



POLICY AND RESOURCES COMMITTEE

Thursday 25 July 2019 at 6.30 pm

Council Chamber, Ryedale House, Malton

Agenda

1 Emergency Evacuation Procedure

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

2 Apologies for absence

3 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.

4 Minutes (Pages 3 - 6)

5 Recommendations from the Constitution Working Party (To Follow)

a Responsibility for Planning Policy (Pages 7 - 10)

b Substitutes at Sub Committees (Pages 11 - 16)

c Management of Meetings (Pages 17 - 34)

6 Recommendations from the Grants Working Party (Pages 35 - 46)

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.

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

- 8 **Statement of Accounts 2018/19** (Pages 47 - 186)
- 9 **Developing the Council Plan 2019/23** (Pages 187 - 214)
- 10 **Member Allowances Scheme** (Pages 215 - 218)
- 11 **Replacement of the Microphone and Electronic Voting System and Consideration of Live Streaming of Meetings** (Pages 219 - 222)

PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL

- 12 **Treasury Management Annual Report 2018 - 2019** (Pages 223 - 234)

ITEMS TO NOTE

- 13 **Budget Monitoring Q1 - 2019/20** (Pages 235 - 244)
- 14 **Head of Paid Service Update - Staffing and Organisational Development** (Pages 245 - 254)
- 15 **Delivering the Council Plan** (Pages 255 - 270)

AT THE REQUEST OF THE COMMITTEE CHAIRMAN

- 16 **Future Work Programme (for discussion)**
- 17 **Any other business that the Chairman decides is urgent.**

Policy and Resources Committee

Held at Council Chamber, Ryedale House, Malton
on Thursday 4 July 2019

Present

Councillors Joy Andrews, Paul Andrews (Substitute), Burr MBE (Substitute), Delaney, Docwra, Duncan (Chairman), Frank and Wass

Substitutes: Councillor P J Andrews and Councillor L M Burr MBE

By Invitation of the Chairman: Emily Mellalieu - NYCC

Overview & Scrutiny Committee Observers: Councillor Brackstone and Keal

In Attendance

Beckie Bennett, Stacey Burlet, Simon Copley, Tony Galloway, Anton Hodge, Nicki Lishman and Phillip Spurr

Minutes

18 Apologies for absence

Apologies for absence were received from Councillor Arnold, Councillor Raper substituted, Councillor Riby, Councillor Burr substituted and Councillor Thackray, Councillor P Andrews substituted.

19 Declarations of Interest

Councillors Burr and Duncan declared personal, non-pecuniary but not prejudicial interests as North Yorkshire County Councillors and Councillor P Andrews declared a personal, non-pecuniary but not prejudicial interest as a Malton Town Councillor.

20 Minutes

Decision
That the minutes of the meeting of the Policy and Resources Committee held on 6 June 2019 be approved and signed by the Chairman as a correct record.

Voting record

7 For
2 Abstentions

21 Urgent Business

The Chairman had one item of urgent business to seek views from the Policy and Resources Committee on proposals from North Yorkshire County Council for constituent councils to provide an allowance for their member of the North Yorkshire Police, Fire and Crime Panel and options for contributing towards administrative support of the Panel.

22 **Minutes of the Constitution Working Party held on 20 June 2019**

Decision

That the work programme attached as Appendix 1 of the minutes of the Constitution Working Party held on 20 June 2019 be approved.

Voting record

8 For
1 Abstention

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

23 **Nominations to Senior Management Contracts Working Party**

Decision

That the following members and substitutes be appointed to the Senior Management Contracts Working Party for the ensuing year, until such time as new appointments are made:

Independent Group Members

Representative: Councillor Andrews
Substitute: Councillor Burr

Liberal Democrat Members

Representative: Councillor Keal
Substitute: Councillor Mason

Ryedale First Independent Members

Representative: Councillor Frank
Substitute: Councillor Arnold

Voting record

Unanimous

24 **Exempt Information**

Resolved

That under Section 100(A)(4) of the Local Government Act 1972 that the public be excluded from the meeting for the following item as there will be a likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act as the information provided relates to the financial or business affairs of any particular person.

Voting record

Unanimous

25 **Request to lease office space at Ryedale House**

Considered – Report of the Deputy Chief Executive

Decision

That;

- a) A 5 year lease for office space at Ryedale House, with a break at 3 years or to align with a new PSH, be offered to DWP.
- b) Any future PSH rent costs (assuming this is delivered before the 5 year term and no more space is taken) be set at or around the rental offer for the transitional space. DWP reaffirm their funding position which is a guaranteed 10 year lease rental income for nil implementation works costs (other than fixtures, furniture and equipment) regardless of whether there is a new or a remodelled PSH.

Voting record

8 For

1 Abstention

26 Organisation for Health and Safety Policy and 2019/20 Health and Safety Action Plan

Considered – Report of the Chief Executive and the Deputy Chief Executive

Decision

That the Council's updated Health and Safety Policy, attached at Appendix 1 of the report be approved.

Voting record

Unanimous

27 Financial Assessment - Public Services Hub Options for Ryedale House

Considered – Report of the Deputy Chief Executive

Decision

Officers to focus on gathering information regarding the Ryedale House site.

In order to fully understand and compare the relative benefits of either renovating Ryedale House or building a new Public Service Hub on the site, Members require information regarding;

- The space required by Ryedale District Council for staff and members
- The partners wishing to join the PSH, the space they require and their financial contribution (be that capital or annual rent)
- Demand for private sector office space and whether this could be accommodated on the site under the existing covenants
- Future uses of the site under both scenarios, including the scope and terms of any other development on the site and the capital this would release

- The intentions of our neighbours and the opportunities this may present
- The relationship to other council-owned assets and how these may be consolidated
- A full comparison of both the financial and environmental costs of each option over time

A Member Briefing for all Members to be held to explain and clarify the information gathered. Members also require the opportunity to tour Ryedale House to assess its condition and current use.

Voting record

Unanimous

PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL

28 Funding for Malton, Norton and Old Malton Flood Alleviation Scheme

Considered – Report of the Head of Waste and Environmental Services

Recommendation to Council

That Council approves;

A 20% contribution towards the Malton, Norton and Old Malton Flood Alleviation Scheme (MNOMFAS) up to a maximum of £320,000 from the New Homes Bonus Reserve.

Voting record

Unanimous

29 Any other business that the Chairman decides is urgent.

Considered – report of the Democratic Services Manager

Decision

1. That that the Leader of Council write to other North Yorkshire Leaders and the Police, Fire and Crime Panel to state our concern at the level of Special Responsibility Allowance for the Chair and Vice Chair of the Police, Fire and Crime Panel and suggest that this be reviewed to plug the shortfall between the Home Office grants and the costs of the Panel's operations.

2. Withhold any payment by Ryedale District Council to fund the operations of the Police, Fire and Crime Panel

3. Recommend that the Independent Remuneration Panel consider this when it next meets.

Voting record

Unanimous



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	CONSTITUTION WORKING PARTY
DATE:	22 JULY 2019
REPORT OF THE:	DEMOCRATIC SERVICES MANAGER SIMON COPLEY
TITLE OF REPORT:	RESPONSIBILITY FOR PLANNING POLICY
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To advise the Constitution Working Party of the changes to the Constitution which would be required if responsibility for planning policy were moved from Planning Committee to Policy and Resources Committee.

2.0 RECOMMENDATION(S)

- 2.1 To decide whether to recommend to Council that the responsibility for planning policy be moved from Planning Committee to Policy and Resources Committee, with the associated changes to the Constitution required to do this as set out in this report.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 At its meeting on 20 June 2019, the Constitution Working Party requested a report setting out what changes would be required to the Constitution if the responsibility for planning policy were moved from Planning Committee to Policy and Resources Committee.

4.0 SIGNIFICANT RISKS

- 4.1 There are no direct risks with advising on the changes that would be required to the Constitution.
- 4.2 There may be potential risks to consider in making a decision about where the responsibility for planning policy sits. Planning Committee has experience of using planning policy and the associated detailed knowledge of planning matters (although Policy and Resources Committee could receive further training in this area). Policy and Resources Committee could however look at planning policy alongside economic, housing and environmental policy and provide a separation between the policy and regulatory functions. Given that Planning is a facilitator and enabler of the

Council's/District's growth aspirations, Policy and Resources Committee can be seen as the appropriate place to ensure the synergies with other key areas are made, especially as the Local Plan review process commences, which has to be anchored by joined-up thinking across the Council and could be facilitated through Policy and Resources Committee.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Planning policy historically sat with the Policy and Resources Committee but was moved to Planning Committee in March 2013. The reasons given for the move in the officer report at that time are as follows:

The Planning Committee is primarily responsible the determination of planning applications. The transfer of responsibility for the Council's Planning Policy function to the same group of Members (who have received specialist Planning training) will assist in the development of emerging policy and assist in the consistent delivery of planning policy through individual planning decisions made by the same committee.

The Council's Planning Committee is comprised of 15 Members and is the largest of the Council's committees. The transfer of responsibility for the Planning Policy function to this committee will enable more Members to be involved in the debate concerning planning policy recommendations to Full Council.

- 5.2 The Planning Committee is now the same size as the Policy and Resources Committee, both having 10 Members, so the second of these points no longer applies.

- 5.3 This report outlined the risks as follows:

There are no significant risks associated with this re-allocation of responsibilities. Policies and proposals will still be subject to the same level of rigorous debate and any new policy will still be referred to Council as the final decision maker.

- 5.4 If responsibility is transferred back to the Policy and Resources Committee, it will continue to be the case that any new policy will still be referred to Council as the final decision maker.

- 5.5 In other fourth option (committee system) councils in North Yorkshire, such as Richmondshire and Craven, responsibility for planning policy sits with their equivalent of the Policy and Resources Committee.

REPORT

6.0 REPORT DETAILS

- 6.1 Article 7 of the Constitution relates to the Policy and Resources, Planning and Licensing Committees. The first two paragraphs read:

7.1 The Policy and Resources Committee

The Council will appoint a Policy and Resources Committee responsible for policy including budget formulation, Community related issues, Economy and the Environment. The functions attributed to those Committees are set out in Part 3 of this Constitution entitled "Responsibility for Functions".

7.2 **The Planning Committee**

The Council will appoint a Planning Committee which will be responsible for dealing with planning applications and related matters and Planning Policy. The functions of the Committee are set out in Part 3 of this Constitution entitled "Responsibility for Functions".

- 6.2 Therefore an amendment would be required to move the reference to planning policy from paragraph 7.2 to 7.1.
- 6.3 The terms of reference for Planning Committee are set out in Part 3 of the Constitution. These include the following section:

Planning Committee (Policy)

3. (a) *To make recommendations to Council in relation to the approval or adoption of a plan or strategy comprising plans or alterations which together constitutes the Development Plan.*
- (b) *To determine all matters in the following stages of the production of Development Plan Documents in the Local Plan:*
- (i) *Preparation Stage – the evidence base and arrangements for community involvement; publication of preparatory draft documents and associated public consultation.*
- (c) *To advise and make recommendations to Council upon the following stages of production of Development Plan Documents:*
- (i) *Approval of any full draft development plan document for initial consultation.*
- (ii) *Approval of any Proposed Submission Document prior to submission to the Secretary of State.*
- (iii) *Adoption of Development Plan Documents following the Inspector's report and recommended modifications after the Examination.*
- (d) *In relation to the Neighbourhood Planning documents and the CIL charging schedule:*
- (i) *To determine all matters as relevant in the preparation, production, publication of Neighbourhood Planning documents and to advise Council as to the subsequent adoption of Neighbourhood Planning documents as covered by the Neighbourhood Planning Regulations 2012 (Neighbourhood Areas; Neighbourhood Forums; Community Right to Build Organisations; Neighbourhood Development Plans; Neighbourhood Development Orders and Community Right to Build Orders).*
- (ii) *To advise and make recommendations to Council in respect of the preparation, consultation and production of the CIL preliminary draft charging schedule.*

- (iii) *To advise and make recommendations to Council in respect of the preparation, production, consultation and approval of the draft CIL charging schedule to be submitted for examination and thereafter subsequent adoption.*
- (e) *To consider and make recommendations to Council on the adoption of Supplementary Planning Documents.*
- (f) *To determine matters upon related projects and studies to the Local Plan or to make recommendations to Council.*
- (g) *To consider and comment on behalf of the Council in respect of the Regional Strategy Local Development Frameworks, Neighbourhood Planning documents and other relevant plans or consultation exercises by Government, local authorities or other relevant bodies.*
- (h) *To give detailed consideration and to make recommendations to Council in respect of all other planning policy matters such as the designation of Conservation Areas and amendments to their boundaries and the designation of locally listed buildings.”*

6.4 An amendment would be required to move this section to the terms of reference for the Policy and Resources Committee.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
None.
- b) Legal
None.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
None.

