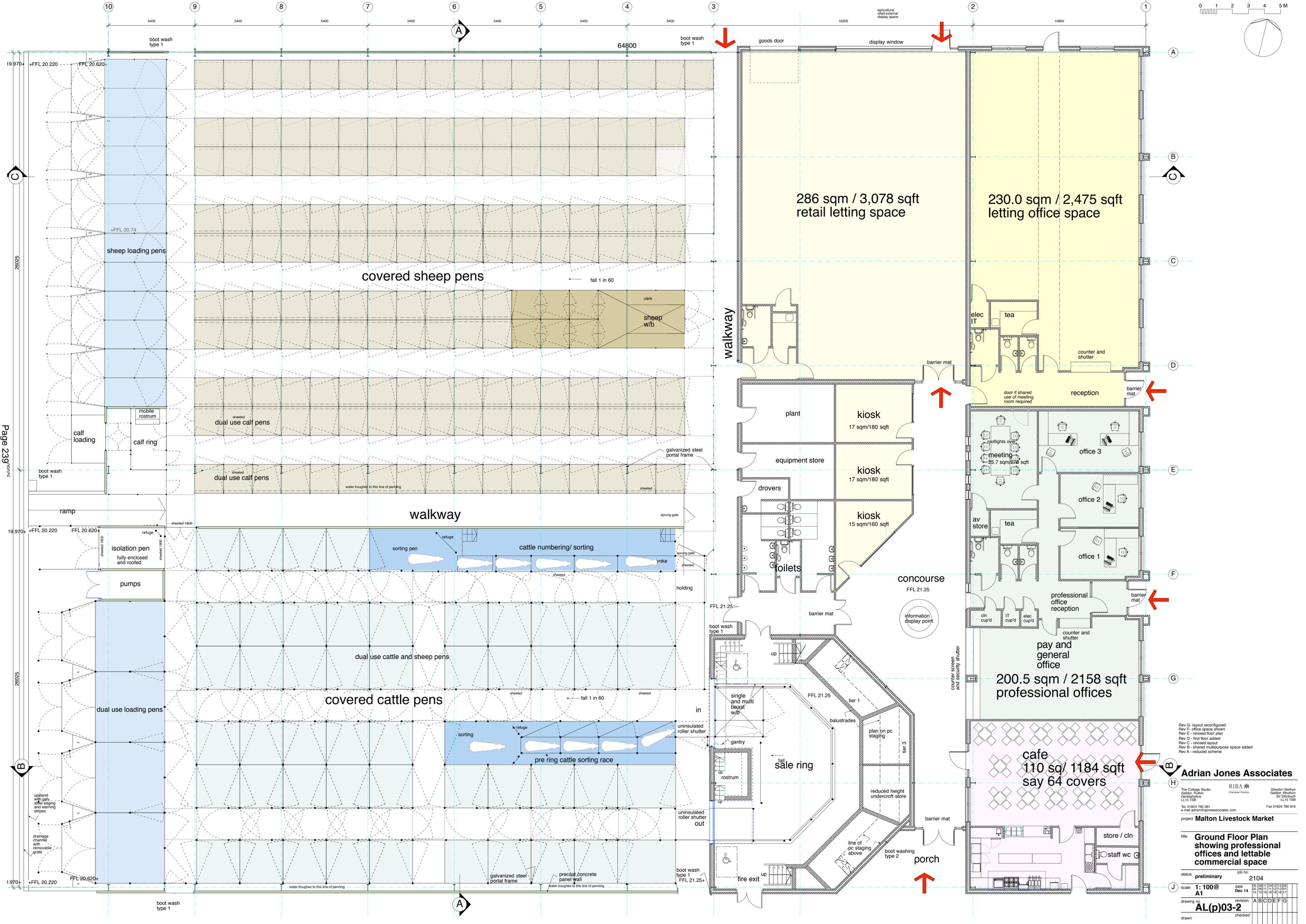
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project: **Malton Livestock Market**

title: **Sections AA BB CC**

status	preliminary	job no.	2104
scale	1:100@ A1	date	Jan 17
drawing no.	AL(p)07-2	revision	01/17
drawn		checked	

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Page 239 of 240

Rev G - layout reconfigured  
 Rev F - office space shown  
 Rev E - revised floor plan  
 Rev D - first floor added  
 Rev C - revised layout  
 Rev B - shared multipurpose space added  
 Rev A - reduced scheme

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status	preliminary	job no.	2104
scale	1:100@ A1	date	15 Dec 14
drawing no.	AL(p)03-2	revision	A B C D E F G
drawn	checked		

title **Ground Floor Plan showing professional offices and lettable commercial space**

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### The Land-Based and Rural Economy

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.