Simon Copley
Democratic Services Manager

Author: Simon Copley, Democratic Services Manager
Telephone No: 01653 600666 ext: 43277
E-Mail Address: simon.copley@ryedale.gov.uk

Background Papers:
The Constitution.

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



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	CONSTITUTION WORKING PARTY
DATE:	22 JULY 2019
REPORT OF THE:	DEMOCRATIC SERVICES MANAGER SIMON COPLEY
TITLE OF REPORT:	SUBSTITUTES AT SUB-COMMITTEES
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To recommend changes to the Constitution to make explicit provision for substitutes at the Corporate Governance Standards Sub-Committee specifically and at sub-committees generally.

2.0 RECOMMENDATION(S)

- 2.1 That Council be recommended, through Policy and Resources Committee, to approve the changes set out in Appendix 1 of this report to make explicit provision for substitutes at the Corporate Governance Standards Sub-Committee specifically and at sub-committees generally.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 The Overview and Scrutiny Committee has requested that the Constitution be reviewed to make explicit provision for substitutes at the Corporate Governance Standards Sub-Committee.
- 3.2 When agreeing its work programme, the Constitution Working Party agreed to also look at explicit provision for substitutes at sub-committees generally.

4.0 SIGNIFICANT RISKS

- 4.1 There are no significant risks associated with this report. Clarity of arrangements for substitutes at sub-committees assists with ensuring that meetings can go ahead and business be dealt with in a timely manner when Members are unable to attend or have a conflict of interest in participating.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 The context in which these proposals are made is covered in section 3 of this report.

REPORT

6.0 REPORT DETAILS

6.1 The terms of reference in Part 3 of the Constitution set out the composition of the Corporate Governance Standards Sub-Committee as follows:

- (i) *The Corporate Governance Standards Sub-Committee shall comprise three Members of the Overview and Scrutiny Committee.*
- (ii) *Political proportionality is not applied for the Corporate Governance Standards Sub-Committee.*

6.2 Whilst this does not prevent the appointment of substitutes, it makes no explicit provision for their appointment.

6.3 It is therefore proposed that point (i) above is amended to add the wording, “*with up to three named substitutes.*” As political proportionality does not apply, any substitute could cover for any member of the sub-committee.

6.4 The Committee Procedure Rules in Part 4 of the Constitution make the following provisions for the appointment of sub-committees:

25B. **SUB-COMMITTEES**

- (i) *Every standing committee appointed may appoint sub-committees for purposes to be specified by that committee.*
- (ii) *The Chairman of a standing committee shall be an ex officio member of every sub-committee appointed by that standing committee and shall be ex officio chairman of such sub-committee.*
- (iii) *If the chairman of a sub-committee is absent from a meeting of the sub-committee another member of the sub-committee chosen by the members of the sub-committee present shall preside.*
- (iv) *With the exception of the Licensing Committee, a standing committee may appoint members who do not serve on that standing committee to serve on a sub-committee.*

6.5 Similarly this does not prevent the appointment of substitutes, nor does it make explicit provision for their appointment.

6.6 It is proposed that a point (v) is added to this procedure rule, to read, “*Substitutes may be appointed to sub-committees, subject to any relevant training requirements being fulfilled.*”

6.7 The Committee Procedure Rules set out the following provisions with regards to substitutes:

28. **SUBSTITUTE MEMBERS OF COMMITTEES**

28.1 **Number**

For each Committee where substitution is applicable, the maximum number of substitutes in respect of each Political Group at any meeting shall be 50% of that Group's membership on the relevant Committee, rounded up if necessary, subject to a minimum of two.

28.2 Powers and duties

Substitute Members will have all the powers and duties of any ordinary Member of the committee but will not be able to exercise any special powers or duties exercisable by the person for whom they are substituting. Substitute Members shall abide by any voting restrictions which would have applied to the Member for whom they are substituting.

28.3 Substitution

Substitute Members may attend meetings in that capacity only:

- (i) to take the place of the ordinary Member for whom they are the designated substitute;*
- (ii) where the ordinary Member will be absent for the whole of the meeting; and*
- (iii) after notifying the Proper Officer by 12 noon on the day of the meeting of the intended substitution.*

28.4 Overview and Scrutiny Committee

Substitution shall not apply to the Overview and Scrutiny Committee.

28.5 *Where a Member of Overview and Scrutiny Committee has acted as a named substitute at any Policy Committee they may not subsequently scrutinise any decision in which they have been involved.*

28.6 Licensing Committee and Licensing Sub-Committee

Substitution shall not apply to the Licensing Committee and Licensing Sub-Committee.

6.8 These provisions make no reference to sub-committees.

6.9 It is proposed that the title of this procedure rule is changed to be, "*Substitute Members of Committees and Sub-Committees*", and that the references to "*committee*" in 28.1 and 28.2 be changed to "*committee or sub-committee*".

6.10 Appendix 1 of this report summarises all of the proposed changes, with additional wording shown in italics.

7.0 IMPLICATIONS

7.1 The following implications have been identified:
a) Financial
None.

- b) Legal
None.

- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
None.

Simon Copley
Democratic Services Manager

Author: Simon Copley, Democratic Services Manager
Telephone No: 01653 600666 ext: 43277
E-Mail Address: simon.copley@ryedale.gov.uk

Background Papers:
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APPENDIX 1 – SUMMARY OF PROPOSED CHANGES TO THE CONSTITUTION

PART 3 OF THE CONSTITUTION – TERMS OF REFERENCE: CORPORATE GOVERNANCE STANDARDS SUB-COMMITTEE

3. Composition of the Corporate Governance Standards Sub-Committee

- (i) The Corporate Governance Standards Sub-Committee shall comprise three Members of the Overview and Scrutiny Committee, *with up to three named substitutes*.
- (ii) Political proportionality is not applied for the Corporate Governance Standards Sub-Committee.

PART 4 OF THE CONSTITUTION – COMMITTEE PROCEDURE RULES

25B. SUB-COMMITTEES

- (i) Every standing committee appointed may appoint sub-committees for purposes to be specified by that committee.
- (ii) The Chairman of a standing committee shall be an ex officio member of every sub-committee appointed by that standing committee and shall be ex officio chairman of such sub-committee.
- (iii) If the chairman of a sub-committee is absent from a meeting of the sub-committee another member of the sub-committee chosen by the members of the sub-committee present shall preside.
- (iv) With the exception of the Licensing Committee, a standing committee may appoint members who do not serve on that standing committee to serve on a sub-committee.
- (v) *Substitutes may be appointed to sub-committees, subject to any relevant training requirements being fulfilled.*

28. SUBSTITUTE MEMBERS OF COMMITTEES AND SUB-COMMITTEES

28.1 Number

For each Committee *or Sub-Committee* where substitution is applicable, the maximum number of substitutes in respect of each Political Group at any meeting shall be 50% of that Group's membership on the relevant Committee *or Sub-Committee*, rounded up if necessary, subject to a minimum of two.

28.2 Powers and duties

Substitute Members will have all the powers and duties of any ordinary Member of the committee *or sub-committee* but will not be able to exercise any special powers or duties exercisable by the person for whom they are substituting. Substitute Members shall abide by any voting restrictions which would have applied to the Member for whom they are substituting.

28.3 Substitution

Substitute Members may attend meetings in that capacity only:

- (i) to take the place of the ordinary Member for whom they are the designated substitute;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) after notifying the Proper Officer by 12 noon on the day of the meeting of the intended substitution.

28.4 Overview and Scrutiny Committee

Substitution shall not apply to the Overview and Scrutiny Committee.

28.5 Where a Member of Overview and Scrutiny Committee has acted as a named substitute at any Policy Committee they may not subsequently scrutinise any decision in which they have been involved.

28.6 **Licensing Committee and Licensing Sub-Committee**

Substitution shall not apply to the Licensing Committee and Licensing Sub-Committee.

Scrutiny Review

Meeting Start Times & Management of Meetings

RYEDALE
DISTRICT
COUNCIL



Overview and Scrutiny Committee
April 2017

Executive Summary

This Report sets out the results of a review of meeting start times and management of meetings. This review has been carried out by Ryedale District Council's Overview and Scrutiny Committee.

The aim of the review was to consider meeting start times as requested by Full Council on 8 December 2016, and to also consider the efficient running of proceedings at Full Council, including the length of meetings, as requested by Full Council on 21 February 2017.

The Committee made the following recommendations:

To Policy and Resources Committee and then on to Full Council:

- (i) That the Constitution be amended to change the order of business for Full Council to put items for decision first;
- (ii) That the Constitution be amended to bring forward the guillotine, so that it takes effect after 3 hours;
- (iii) That the Constitution be amended to require corrections to the minutes to be submitted in writing in advance of the meeting;
- (iv) That working practices be amended so that questions to officers have to be dealt with ahead of, rather than during, meetings of Full Council;
- (v) That the Constitution be amended to require the circulation of the Leader's Statement with the agenda;
- (vi) That working practices be amended to stop reading out the Leader's Statement at meetings of Full Council.

The Task Group wishes to thank all those who gave their time in contributing to this review.

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Scope of the review

The terms of reference for the Review were agreed at the Overview and Scrutiny Committee on the 16 February 2017 and revised on 30 March 2017. (See Annex A)

The aim of the review was to consider meeting start times as requested by Full Council on 8 December 2016, and to also consider the efficient running of proceedings at Full Council, including the length of meetings, as requested by Full Council on 21 February 2017.

The scope of the review covered the following:

The implications of both the current meeting start times and possible changes to these, including:

- What were the equalities impacts on Members, Officers and members of the public of daytime and evening meetings, and could these be mitigated?
- What were Members expectations around meeting start times when they decided to stand for election, and should any changes only be introduced at the beginning of a new term and with sufficient notice ahead of elections?
- What was the capacity of the organisation to support evening meetings and what was the impact on both Members and Officers in terms of quality of decision making and work the following day?

The options for improving time management at Full Council meetings, in terms of efficient running of proceedings and reducing the length of meetings, including:

- Was business dealt with in the right order at Full Council or should it be rearranged to put items for decision at the start of the agenda?
- Should the guillotine be brought forward or enforced more rigidly, rather than often extended, at Full Council meetings? When the guillotine falls should debate end on the item being considered and the vote taken?
- Would a timed agenda be helpful at Full Council meetings?
- Should amendments to the minutes be submitted in advance?
- Should amendments be submitted in advance?
- Should any questions to officers be dealt with ahead of the meeting instead of during the meeting?
- Would any measures proposed balance the efficient running of the meeting and the improved quality of decision making earlier in the evening, with the need to debate issues sufficiently thoroughly to reach sound decisions and to represent the views of residents in the democratic process and to hold the ruling group to account?

Membership of the committee

Current : G Acomb (Vice Chairman), D Cussons, K Duncan, B Gardiner, T Jainu-Deen, E Jowitt, D Keal (Chairman), M Potter, J Sanderson, R Wainwright.

Meeting dates of the Scrutiny Review Task Group:

09/03/17 Considered information relating to start times of meetings, including an equality impact assessment, Members' expectations when standing for election, the capacity of the organisation and impact on quality of decision making.

30/03/17 Considered the results of the survey of other local authorities on meeting start times, and the pros and cons of various options for improved management of meetings.

Scrutiny Review Task Group supporting officers:

Simon Copley (Principal Specialist Democracy)

Will Baines (Programmes, Projects & Performance Officer)

Beckie Bennett (Delivery & Frontline Services Lead)

Clare Slater (Deputy Chief Executive)

Methodology

The Committee/Task Group approached the review through:

- A discussion of the implications of meeting start times, including consideration of the equalities impact assessment, and a survey of other similar local authorities;
- An assessment of the pros and cons of different options to improve management of meetings.

Findings

The research undertaken highlighted the following key findings:

Meeting Start Times

- That the equality impact assessment, which covered Members, Officers and members of the public, indicated that different start times suited different groups of people and that any changes to start times were at worst neutral from an equalities perspective;
- That any change to meeting start times should only take place at an election so that any potential candidates had due notice;
- That daytime meetings may discourage younger and working age people from standing for election;
- That meetings running late into the evening has a detrimental impact on the quality of work of both Members and Officers, both at the meeting and the next day;
- That both the Corporate Peer Challenge report and the Independent Person have made reference to the lateness of meetings;
- That a survey undertaken of other councils in North Yorkshire and in Ryedale's "family group" (results attached as Annex B) indicates a range of start times, with the main reason for daytime meetings being to complete business during the normal working day and for evening meetings to allow Members and members of the public who work to attend meetings;
- That type of arrangement, presence/size of majority and length of meeting could also be influencing factors in relation to start times.

Recommendations

The Committee decided to present their findings on meeting start times but not to make any recommendations for further consideration.

Management of Meetings

A range of mechanisms were discussed for making meetings of Full Council more efficient as follows:

- *Changes to the order of business to put items for decision first* - Part B minutes and officer reports would be first, then motions on notice, followed by questions and the Leader's Statement. This would prioritise the most urgent and most important items of business to ensure the decisions were taken to keep the Council running on the date required, with sufficient time and when Members and officers were least tired. The flexibility for the Chairman to vary the order of business could still be retained.
- *Bringing forward the guillotine* - 3 hours was considered a reasonable amount of time for a meeting, although there was some risk that a backlog of business could arise which would have to be carried forward to the next meeting.

- *Enforcing the guillotine more rigidly* - Discretion needed to be retained to deal with this on a case by case basis, depending on the importance of the business, and ensuring it wasn't enforced solely for political reasons.
- *The guillotine taking immediate effect, with debate ending and a move to the vote* - This could curtail debate on key issues at an arbitrary time and effect the quality of the decision made.
- *Timed agenda* - Whilst this could help focus everyone's mind on dealing with the business efficiently and avoid filibustering and repetitive/similar amendments, it would be problematic assigning timings and ensuring there was no political interference in this. Similarly debate could be curtailed at an arbitrary time and the quality of decisions could be effected.
- *Submitting amendments to the minutes in advance of the meeting* - No reasons could be identified as to why this would not be a workable measure as any amendments to minutes could be anticipated in advance.
- *Submitting amendments in advance of the meeting* - The benefits of this including saving time at meetings and avoiding repetitive/similar amendments, allowing officers to provide advice on the legality and costings involved, allowing the Chairman to take a view on any procedural matters, and providing Members with written copies of amendments and time to consider them in advance. The disadvantages included not being able to take account of matters raised in debate and respond to these through drafting amendments, removing the flexibility to propose alternatives, and restricting the operation of Full Council, as the principal decision making forum in a fourth option authority. It was noted that this change could be made by political agreement between Group Leaders, rather than by constitutional requirement, with discretion still left with the Chairman to accept amendments at the meeting where they could not have been reasonably anticipated in advance.
- *Questions to officers ahead of, rather than during, the meeting* - Ryedale was unusual in allowing questions to officers during meetings of Full Council. Dealing with these in advance of the meeting would save time. It was not always possible for officers to fully answer questions without notice at meetings and this change would allow the attendance of fewer officers at meetings and the knock on impact on performance with tiredness next day after late finishes.
- *Circulate the Leader's Statement with the agenda* - This would allow the Statement to be available to Members well in advance of the meeting, to assist them in formulating questions, and also to make it available to the public well ahead of the meeting. Enforcing the constitutional requirement that questions be only about the content of the Statement and no other matters would also save time.
- *Stop reading out the Leader's Statement at the meeting* - No other document attached to the Council agenda is read out for the recording. All documents are available to the public online, including the Leader's Statement. This change would save time at meetings.

It was noted that there was a need to ensure mechanisms to support the efficient running of meetings did not curtail democratic debate on the key issues that matter to Ryedale and its residents.

Recommendations

To Policy and Resources Committee and then on to Full Council:

- (i) That the Constitution be amended to change the order of business for Full Council to put items for decision first;
- (ii) That the Constitution be amended to bring forward the guillotine, so that it takes effect after 3 hours;
- (iii) That the Constitution be amended to require corrections to the minutes to be submitted in writing in advance of the meeting;
- (iv) That working practices be amended so that questions to officers have to be dealt with ahead of, rather than during, meetings of Full Council;
- (v) That the Constitution be amended to require the circulation of the Leader's Statement with the agenda;
- (vi) That working practices be amended to stop reading out the Leader's Statement at meetings of Full Council.

Annexes

Annex A - Terms of Reference

Annex B - Survey Results on Meeting Start Times

Terms of Reference - Scrutiny Review of Meeting Start Times & Time Management at Meetings

<p>Aim of the Review</p>	<p>To consider meeting start times as requested by Full Council on 8 December 2016, when it considered the timetable of meetings for 2017-18 and resolved:</p> <ul style="list-style-type: none"> (i) That Council approve the timetable of meetings for 2017-2018, attached as Annex A of the report. (ii) That we refer this matter [of meeting start times] to O&S for further discussion and production of a report to be considered by P&R and then Full Council. <p>To also consider the efficient running of proceedings at Full Council, including the length of meetings, as requested by Full Council on 21 February 2017, when it considered recommendations from the Corporate Governance Standards Sub-Committee and resolved:</p> <p>That practices around electronic voting and time management at Full Council meetings be improved as follows:</p> <ul style="list-style-type: none"> (a) Any Member leaving a meeting early, to notify the Chairman when they depart and return their voting unit to the front of the room, and the time of their departure to be recorded in the minutes; (b) That the O&S Review into the start times of meetings also looks at the efficient running of proceedings at Full Council to include the length of meetings.
<p>Why has this review been selected?</p>	<p>The issue of meeting start times was raised at Full Council, when the following amendment was moved:</p> <p><i>"That Full Council and Planning Committee should start at 6pm.</i></p> <p><i>That all other meetings start at 4pm.</i></p> <p><i>That these changes take effect from 18 May 2017."</i></p> <p>The amendment was lost when put to the vote, so the existing meeting start times were continued for 2017-18.</p> <p>However a further amendment proposed that O&S review the issue looking to the longer term.</p> <p>An informal review of start times was last carried out in December 2010 by the Corporate Director (s151). However there have been changes to the membership of the Council and the way in which it operates since then.</p> <p>The issue of time management at Full Council meetings was raised by the Corporate Governance Sub-Committee at a meeting on 9 February 2017 and subsequently included in its recommendations to Full Council.</p>

Who will carry out the review?	<p>The review will be carried out by a task group including:</p> <ul style="list-style-type: none"> • A minimum of 2 members of the O and S committee (but open to all members of O and S) • Support will be provided by the Democratic Services Manager • With input from other officers as required, including the Monitoring Officer
How the review will be carried out?	<p>The task group will consider the implications of both the current meeting start times and possible changes to these. Potential questions that could be considered in scoping the review include:</p> <ul style="list-style-type: none"> • What are the equalities impacts on Members, Officers and members of the public of daytime and evening meetings, and can these be mitigated? [An equality impact assessment has already been carried out and can be made available to the task group.] • What were Members expectations around meeting start times when they decided to stand for election, and should any changes only be introduced at the beginning of a new term and with sufficient notice ahead of elections? • What is the capacity of the organisation to support evening meetings and what is the impact on both Members and Officers in terms of quality of decision making and work the following day? <p>The task group will consider options for improving time management at Full Council meetings, in terms of efficient running of proceedings and reducing the length of meetings. Potential questions that could be considered in scoping the review include:</p> <ul style="list-style-type: none"> • Is business dealt with in the right order at Full Council or should it be rearranged to put items for decision at the start of the agenda? • Should the guillotine be brought forward or enforced more rigidly, rather than often extended, at Full Council meetings? When the guillotine falls should debate end on the item being considered and the vote taken? • Would a timed agenda be helpful at Full Council meetings? • Should amendments to the minutes be submitted in advance? • Should amendments be submitted in advance? • Should any questions to officers be dealt with ahead of the meeting instead of during the meeting? • Would any measures proposed balance the efficient running of the meeting and the improved quality of decision making earlier in the evening, with the need to debate issues sufficiently thoroughly to reach sound decisions and to represent the views of residents in the democratic process and to hold the ruling group to account?
What are the expected outputs?	<p>It is expected that the task group will produce a report, summarising the evidence they have gathered.</p>

Timescale

It is anticipated that the group will conclude the outcomes of the review by June 2017. Progress reports will be submitted to the committee if required during the review.

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Council	Council Meeting Start Time	Time of day	Setup	Constitution Length of Meetings	Totals	
City of York	6:30pm	Evening	Leader and Cabinet	All Council meetings to end after 3 hours, 40 minutes unless extended by agreement of the Council Vote at 3 hours to adjourn, or may be earlier at the Chairman's discretion.	Morning	1
Craven	7pm	Evening	Committee System		Afternoon (until 5pm)	3
East Riding	2pm	Afternoon	Leader and Cabinet	Must end before 7:30pm Adjourn after 3 hours unless majority vote to continue	Evening (after 5pm)	6
Hambleton	2pm	Afternoon	Leader and Cabinet			
Harrogate	5:30pm	Evening	Leader and Cabinet	Adjourn after 3 hours unless majority vote to continue. Also a 10 minute break after two hours Adjourn after 3.5 hours unless majority vote to continue		
North Yorkshire	10:30am	Morning	Leader and Cabinet			
Richmondshire	6:30pm	Evening	Committee System			
Ryedale	6:30pm	Evening	Committee System			
Scarborough	2pm	Afternoon	Leader and Cabinet	Adjourn after 3 hours unless majority vote to continue		
Selby	6pm	Evening	Leader and Executive			

CIPFA Family Group	Council Meeting Start Time	Time of day	Setup	Constitution Length of Meetings	Totals	
Babergh	5:30pm	Evening	Leader and Strategy Committee	The duration of any meeting shall be at the absolute discretion of the Chairman Adjourn after 4 hours unless majority vote to continue	Morning	1
Cotswold	10am	Morning	Leader and Cabinet		Afternoon (until 5pm)	2
Derbyshire Dales	6pm	Evening	Committee System	Adjourn after 2.5 hours unless majority vote to continue Adjourn after 3 hours unless majority vote to continue	Evening (after 5pm)	10
Eden	6:45pm	Evening	Leader and Executive			
Maldon	7:30pm	Evening	Committee System	The duration of any meeting shall be at the absolute discretion of the Chairman Adjourn after 3 hours unless majority vote to continue		
Malvern Hills	7pm	Evening	Committee System			
Melton	6:30pm	Evening	Committee System			
Mendip	6:30pm	Evening	Leader and Cabinet	Adjourn after 3 hours unless majority vote to continue		
North Dorset	6pm	Evening	Leader and Cabinet			
Ribble Valley	6:30pm	Evening	Committee System	Adjourn after 3 hours unless majority vote to continue		
South Hams	2pm	Afternoon	Leader and Executive			
Staffs Moorlands	6:30pm	Evening	Leader and Cabinet	Adjourn after 3 hours unless majority vote to continue		
West Devon	4:30pm	Afternoon	Committee System			

Comments received as reasons for meeting start times

Morning

Complete business during the working day
No need for staff to work into evening

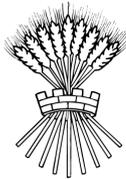
Afternoon

Complete business during the working day
Councillors who work full-time able to take afternoon off to attend

Evening

Public able to attend and participate
Councillors working full-time are able to attend

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PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	CONSTITUTION WORKING PARTY
DATE:	22 JULY 2019
REPORT OF THE:	DEMOCRATIC SERVICES MANAGER SIMON COPLEY
TITLE OF REPORT:	MANAGEMENT OF MEETINGS (INCLUDING SCRUTINY REVIEW REPORT)
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report presents the final report of the scrutiny review on meeting start times and management of meetings for consideration by the Constitution Working Party.
- 1.2 It also presents other recommendations identified in the Constitution Working Party's work programme relating to the management of meetings.