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### SP9 The Land-Based and Rural Economy

Ryedale's land-based economy will be sustained and diversified with support for:

- New buildings that are necessary to support land-based activity and a working countryside, including for farming, forestry and equine purposes
- Replacement dwellings for land management activity if no other existing available buildings suitable or capable of conversion
- Replacement of non-traditional general-purpose storage buildings to support farming, forestry or equine related activity
- Conversion of traditional buildings for tourism or residential uses (subject to the occupancy conditions set out in Policy SP21)
- Conversion of existing buildings and provision of new buildings to support appropriate small-scale rural economic activity in line with Policy SP6
- Appropriate farm and rural diversification activity including innovative approaches
- Local food production and sales. Farm shops which will meet a demand for local produce and which contribute to the local economy will be supported where they do not adversely affect easily accessible convenience shopping.
- Appropriate new uses for land including flood management and energy production related research and education in this field
- Small-scale extraction of local building stone and limited aggregate provision\*

And indirectly by supporting:

- The retention of a livestock market within Ryedale on a site which is convenient to users, well related to the main road network and in a location which is close to a Market Town but will not harm its character, landscape setting or the amenities of nearby residents
- Local weekday and Saturday markets, farmer's markets and events
- Proposals or actions that would assist in utilising and retaining traditional rural skills including land and woodland management, farming, conservation, local traditional building techniques

\*To be determined by the Minerals and Waste Joint Plan (North Yorkshire County Council, City of York Council and North York Moors National Park Authority)

## SP9 Implementation and Monitoring

Implementation	Action/Mechanism	Responsibility	Timing
Conversion of rural buildings	Supplementary Planning Document on Conversion of Rural Buildings	Ryedale District Council	On-going
New development and land use proposals	Development Management/Planning Application Process	Ryedale District Council and North Yorkshire County Councils	On-going
Rural Land Management	Grants/Advice and Programmes	DEFRA; Natural England; Environment Agency; public sector land owners; Local Authorities; private landowners;	On-going
Support for markets and events	Planning Application Process; Temporary Highway restrictions; Licensing, where necessary	Town Councils; Landowners; Ryedale District Council; North Yorkshire County Council	On-going
Monitoring	Data Source	Responsibility	Relevant Target/Trend
Number of farm/rural diversification schemes granted permission by type	In-house monitoring	Ryedale District Council	No target

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**RYEDALE DISTRICT COUNCIL**

**TOWN & COUNTRY PLANNING ACT 1990**

**OUTLINE APPLICATION FOR PERMISSION TO CARRY OUT DEVELOPMENT**

**RYEDALE DISTRICT COUNCIL, THE LOCAL PLANNING AUTHORITY, HAS CONSIDERED THIS APPLICATION AND HAS DECIDED THAT IT SHOULD BE APPROVED SUBJECT TO THE CONDITIONS STATED BELOW:**

**Application No:** 14/00426/MOUTE

**Proposal:** Erection of new livestock market (sui generis) comprising circa. 2,850 sq m floorspace: Agricultural Business Centre comprising circa. 6,010 sq m of floorspace for uses within Use Class A1, A2, A3, D1, B1, B2, B8 and agricultural vehicle sales (sui generis); and new Business Park comprising circa. 19,040 sq m of floorspace for uses within Use Class B1, B2, and B8 including premises for The Ginger Pig comprising 1,790 sq m of floorspace (for uses falling within Class B1, B2, B8 and A1) along with (in respect of all elements) all associated development including drainage, provision of services, landscaping, boundary treatments, attenuation ponds and access and associated highway works. (Site area 17.8ha).

**at:** Land At Edenhouse Road Old Malton Malton North Yorkshire

**for:** Commercial Development Projects & Fitzwilliam Trust Corp

**Decision Date:** 24 March 2015

**REASON FOR APPROVAL**

The proposed development is in accord with the following development plan policies and there are no other material considerations that outweigh those listed development plan policies:

Local Plan Strategy -Policy SP1 General Location of Development and Settlement Hierarchy  
Local Plan Strategy - Policy SP6 Delivery and Distributing of Employment Land and Premises  
Local Plan Strategy -Policy SP9 The Land-Based and Rural Economy  
Local Plan Strategy -Policy SP10 Physical Infrastructure  
Local Plan Strategy - Policy SP12 Heritage  
Local Plan Strategy - Policy SP13 Landscapes  
Local Plan Strategy - Policy SP14 Biodiversity  
Local Plan Strategy - Policy SP16 Design

Commercial Development Projects & Fitzwilliam Trust Corp  
C/O Freeth Cartwright LLP (Mr P Brailsford, Planning Director)  
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**WESTERN SITE**  
Livestock market and agri-business centre

**EASTERN SITE**  
Industrial, office and associated workspace

**NEW INFRASTRUCTURE**  
Roundabout created and Edenhouse Road upgraded

**SOUTHERN SITE**  
Surface water retention pond

Notes

**EASTERN SITE**

Industrial/Workplace: 13,250m<sup>2</sup>  
Ginger Pig: 1,790m<sup>2</sup>  
Offices: 4,000m<sup>2</sup>

Industrial Parking: 185  
Ginger Pig Parking: 35  
Office Parking: 100

**WESTERN SITE**

Livestock Market: 2,850m<sup>2</sup>  
Agribusiness: 6,010m<sup>2</sup>

Livestock Market + Agribusiness Parking: 290 cars, 75 Car&Trailers  
39 Lorries

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RYEDALE DM  
29 APR 2014  
DEVELOPMENT  
MANAGEMENT

14/00426/wate

Malton

**EDEN CAMP**  
Site Layout  
Option 5a

Dwg 044c  
1:1250@A3  
Malton  
Marshall CDP  
0m 62.5m

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