2.0 RECOMMENDATION(S)

- 2.1 To make recommendations to Council, through the Policy and Resources Committee, on each of the recommendations in the final report from the Overview and Scrutiny Committee:
- (i) That the Constitution be amended to change the order of business for Full Council to put items for decision first;
 - (ii) That the Constitution be amended to bring forward the guillotine, so that it takes effect after 3 hours;
 - (iii) That the Constitution be amended to require corrections to the minutes to be submitted in writing in advance of the meeting;
 - (iv) That working practices be amended so that questions to officers have to be dealt with ahead of, rather than during, meetings of Full Council;
 - (v) That the Constitution be amended to require the circulation of the Leader's Statement with the agenda;

- (vi) That working practices be amended to stop reading out the Leader's Statement at meetings of Full Council.
- 2.2 To make a recommendation to Council, through the Policy and Resources Committee, as to whether written notice should be given of questions on the Leader's Statement at Council.
- 2.3 To make recommendations to Council, through the Policy and Resources Committee, on the use of indicative timings for items of business on meeting agenda.
- 3.0 REASON FOR RECOMMENDATION(S)**
- 3.1 To consider the findings from the scrutiny review and other items relating to the management of meetings.
- 4.0 SIGNIFICANT RISKS**
- 4.1 Any risks identified and discussed as part of the review are included in the findings in the main report.
- 5.0 POLICY CONTEXT AND CONSULTATION**
- 5.1 At the time of the review links were made to the corporate aim "to transform the Council" and the strategic objectives "to know our communities and meet their needs" and "to develop the leadership, capacity and capability to deliver future improvements".

REPORT

6.0 REPORT DETAILS

- 6.1 The meeting of Full Council on 8 December 2016 resolved that the Overview and Scrutiny Committee carry out a review of meeting start times.
- 6.2 The meeting of Full Council on 21 February 2017 resolved that the remit of this review be broadened to cover the efficient management of meetings of Full Council.
- 6.3 The scrutiny review was completed and the report was submitted to the Policy and Resources Committee on 21 September 2017, which referred it to the Constitution Working Party.
- 6.4 The Constitution Working Party did not meet until 20 June 2019. At this meeting it reviewed the scrutiny report and requested that it be considered at its next meeting, on 22 July 2019, along with other items in its work programme relating to the management of meetings.
- 6.5 The report from the scrutiny review is attached and its recommendations are listed above.
- 6.6 A related item in the Constitution Working Party's work programme was whether written notice should be given of questions on the Leader's Statement at Council.
- 6.7 A further item relating to the management of meetings, which came from the Democratic Services and Governance health check, was that consideration be given

to the use of indicative timings for items of business on meeting agenda.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

There are no direct financial implications arising from this report.

b) Legal

There are no legal implications arising from this report

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

There are no other implications arising from this report. An equality impact assessment has been conducted in relation to meeting start times.

Simon Copley
Democratic Services Manager

Author: Simon Copley, Democratic Services Manager
Telephone No: 01653 600666 ext: 43277
E-Mail Address: simon.copley@ryedale.gov.uk

Background Papers:

Minutes of Full Council on 8 December 2016 and 21 February 2017

Minutes of Overview and Scrutiny Committee on 16 February 2017, 30 March 2017, 20 April 2017 and 22 June 2017

Minutes of Policy and Resources Committee on 21 September 2017

Minutes of Constitution Working Party on 20 June 2019

The Constitution

Background Papers are available for inspection at:

www.ryedale.gov.uk

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Grants Working Party

Held at Meeting Room 1 - Ryedale House, Malton, North Yorkshire YO17 7HH
on Monday 15 July 2019

Present

Councillors Arnold (Chair), Clark, Garbutt Moore, King and Thackray

In Attendance

Alan Bardet and Jos Holmes

Minutes

1 **Apologies for Absence**

2 **Minutes**

Minutes for meeting held on 05/03/2019 were agreed.

3 **Urgent Business**

None.

4 **Declarations of Interest**

Cllr Thackray declared a personal, pecuniary and prejudicial interest in the Flood Grant for Brawby self-help pump (item 9). He left the room while this item was discussed.

Cllr Arnold declared a personal, non-pecuniary but not prejudicial interest as a trustee of Helmsley Arts Centre, relating to community grant application in item 8.

5 **Appointment of Chairman**

It was agreed that Cllr Arnold will continue as chair of the working party.

6 **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 has 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.

7 **Community Grant Applications**

Recommendation

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

Annex 1 - Community Grants

8 Flood Grant Applications

Recommendation

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

Annex 2 - Flood Grants

9 Section 106 Grant Applications

Recommendation

That the recommendations contained in Annex 3 (S106 Applications) be presented to the Policy and Resources Committee for approval.

Annex 3 - S106 Grants

10 Lillings Ambo s.106 Funding

Recommendation

That the recommendations contained in Annex 4 (Lillings Ambo S106 Applications) be presented to the Policy and Resources Committee for approval.

Annex 4 - Lillings Ambo S106 Grant

11 Malton Community Sports Centre Health, Fitness and Wellbeing Suite Update

An update of progress on the Malton Community Sports Centre Health Fitness and Wellbeing Suite was presented to members.

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

None.

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Page number	Applicant	Reference	Total Project Cost	Grant requested	Grant intervention	Recommendation
11	Swinton Play Area, Large Slide	CG-069	£20,100	£5,000	25%	£2,500
23	Kirbymoorside and District Camera Club, Projector Equipment	CG-070	£961	£761	79%	£500
35	Fadmoor and Gillamoore Playing Fields Association, Community Building	CG-071	£31,774	£5,000	16%	£2,500
49	Dickens Gift to Yorkshire, Malton Dickensian Festival	CG-072	£36,000	£5,000	14%	£0
63	Friends of Ryedale School, 3G Pitch	CG-073	£650,000	£5,000	1%	£2,000 – Special condition of community access to be agreed
75	Ryedale Special Families, iMUSE equipment	CG-074	£5,000	£1,250	19%	£1,250
89	Community Counselling North Yorkshire, Children's and Young People's Service	CG-075	£25,786	£4,975	83%	£4,975
101	Helmsley Arts Centre, Disability Access Viewing Space	CG-076	£1,200	£1,000	7%	£400
113	Ryedale Community Transport, Low Floor Bus	CG-077	£74,000	£5,000	7%	£2,000
125	Sight Support Ryedale	CG-078	£37,513	£5,000	13%	£2,500
137	Hovingham Action Group, Electric Vehicle Charger	CG-079	£5,747	£1,000	17%	£750 – Subject to funding from LEP
149	Brooklyn Preschool Playgroup, The Secret Garden	CG-80	£1,000	£1,000	100%	£750

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Page number	Applicant	Reference	Total Project Cost	Grant requested	Grant intervention	Recommendation
165	Brawby Parish Meeting, Brawby Self Help Pump, Electrical Testing	FG-002	£1,716	£716	42%	£716 – Subject to conditions on power supply should land owner leave property.

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Page number	Applicant	Reference	Total Project Cost	Grant requested	Grant intervention	Recommendation
169	Kirkbymoorside Town Council, Half Basket Ball court	S106-055	£3,492.02	£3,492.02	100%	£2,500
181	Thornton Dale Village Hub, Pond Nature Trail	S106-56	£3,787	£3,000	79%	£2,000
207	Malton and Norton RUFC, Drainage Equipment	S106-057	£18336.00	£16500.00	90%	£10,000
221	Malton Cricket Club, Scoreboard	S106-058	£7326.00	£6000.00	82%	£3,000

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Section 106: £6525. Lillings Ambo. The provision of open space within the vicinity of the site. By 28.10.19.

Officers and the Ward Member have been in discussions with Lillings Ambo Parish Council for several months in respect of the above S106 agreement, due to the deadline of expenditure for the S106 agreement being 28.10.19. It centres around the village of West Lilling in the Sheriff Hutton Ward. It is a small village with no communal space, although there are several public rights of way including the Ebor way. However, there have not been any project suggestions from either the Parish Council or the NYCC Public Rights of Way section.

Head of Planning and Regulatory Services has consequently considered that the 'boundary' for projects could be extended to include the village of Sheriff Hutton on the basis that it is in close proximity to the village of West Lilling where the development occurred.

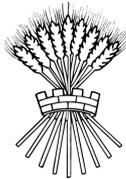
Officers have therefore been in contact with groups around Sheriff Hutton to request proposals for the S106 Project. This was not sufficient time for full applications prior to the closing date of the S106 grants process. However, as the next meeting of the Grants Working Party is not until after the deadline for S106 expenditure, it was felt pragmatic to bring these proposals to GWP on 15.7.19.

Proposals received are:

Applicant	Project	Anticipated cost
Sheriff Hutton Village Hall - play area	Table and bench seating for play area	£467
The Glebe (a conservation / wildlife area managed by a local trust and volunteers)	Tree work to improve biodiversity and habitat	£2,200
Sheriff Hutton Village Hall – village market area	Grading of uneven land to enable access	£2,613
Sheriff Hutton Cricket Club	Improvements to area in front of pavilion	No information at this time
Total		£5,280
Remaining		£1,245

Approved in principle, grant offer letters would be prepared only after due diligence is carried out to ensure that the organisations are constituted, have appropriate accounts and have quotes for the projects in question. Standard grant conditions would apply.

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PART A: MATTERS DEALT WITH UNDER DELEGATED POWERS

REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 25 JULY 2019

**REPORT OF THE: CHIEF FINANCE OFFICER (s151)
ANTON HODGE**

TITLE OF REPORT: 2018-19 STATEMENT OF ACCOUNTS

WARDS AFFECTED: ALL

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.

1.2 The draft final accounts (Appendix A) have already been made public and are on the Council's website (<https://www.ryedale.gov.uk/your-council/news/2443-statement-of-accounts-2018-19-public-inspection-notice.html>).

2.0 RECOMMENDATION (POLICY AND RESOURCES COMMITTEE)

2.0 It is recommended that members

- approve the 2018-19 Statement of Accounts (Appendix A)
- authorise the Chief Finance Officer (s151) and the Chairman of the Policy & Resources Committee to sign the letter of representation (Appendix B)
- note the External Auditors' ISA Document (Appendix C)

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.

3.2 The Council's external auditors, Grant Thornton, have concluded the audit of accounts for 2018-19 and have issued their final report to the Overview and Scrutiny Committee on the 24 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 2018/19.

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 At the time of writing, the External Auditors are continuing to work through a number of remaining issues but are expected to sign off the accounts by 31 July 2019.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

The External Auditors' report notes the work which has begun on improving performance. Any financial implications of these will be taken into account when proposals are considered to address this. Additional work incurred by External Auditors may result in an increase to the fee. There are no other financial issues arising from this report in itself but clearly the outturn figure and impact on future budgets is an issue for the Council and which is discussed as part of the Budget Process and regular budget monitoring.

b) Legal

There are no legal implications regarding this report.

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

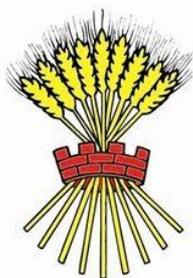
None arise from the contents of this report. Such implications are taken into account as part of the budget process. As with financial implications, the External Auditors' report notes the work which has begun on improving performance. Any Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change and Crime & Disorder implications of these will be taken into account when proposals are considered to address this.

Anton Hodge
Chief Finance Officer (s151)

Author: Anton Hodge
Telephone No: 01653 600666 ext: 43385
E-Mail Address: anton.hodge@ryedale.gov.uk

Background Papers:
None.

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Statement of Accounts 2018/19

Ryedale District Council

Continuing to do what matters for Ryedale

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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 2019 are set out on pages 10 to 89. They have been compiled using the *Code of Practice on Local Authority Accounting in the UK 2018/19* (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 **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 **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 **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.

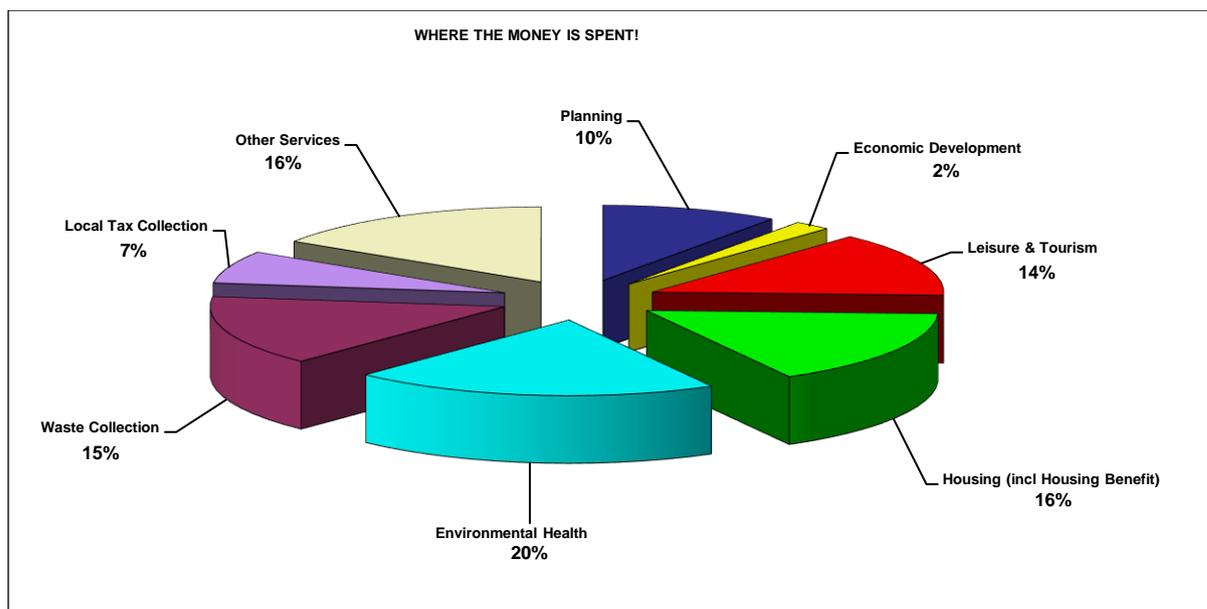
- the **Expenditure & Funding Analysis** - the objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison 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.

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.

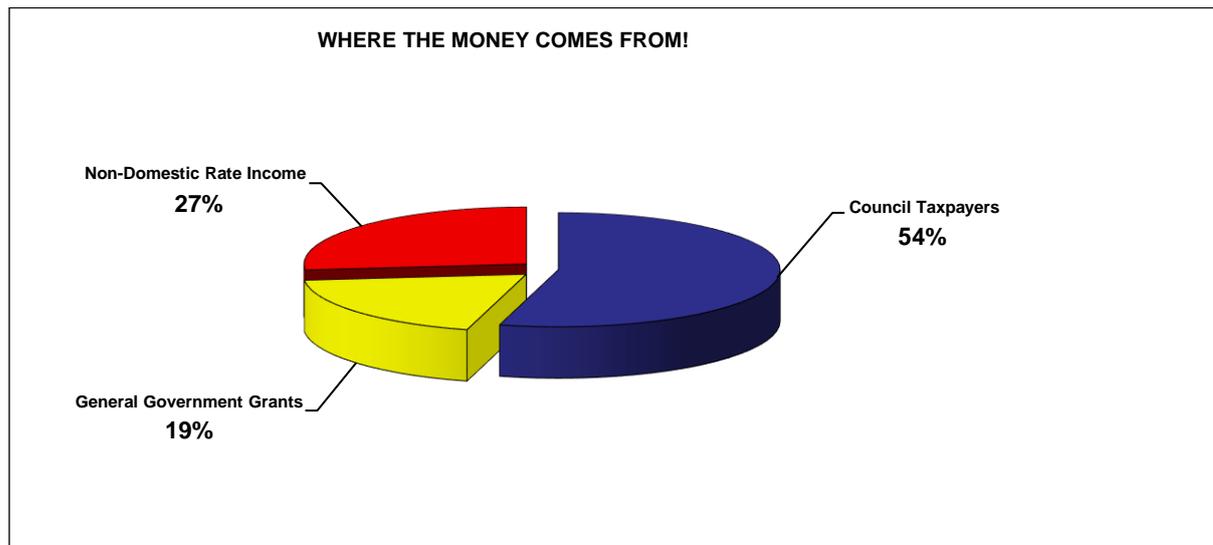
3. General Fund Revenue Expenditure in 2018/19

The net cost of the Authority's revenue activities was £6.742m, 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 93 and 94 of this document.

After adjusting for the payment of parish precepts of £0.966m, the receipt of investment income (£0.197m) and the net debit from appropriations £1.897m the amount met from Taxation and Non-Specific Grant Income was £9.408m, which is funded as follows:



The above chart shows that, of the funding to meet the Authority's net revenue expenditure, around 54% (£5.104m) was provided by the Council Taxpayers, an additional 27% (£2.510m) from the Authority's share of Non-Domestic Rates from the Business Rates Retention Scheme, some 19% (£1.794m) 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 2018/19 and how these compared with the actual expenditure are set out below:

	Original Budget £000	Actual £000	Difference £000
Net Cost of Services	7,286	6,742	(544)
Other Operating Expenditure:			
Precepts paid to Parish Councils	966	966	-
Capital Receipts unattached to non current assets	-	(2)	(2)
(Gains) / Losses on disposal of non current assets	-	-	-
	966	964	(2)
Financing and Investment Income & Expenditure			
Interest Payable	85	73	(12)
Pensions interest cost & expected return on pension assets	620	450	(170)
Income from Investments	(55)	(197)	(142)
Impairment Losses on Financial Instruments	-	6	6
Income and expenditure in relation to investment properties	(34)	(208)	(174)
	616	124	(492)
Taxation & Non Specific Grant Income			
Council Precept	(5,084)	(5,084)	-
Collection Fund Surplus	(31)	(20)	11
Retained Business Rates	(1,775)	(2,510)	(735)
Revenue Support Grant	(143)	(143)	-
Other General Government Grants	(1,537)	(1,651)	(114)
	(8,570)	(9,408)	(838)
(Surplus) / Deficit on Provision of Services	298	(1,578)	(1,876)
(Surplus) / Deficit on revaluation of property, plant & equipment assets	-	(563)	(563)
(Surplus) / Deficit on revaluation of available for sale financial assets	-	-	-
Actuarial (gains) / losses on Pensions assets / liabilities	-	(2,772)	(2,772)
Total Comprehensive Income and Expenditure	298	(4,913)	(5,211)
Adjustments between accounting basis and funding basis under regulations - transfers to (+) or from (-) unusable reserves	(684)	2,787	3,471
Contributions to (+) or from (-) earmarked reserves	386	2,126	1,740
Increase/Decrease in General Fund Balance for Year	-	-	-

In overall terms, the Council achieved a surplus of £1.41m for the financial year when comparing budgeted (planned) expenditure with actual expenditure. The surplus for the year has been allocated to General Reserve (£649.6k) and Business Rates Equalisation Reserve (£760k)

Supplementary information regarding the actual Net Cost of Services is shown at the end of this document on pages 93 and 94.

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 2018/19 has increased by £2.126m from £12.808m to £14.934m at 31 March 2019.

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

- £2.5m was transferred from the New Homes Bonus Reserve to the Capital Fund earmarked towards the Public Services Hub development project.

Major drawings were limited to a sum of £0.169m from the Capital Fund to finance the Capital Programme, and £0.303m from Collection Fund Equalisation Reserve in relation to distribution of collection fund deficits between financial years.

Major contributions to reserves and balances included the transfer of £0.263m into the Capital Fund to finance the capital programme, the transfer of £0.889m into the New Homes Bonus Reserve. Surplus income from Business Rates of £0.760m was transferred to the Collection Fund equalisation reserve to mitigate against future funding risk, with the remaining general fund surplus of £0.650m being transferred to 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 £17.723m as at 31 March 2018 to £15.615m as at 31 March 2019. This decrease of £2.108m 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 2018/19 totalled £2.016m. As 2018/19 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 £1.652m and a revised budget of £3.360m.

The total amount invested in the capital programme for 2018/19 was £842k, of which £675k was invested in Housing Grants and Loans.

Under spends include Property Condition Survey (£573k), slippage on the Assembly Rooms and Milton Rooms Preservation Works (£476k), IT Infrastructure Strategy (£117k), Vehicle replacement programme (£186k) and compulsory land purchase (£505k).

Of the £842k capital expenditure incurred some £27k was funded through capital receipts, £208k from Earmarked Reserves with a further £607k 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 £2.518m. This variance will need re-profiling into 2019/20 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 2019/20 Capital Programme and the indicative programme to 2021/22. This level of resources ensure that overall planned spending and funding are in balance.	2019/20 £000	2020/21 £000	2021/22 £000
<i>No revenue consequences</i>			
Capital receipts	30	30	30
Grants and Contributions	496	496	496
Council Resources	5,585	285	285
Total	6,111	811	811
<i>With revenue consequences</i>			
Prudential Borrowing	0	0	0
Total	0	0	0
Total	6,111	811	811

8. Changes in Accounting Policy

IFRS 15 stipulates the accounting treatment for recognising revenue from contracts with customers. The Council has reviewed its current practice in this area and it currently meets the requirements of IFRS 15 so no practical changes in how the Council recognises revenue from contracts with customers is required in the 2018/19 accounts.

Changes have also been reflected in Note 1 paragraph x of the Statement of Accounting Policies for Financial Instruments to reflect the introduction of IFRS 9 by the CIPFA Code of Practice. IFRS 9 is a complex accounting standard and addresses the accounting treatment for the classification, measurement and impairment of financial instruments. The Council now recognises and measures financial assets at either amortised cost, at fair value through profit and loss or at fair value through other comprehensive income. The accounting policy also explains that the Council now reviews all of its financial assets held at amortised cost to assess the risk of expected future cash flows not being received.

The main changes to the Statement of Accounts are as a result of the CIPFA Code of Practice adopting IFRS 9 Financial Instruments. This has seen significant changes in the way investments are classified which has been reflected in Note 18 Financial Instruments. In practical terms for the Council's current instruments, this means reclassification to Instruments held at Amortised Cost. However, the Council will review its application to any future investments.

9. 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 CO₂ emissions from reduced energy use.

Following an Overview and Scrutiny Review into Climate change and how the Council can contribute towards a reduction in global temperature rise a range of recommendations have been approved in 2018/19 and an action plan will be implemented during 2019/20.

Recycling performance has increased year on year achieving an estimated 48% in 2018/19 compared to 46.2% in 2017/18. The Council is committed to recycling more and a series of actions have been agreed in 2018/19 and implementation will start during 2019/20 including the purchase of an additional recycling vehicle, rolling out a residents' awareness campaign and refurbishing the mini recycling centres across the district. Participation in the garden waste collection service has also increased to 47.64% in 2018/19 compared with 46% in 2017/18.

10. **Medium Term Financial Plan for 2018/19 to 2022/23**

In preparing the Medium Term Financial Plan (MTFP) for 2018/19 to 2022/23, the aim was to align to the objectives set out in the Council Plan. The MTFP was approved at Council on 22 February 2018 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. An in depth review of base budgets during the year enabled some capacity to be released back into the organisation to support organisational development, although it is accepted that over the coming years savings will still need to be delivered.

The major influences on the budget going forward into 2019/20 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.

The Medium Term Financial Plan is revisited each year and will take stock of the Council's current and projected financial position over the coming years. The Council approved a balanced budget for 2019/20 at its meeting on 21 February 2019 and noted the risk of reduced funding in coming years and that it seems likely that further efficiencies will be required in due course.

11. **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;
- 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 2019 and its income and expenditure for the year ended 31 March 2019.

Signed: _____ Dated: 30 May 2019
Anton Hodge CPFA
Chief Finance Officer (s151)

Approval of the Accounts

This Statement of Accounts was approved by the Policy and Resources Committee on 25 July 2019.

Signed: _____ Dated: 25 July 2019
Cllr. K C Duncan
Chairman of Policy & Resources Committee

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance as at 31 March 2017	8,692	221	96	9,009	(3,101)	5,908
<u>Movement in reserves during 2017/18</u>						
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)	-
Increase / Decrease in 2017/18	4,116	187	(6)	4,297	1,669	5,966
Balance as at 31 March 2018	12,808	408	90	13,306	(1,432)	11,874
<u>Movement in reserves during 2018/19</u>						
Total Comprehensive Income and Expenditure	1,578	-	-	1,578	3,335	4,913
Adjustments between accounting basis & funding basis under regulations (note 9)	548	45	(9)	584	(584)	-
Increase / Decrease in 2018/19	2,126	45	(9)	2,162	2,751	4,913
Balance as at 31 March 2019	14,934	453	81	15,468	1,319	16,787

2017/18				2018/19		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
			Policy and Resources Committee			
987	328	659	Central Services to the Public	1,137	348	789
881	21	860	Cultural and Related Services	968	32	936
4,180	2,218	1,962	Environmental and Regulatory Services	4,499	2,129	2,370
1,512	1,140	372	Planning Services	1,652	856	796
284	835	(551)	Highways and Transport Services	442	950	(508)
11,413	10,634	779	Housing Services	11,051	9,954	1,097
1,139	68	1,071	Corporate and Democratic Core	1,243	29	1,214
(24)	-	(24)	Other Corporate and Non Distributed Costs	50	2	48
20,372	15,244	5,128	COST OF SERVICES	21,042	14,300	6,742
887	-	887	Other Operating Expenditure (Note 11)	966	2	964
723	396	327	Financing and Investment Income and Expenditure (Note 12)	687	563	124
-	-	-	(Surplus) or Deficit of Discontinued Operations	-	-	-
5,616	14,954	(9,338)	Taxation and Non-Specific Grant Income (Note 13)	5,997	15,405	(9,408)
		(2,996)	(SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(1,578)
		(220)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			(563)
		-	- Impairment Losses on Non Current Assets Charged to the Revaluation Reserve			-
		-	- (Surplus) or Deficit on Revaluation of Available for Sale Financial Assets			-
		(2,750)	Actuarial (Gains) / Losses on Pension Assets / Liabilities			(2,772)
		(2,970)	OTHER COMPREHENSIVE INCOME & EXPENDITURE			(3,335)
		(5,966)	TOTAL COMPREHENSIVE INCOME & EXPENDITURE			(4,913)

31 March 2018 £000		31 March 2019 £000	Notes Ref.
16,393	Property Plant & Equipment	16,417	<u>14</u>
-	Heritage Assets	-	<u>15</u>
2,015	Investment Property	2,193	<u>16</u>
94	Intangible Assets	115	<u>17</u>
-	Assets Held for Sale	-	<u>23</u>
-	Long Term Investments	-	<u>18</u>
457	Long Term Debtors	401	<u>18</u>
18,959	Long Term Assets	19,126	
17,115	Short Term Investments	21,964	<u>18</u>
-	Assets Held for Sale	-	<u>23</u>
47	Inventories	91	<u>19</u>
930	Short Term Debtors	1,535	<u>21</u>
2,753	Cash and Cash Equivalents	201	<u>22</u>
20,845	Current Assets	23,791	
-	Cash and Cash Equivalents	-	<u>22</u>
(21)	Short Term Borrowing	(21)	<u>18</u>
(4,406)	Short Term Creditors	(4,970)	<u>24</u>
(148)	Other Short Term Liabilities	(127)	<u>18</u>
(1,169)	Provisions	(497)	<u>25</u>
-	Liabilities in Disposal Groups	-	
(9)	Revenue Grants Receipts in Advance	(9)	<u>34</u>
(5,753)	Current Liabilities	(5,624)	
(3,234)	Long Term Creditors	(3,512)	<u>18</u>
-	Provisions	-	<u>25</u>
(1,632)	Long Term Borrowing	(1,592)	<u>18</u>
(17,071)	Liability Related to Defined Pension Scheme	(15,289)	<u>40</u>
(240)	Other Long Term Liabilities	(113)	<u>18</u>
-	Donated Assets Account	-	<u>34</u>
-	Capital Grants Received in Advance	-	<u>34</u>
(22,177)	Long Term Liabilities	(20,506)	
11,874	Net Assets / (Liabilities)	16,787	
13,306	Usable Reserves	15,468	<u>26</u>
(1,432)	Unusable Reserves	1,319	<u>27</u>
11,874	Total Reserves	16,787	

Chief Finance Officers Certificate:

I certify that the above Balance Sheet, fairly states the financial position of the Authority as at 31 March 2019

Signed:

Anton Hodge CPFA
Chief Finance Officer (s151)

Dated: 30 May 2019

2017/18 £000		2018/19 £000
2,996	Net surplus or (deficit) on the provision of services	1,578
1,330	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 28a)	1,199
(1,006)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 28b)	(608)
3,320	Net cash flows from Operating Activities	2,169
(257)	Net cash flows from Investing Activities (Note 29)	(4,263)
(657)	Net cash flows from Financing Activities (Note 30)	(458)
2,406	Net increase or (decrease) in cash and cash equivalents	(2,552)
347	Cash and cash equivalents at the beginning of the reporting period	2,753
2,753	Cash and cash equivalents at the end of the reporting period (Note 22)	201

0. EXPENDITURE AND FUNDING ANALYSIS

For the Year Ended 31 March 2019

2017/18				2018/19		
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
			Policy and Resources Committee			
590	69	659	Central Services to the Public	717	72	789
671	189	860	Cultural and Related Services	779	157	936
1,606	356	1,962	Environmental and Regulatory Services	1,897	473	2,370
251	121	372	Planning Services	674	122	796
(598)	47	(551)	Highways and Transport Services	(555)	47	(508)
554	225	779	Housing Services	786	311	1,097
1,000	71	1,071	Corporate and Democratic Core	1,140	74	1,214
318	(342)	(24)	Other Corporate and Non Distributed Costs	389	(341)	48
4,392	736	5,128	NET COST OF SERVICES	5,827	915	6,742
(8,508)	384	(8,124)	Other Income and Expenditure	(7,953)	(367)	(8,320)
(4,116)	1,120	(2,996)	(SURPLUS) OR DEFICIT	(2,126)	548	(1,578)
(8,692)			OPENING GENERAL FUND BALANCE	(12,808)		
(4,116)			(Surplus) or Deficit on General Fund Balance in Year	(2,126)		
(12,808)			CLOSING GENERAL FUND BALANCE	(14,934)		

1. ACCOUNTING POLICIES

i General Principles

The Statement of Accounts summarises the Authority's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019. 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 2018/19 and the Service Reporting Code of Practice 2018/19, 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

The accounts of the Council are, in general, maintained on an accruals basis in accordance with recognised accounting policies. The Accounts reflect sums due to or incurred by the Council during the year, whether or not the amount has actually been received or paid in the year. Appropriate provision has been made, therefore, for Creditors and Debtors at 31 March 2019.

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

A Financial Instrument is defined as: “any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another”. Although this covers a wide range of items, the main implications are in terms of investments and borrowings.

As reflected in the Code, the accounting standard on Financial Instruments, IFRS 9 covers the concepts of recognition, measurement, presentation and disclosure.

A financial asset or liability should be recognised on the Balance Sheet when, and only when, the holder becomes a party to the contractual provision of the instrument.

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 Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council 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 (CIES) 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 financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES 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.

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

Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The Council does not currently hold any investments in this category, however, the Council will assess any future investment that falls in to this category on an individual basis and assign an IFRS 9 category (amortised cost, FVPL or Fair Value through other comprehensive income). The assessment will be based on the underlying purpose for holding the financial instrument.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, where material.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses

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 2018/19 (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).

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 2019/20 Code and there is therefore no impact on the 2018/19 Statement of Accounts.

IFRS 16 Leases (expected implementation from 1 April 2020) - 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 2019 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 £1.405m.

5. MATERIAL ITEMS OF INCOME AND EXPENSES

There are no material items of income and expenditure in 2018/19 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 2019.

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	2018/19			
	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Policy and Resources Committee				
Central Services to the Public	17	54	1	72
Cultural and Related Services	140	17	-	157
Environmental and Regulatory Services	236	236	1	473
Planning Services	30	92	-	122
Highways and Transport Services	43	4	-	47
Housing Services	209	102	-	311
Corporate and Democratic Core	23	50	1	74
Other Corporate and Non Distributed Costs	-	(341)	-	(341)
Net Cost of Services	698	214	3	915
Other Income and Expenditure from the Expenditure and Funding Analysis	(525)	450	(292)	(367)
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	173	664	(289)	548

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
Policy and Resources Committee				
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)
Net Cost of Services	509	218	9	736
Other Income and Expenditure from the Expenditure and Funding Analysis	(401)	488	297	384
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	108	706	306	1,120

8. EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income	2018/19 £000	2017/18 £000
Expenditure		
Employee benefits expenses	4,640	4,641
Other service expenses	13,597	13,654
Support service recharges	2,260	1,779
Depreciation, amortisation and impairment	545	298
Interest payments	523	566
Precepts and levies	966	887
Gain or loss on disposal of non-current assets	-	-
Capital receipts unattached to non-current assets	(2)	-
Impairment losses on financial instruments	6	-
Total Expenditure	22,535	21,825
Income		
Fees, charges and other service income	4,688	5,131
Interest and investment income	405	239
Income from council tax and non-domestic rates	7,614	7,006
Government grants and contributions	11,406	12,445
Total Income	24,113	24,821
Surplus or Deficit on the Provision of Services	(1,578)	(2,996)

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.

2018/19 Adjustments

2018/19	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non-current assets	643	-	-	(643)
Revaluation losses on Property Plant and Equipment	-	-	-	-
Movements in the fair value of investment properties	(178)	-	-	178
Amortisation of intangible assets	41	-	-	(41)
Capital grants and contributions applied	(607)	-	-	607
Income in relation to donated assets	-	-	-	-
Revenue expenditure funded from capital under statute	625	-	-	(625)
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	-	-	-	-
<u>Insertion of Items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(183)	-	-	183
Capital expenditure charged against the General Fund	(167)	-	-	167
Adjustments primarily involving the Capital Grants Unapplied Account:				
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	-	-	(9)	9
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(18)	-	18
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	-	13	-	(13)
Capital receipts unattached to non-current assets	(2)	2	-	-
Repayment of principal on loans	-	48	-	(48)
Adjustments primarily involving the Deferred Capital Receipts Reserve:				

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-
Adjustment primarily involving the Financial Instruments Adjustment Account:				
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	-	-	-	-
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 40)	1,823	-	-	(1,823)
Employers pensions contributions and direct payments to pensioners payable in the year	(1,159)	-	-	1,159
Adjustments primarily involving the Collection Fund Adjustment Account:				
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	(292)	-	-	292
Adjustment primarily involving the Accumulated Absences Account				
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	4	-	-	(4)
Total Adjustments	548	45	(9)	(584)

2017/18 Comparative Figures

2017/18	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:				
<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
Adjustments primarily involving the Capital Grants Unapplied Account:				
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
Adjustments primarily involving the Capital Receipts Reserve:				
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)
Adjustments primarily involving the Deferred Capital Receipts Reserve:				

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(130)	-	-	130
Adjustment primarily involving the Financial Instruments Adjustment Account:				
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	-	-	-	-
Adjustments primarily involving the Pensions Reserve:				
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
Adjustments primarily involving the Collection Fund Adjustment Account:				
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)
Adjustment primarily involving the Accumulated Absences Account				
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)
Total Adjustments	1,120	187	(6)	(1,301)

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 2018/19

	Balance At 31/03/17 £000	Transfers Out 2017/18 £000	Transfers In 2017/18 £000	Balance At 31/03/18 £000	Transfers Out 2018/19 £000	Transfers In 2018/19 £000	Balance At 31/03/19 £000
General Reserve	1,328	(85)	2,088	3,331	-	650	3,981
Capital Fund	2,199	(627)	1,357	2,929	(169)	2,763	5,524
Collection Fund Equalisation Reserve	236	-	270	506	(303)	760	964
Ryedale Developm't Fund	95	(1)	-	94	(47)	13	60
Election Reserve	41	-	20	61	(26)	20	55
Council Tax Hardship Fund	18	-	6	24	-	6	30
New Homes Bonus Reserve	2,389	(404)	1,713	3,698	(2,500)	889	2,087
Grants Reserve	164	(1)	-	163	-	11	173
IT Fund	97	(8)	6	95	(40)	2	56
ICE Fund	766	(9)	50	807	-	50	857
Local Developm't Framework Reserve	50	-	-	50	-	-	50
Operational Reserve	870	(334)	112	648	(4)	51	695
Restructure Reserve	439	(37)	-	402	-	-	402
Total	8,692	(1,506)	5,622	12,808	(3,089)	5,215	14,934

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

2017/18 £000		2018/19 £000
887	Parish council precepts	966
-	Payments to the Government Housing Capital Receipts Pool	-
-	(Gains)/losses on the disposal of non-current assets	-
-	Capital receipts unattached to non-current assets	(2)
887	Total	964

12. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2017/18 £000		2018/19 £000
78	Interest payable and similar charges	73
488	Pensions net interest on the net defined benefit liability/(asset)	450
(85)	Interest receivable and similar income	(197)
(154)	Income and expenditure in relation to investment properties and changes in their fair value	(208)
-	Impairment losses on financial instruments	6
327	Total	124

13. TAXATION AND NON SPECIFIC GRANT INCOME

2017/18 £000		2018/19 £000
(4,864)	Council tax income	(5,104)
(2,142)	Non domestic rates income and expenditure	(2,510)
(2,332)	Non-ringfenced government grants	(1,794)
-	Capital grants and contributions	-
(9,338)	Total	(9,408)

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

Movements in 2018/19

	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
Cost or Valuation							
At 1 April 2018	15,721	4,042	-	511	676	-	20,950
Additions	78	27	-	-	-	-	105
Donations	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	108	-	-	-	-	-	108
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(174)	-	-	-	-	-	(174)
Derecognition – disposals	-	-	-	-	-	-	-
Derecognition – other	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-
Other movements in cost or valuation	-	-	-	-	-	-	-
At 31 March 2019	15,733	4,069	-	511	676	-	20,989
Accumulated Depreciation and Impairment							
At 1 April 2018	984	3,552	-	-	21	-	4,557
Depreciation charge	363	202	-	-	6	-	571
Depreciation written out to the Revaluation Reserve	(455)	-	-	-	-	-	(455)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(101)	-	-	-	-	-	(101)
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	-	-	-	-	-	-	-
At 31 March 2019	791	3,754	-	-	27	-	4,572
Net Book Value							
At 31 March 2019	14,942	315	-	511	649	-	16,417
At 31 March 2018	14,737	490	-	511	655	-	16,393
Owned asset as at 31 March 2019	14,942	83	-	511	649	-	16,185
Asset acquired under finance lease as at 31 March 2019	-	232	-	-	-	-	232
Total	14,942	315	-	511	649	-	16,417

Comparative 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
Cost or Valuation							
At 1 April 2017	15,435	4,682	-	511	652	-	21,280
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	-	-	-	-	-	-	-
At 31 March 2018	15,721	4,042	-	511	676	-	20,950
Accumulated Depreciation and Impairment							
At 1 April 2017	736	3,994	-	-	15	-	4,745
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	-	-	-	-	-	-	-
At 31 March 2018	984	3,552	-	-	21	-	4,557
Net Book Value							
At 31 March 2018	14,737	490	-	511	655	-	16,393
At 31 March 2017	14,699	688	-	511	637	-	16,535
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
Total	14,737	490	-	511	655	-	16,393

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 2019 the Authority had not entered into any contracts for the construction or enhancement of Property Plant and Equipment. However the Authority has taken delivery of three recycling vehicles valued at £587k, of which £557k has already been paid. These vehicles are awaiting modifications and are due to be financed through an operating lease, with the total commitment being transferred to a third party.

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 2018/19 by the City of York Council.

15. HERITAGE ASSETS

In compliance with the 2018/19 Code, the Authority has reviewed its assets and concluded that there is no reclassification of assets to heritage assets to disclose in the accounts (2017/18 Nil).

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:

	2018/19 £000	2017/18 £000
Income from Investment Property	188	199
Net gain / (loss) from fair value adjustment	178	112
	366	311
Direct operating expenses arising from investment property	(158)	(157)
Net gain / (loss)	208	154

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.

	2018/19 £000	2017/18 £000
Balance at start of the year	2,015	2,263
Additions	-	-
Purchases	-	-
Construction	-	-
Subsequent expenditure	-	-
Disposals	-	(360)
Net gains / (losses) from fair value adjustments	178	112
Transfers:	-	-
To/from inventories	-	-
To/from Property Plant and Equipment	-	-
Other changes	-	-
Balance at end of the year	2,193	2,015

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 2019 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 Customer Relationship Management System

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £41k charged to revenue in 2018/19 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:

	2018/19			2017/18		
	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	-	1,274	1,274	-	1,222	1,222
Accumulated amortisation	-	(1,180)	(1,180)	-	(1,157)	(1,157)
Net carrying amount at start of year	-	94	94	-	65	65
Additions:						
Internal development	-	-	-	-	-	-
Purchases	-	62	62	-	52	52
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	-	(41)	(41)	-	(23)	(23)
Other changes	-	-	-	-	-	-
Net carrying amount at year end	-	115	115	-	94	94
Compromising:						
Gross carrying amounts	-	1,336	1,336	-	1,274	1,274
Accumulated amortisation	-	(1,221)	(1,221)	-	(1,180)	(1,180)
	-	115	115	-	94	94

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**Changes as a result of the adoption of IFRS 9 – Financial Instruments**

Following the CIPFA Code's adoption of IFRS 9, the Council now recognises and measures financial assets at either amortised cost, at fair value through profit and loss or at fair value through other comprehensive income. Financial assets have therefore been reclassified into these new categories.

Reclassification and Remeasurement of Financial Assets at 1 April 2018

The following Financial Assets have been reclassified following the adoption of IFRS 9:

	Carrying Amount b/fwd 1 April 2018 £000	New Classification 1 April 2018		
		Amortised Cost £000	Fair Value through Other Comprehensive Income £000	Fair Value through Profit and Loss £000
Previous Classification Investments				
Loans and Receivables	16,353	16,353	-	-
Other Debtors	961	961	-	-
Reclassified Amounts 1 April 2018	17,314	17,314	-	-

Effect of Asset Reclassification and Remeasurement on the Balance Sheet

	Amortised Cost £000	Fair Value through Other Comprehensive Income £000	Fair Value through Profit and Loss £000	Total Balance Sheet Carrying Amount £000
Remeasured Carrying Amounts 1 April 2018	17,314	-	-	17,314
Reclassified Amounts:				
Long Term Debtors	340	-	-	340
	340	-	-	
Current Investments	16,013	-	-	16,013
Current Debtors	961	-	-	961
	17,314	-	-	17,314

(a) Categories of Financial Instruments

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

Financial Assets

	Non-Current				Current			
	Investments		Debtors		Investments		Debtors	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Fair Value through Profit and Loss	-	-	-	-	-	-	-	-
Amortised Cost								
Investments	-	-	-	-	21,964	17,115	-	-
Loans	-	-	401	457	-	-	-	-
Other	-	-	-	-	-	-	1,535	930
	-	-	401	457	21,964	17,115	1,535	930
Fair Value through Other Comprehensive Income - designated equity instruments	-	-	-	-	-	-	-	-
Fair Value through Other Comprehensive Income - other	-	-	-	-	-	-	-	-
Total Financial Assets	-	-	401	457	21,964	17,115	1,535	930
Non Financial Assets	-	-	-	-	-	-	-	-
Total	-	-	401	457	21,964	17,115	1,535	930

Financial Liabilities

	Non-Current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Fair Value through Profit and Loss	-	-	-	-	-	-	-	-
Amortised Cost								
PWLB Loans	(1,592)	(1,632)	-	-	(21)	(21)	-	-
Finance Leases	(113)	(240)	-	-	(127)	(148)	-	-
Total Financial Liabilities	(1,705)	(1,872)	-	-	(148)	(169)	-	-
Non Financial Liabilities	-	-	(3,512)	(3,234)	(4,970)	(4,906)	-	-
Total	(1,705)	(1,872)	(3,512)	(3,234)	(5,118)	(5,075)	-	-

Fair value of Assets and Liabilities

	Fair value		Historic cost	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Borrowings	(2,081)	(2,092)	(1,613)	(1,653)
Loans and receivables	21,964	17,115	21,964	17,115

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 2019) arising from a commitment to pay interest to lenders above current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £2.081m 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 £1.613m would be valued at £2.081m. 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 £2.522m.

19. INVENTORIES

	Consumable Stores		Client Services Work in Progress		Property Acquired or Constructed for Sale		Total	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Balance outstanding at start of year	47	49	-	-	-	-	47	49
Purchases	333	246	-	-	-	-	333	246
Recognised as an expense in the year	(289)	(248)	-	-	-	-	(289)	(248)
Written off balances	-	-	-	-	-	-	-	-
Reversals of write-offs in previous years	-	-	-	-	-	-	-	-
Balance outstanding at year-end	91	47	-	-	-	-	91	47

20. CONSTRUCTION CONTRACTS

As at the 31 March 2019 the Authority had no significant contracts in progress.

21. DEBTORS

	31 March 2019 £000	31 March 2018 £000
Central government bodies	52	81
Other local authorities	346	207
NHS Bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	1,137	642
Total	1,535	930

22. CASH AND CASH EQUIVALENTS

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

	31 March 2019 £000	31 March 2018 £000
Cash held by the Council	186	244
Bank current account	15	2,509
Special Interest Bearing Account	-	-
Total Cash and Cash Equivalents	201	2,753

23. ASSETS HELD FOR SALE

	Current		Non Current	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Balance outstanding at start of year	-	10	-	-
Assets newly classified as held for sale:				
Property, Plant and equipment	-	-	-	-
Intangible Assets	-	-	-	-
Revaluation losses	-	-	-	-
Revaluation gains	-	-	-	-
Impairment losses	-	-	-	-
Assets declassified as held for sale:				
Property, Plant and equipment	-	(10)	-	-
Intangible Assets	-	-	-	-
Assets sold	-	-	-	-
Transfers from non-current to current	-	-	-	-
Balance outstanding at year end	-	-	-	-

24. CREDITORS

	31 March 2019 £000	31 March 2018 £000
Central government bodies	1,400	1,736
Other local authorities	1,260	1,364
NHS Bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	2,310	1,306
Total	4,970	4,406

25. PROVISIONS

2018/19	Business Rate Retention Appeals £000
Balance at 1 April 2018	1,169
Additional Provisions made in 2018/19	-
Amounts used in 2018/19	-
Unused amounts reversed in 2018/19	(672)
Total	497

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	-
Total	1,169

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 2019.

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 2019.

26. USABLE RESERVES

31 March 2018 £000		31 March 2019 £000
12,808	Earmarked General Fund Reserves	14,934
408	Capital Receipts Reserve	453
90	Capital Grants Unapplied	81
13,306	Total Usable Reserves	15,468

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

2017/18 £000		2018/19 £000
221	Balance at 1 April	408
230	Receipts from disposal of non-current assets and held for sale assets	-
4	Transfer from the Deferred Capital Receipts Reserve upon receipt of cash	13
40	Other receipts	50
495		471
(87)	Receipts used to finance capital expenditure	(18)
408	Balance at 31 March	453

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

2017/18 £000		2018/19 £000
96	Balance at 1 April	90
-	Reversal of grants credited to the Comprehensive Income and Expenditure Statement but expenditure has not been incurred	-
96		90
(6)	Grants used to finance capital expenditure	(9)
90	Balance at 31 March	81

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 2018 £000		31 March 2019 £000
5,283	Revaluation Reserve	5,758
-	Financial Instruments Revaluation Reserve	-
11,434	Capital Adjustment Account	11,327
-	Financial Instruments Adjustment Account	-
126	Deferred Capital Receipts Reserve	113
(17,723)	Pensions Reserve	(15,615)
(475)	Collection Fund Adjustment Account	(183)
(77)	Accumulated Absences Account	(81)
(1,432)	Total Unusable Reserves	1,319

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.

2017/18 £000		£000	2018/19 £000
5,142	Balance at 1 April		5,283
220	Upward revaluation of assets	563	
-	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-	
220	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		563
(79)	Difference between fair value depreciation and historical cost depreciation	(88)	
-	Accumulated gains on assets sold or scrapped	-	
(79)	Amount written off to the Capital Adjustment Account		(88)
5,283	Balance at 31 March		5,758

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its investments that are measured at fair value through Other Comprehensive Income. The balance, which is nil, is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- disposed of and the gains are realised.

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 a 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.

2017/18 £000		£000	2018/19 £000
11,771	Balance at 1 April		11,434
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(396)	• Charges for depreciation and impairment of non-current assets	(643)	
-	• Revaluation losses on Property, Plant and Equipment	-	
-	• Loss on revaluation of held for sale assets	-	
-	• Reduction in Revaluation Reserve on disposal of held for sale assets	-	
(24)	• Amortisation of Intangible Assets	(41)	
(360)	• 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	-	
(740)	• Revenue Expenditure Funded by Capital Under Statute	(625)	
(1,520)			(1,309)
79	Adjusting amounts written out of the Revaluation Reserve		88
10,330	Net written out amount of the cost of non-current assets consumed in the year		10,213
	Capital financing applied in the year:		
87	• Use of the capital receipts reserve to finance new capital expenditure	18	
646	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that has been applied to capital financing	607	
6	• Application of grants to capital financing from the Capital Grants Unapplied Account	9	
179	• Statutory provision for the financing of capital investment charged against the General fund	183	
114	• Capital expenditure charged against the General Fund	167	
1032			984
112	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		178
-	Movements in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		-
(40)	Movements in Long-term Debtors		(48)
11,434	Balance at 31 March		11,327

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.

2017/18 £000		2018/19 £000
(19,767)	Balance at 1 April	(17,723)
2,750	Re-measurements of the net defined benefit liability/(asset)	2,772
(1,864)	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	(1,823)
1,158	Employer's pensions contributions and direct payments to pensioners payable in the year	1,159
(17,723)	Balance at 31 March	(15,615)

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.

2017/18 £000		2018/19 £000
-	Balance at 1 April	126
130	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-
(4)	Transfer to the Capital Receipts Reserve upon receipt of cash	(13)
126	Balance at 31 March	113

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.

2017/18 £000		2018/19 £000
(179)	Balance at 1 April	(475)
(296)	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	292
(475)	Balance at 31 March	(183)

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.

2017/18 £000		£000	2018/19 £000
(68)	Balance at 1 April		(77)
68	Settlement or cancellation of accrual made at the end of the preceding year	77	
(77)	Amount accrued at the end of the current year	(81)	
(9)	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		(4)
(77)	Balance at 31 March		(81)

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

2017/18 £000		2018/19 £000
551	Depreciation	570
(155)	Impairment and downward valuations	73
24	Amortisation	41
-	Increase / decrease in impairment for bad debts	-
150	Increase / decrease in creditors	1,073
29	Increase / decrease in debtors	(654)
2	Increase / decrease in inventories	(44)
54	Movement in pension liability	990
360	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	-
315	Other non-cash items charged to the net surplus or deficit on the provision of services	(850)
1,330		1,199

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

2017/18 £000		2018/19 £000
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	-
(360)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2)
(646)	Any other items for which the cash effects are investing or financing cash flows	(606)
(1006)		(608)

c. Interest received, interest paid and dividends received

2017/18 £000		2018/19 £000
83	Interest received	148
(79)	Interest paid	(73)
-	Dividends received	-

29. CASH FLOW STATEMENT – INVESTING ACTIVITIES

2017/18 £000		2018/19 £000
(46)	Purchase of property, plant and equipment, investment property and intangible assets	(128)
(26,900)	Purchase of short-term and long-term investments	(34,900)
(36)	Other payments for investing activities	(9)
234	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	15
25,800	Proceeds from short-term and long-term investments	30,100
691	Other receipts from investing activities	659
(257)	Net cash flows from investing activities	(4,263)

30. CASH FLOW STATEMENT – FINANCING ACTIVITIES

2017/18 £000		2018/19 £000
-	Cash receipts of short and long term borrowing	-
-	Other receipts from financing activities	-
(145)	Cash payments for the reduction of the outstanding liabilities relating to finance leases	(148)
(39)	Repayments of short and long-term borrowing	(39)
(473)	Other payments for financing activities	(271)
(657)	Net cash flows from financing activities	(458)

31. MEMBERS ALLOWANCES

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

	2018/19 £000	2017/18 £000
Allowances	128	125
Expenses	4	7
Total	132	132

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	2018/19	63,172	-	-	-	11,813	74,985	A
	2017/18	49,432	-	2,554	-	9,244	61,230	B
Deputy Chief Executive	2018/19	11,152	-	-	-	2,085	13,237	C
	2018/19	66,555	-	562	30,000	9074	106,191	D
	2017/18	79,450	-	963	-	14,857	95,270	E
Delivery & Frontline Services Lead	2018/19	55,991	-	963	-	10,470	67,424	
Delivery & Frontline Services Lead	2017/18	53,659	-	963	-	10,148	64,770	
Economy & Partnerships Lead	2018/19	15,909	-	261	-	2975	19,145	F
Economy & Partnerships Lead	2017/18	57,448	-	963	-	10,743	69,154	
Head of Planning	2018/19	58,597	-	963	-	10,958	70,518	
Head of Planning	2017/18	57,448	-	963	-	10,743	69,154	
Council Solicitor and Monitoring Officer	2018/19	58,597	-	963	-	10,958	70,518	
Head of Legal Services	2017/18	57,448	-	963	-	10,743	69,154	
Chief Finance Officer(s151) Resources & Enabling Lead	2018/19	-	-	-	-	-	-	G
	2018/19	7,785	-	109	-	1130	9,024	H
	2017/18	51,068	-	963	-	9,550	61,581	
Customer Services Lead	2018/19	51,123	-	963	-	9,560	61,646	
Customer Services Lead	2017/18	45,898	-	963	-	8,595	55,456	

Senior Officers served for the whole of 2018/19 unless stated below.

Notes:

- A The Chief Executive assumed their position on the 14th August 2018, with £17,000 being recharged to North Yorkshire County Council
- B The Chief Executive left the Authority on the 17th September 2017
- C The Temporary Deputy Chief Executive assumed their position on the 4th February 2019
- D The Temporary Chief Executive left the Authority on the 31st October 2018
- E The Deputy Chief Executive was employed from the 1st April 2017 and assumed their temporary position as Chief Executive on the 1st September 2017
- F The Economy & Partnerships Lead left the Authority on the 8th July 2018
- G The Chief Finance Officer (s151) is employed by North Yorkshire County Council, with £23,000 being recharged to Ryedale District Council
- H The Resources and Enabling Services Lead left the Authority on the 11th May 2018

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

Remuneration Band	2018/19 Number of employees	2017/18 Number of employees
£50,000 - £54,999	1	3
£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	1	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 to £114,999	-	-

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:

	2018/19 £000	2017/18 £000
* Fees payable to Grant Thornton UK LLP (2018/19) and KPMG LLP (2017/18) with regard to external audit services carried out by the appointed auditor for the year	32	42
* Fees payable to Grant Thornton UK LLP (2018/19) and KPMG LLP (2017/18) for the certification of grant claims and returns for the year	12	11
* Fees payable in respect of other services provided by Grant Thornton UK LLP (2018/19) and KPMG LLP (2017/18) during the year	-	-
* Refund of fees payable by PSAA during the year	-	(6)
	44	47

34. GRANT INCOME

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2018/19:

	2018/19 £000	2017/18 £000
Credited to Taxation and Non Specific Grant Income:		
Revenue Support Grant	143	379
New Homes Bonus	964	1,420
Transitional Grant to Rural Local Authorities	572	459
S31 grant Business Rates	1,126	1,039
Other Grants	114	73
Total	2,919	3,370
Credited to Services:		
Government Grants:		
Disabled Facilities Grant	607	596
Housing Benefit Subsidy and Rent Rebate	8,383	8,986
Housing Benefit & Council Tax Support Administration	141	173
Other Government Grants	151	115
Total	9,282	9,870
Contributions	47	286

As at the 31 March 2019 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 2018 £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 2018/19 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	- <i>levy</i>	-	93
Foss Internal Drainage Board	- <i>levy</i>	-	4
Veritau North Yorkshire Ltd	<i>see note below</i>	-	56
North Yorkshire Building Control Partnership	<i>see note below</i>	(18)	56

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 2019. 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 £50,000 as at 31 March 2019.

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 £189,000 was made to Sports & Leisure Management Ltd to support the operation of the leisure facilities in 2018/19. 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.

	2018/19 £000	2017/18 £000
<i>Opening Capital Financing Requirement</i>	2,048	2,227
Capital investment		
Property plant and equipment	105	24
Investment properties	-	-
Held for sale assets	-	-
Intangible assets	62	53
Revenue expenditure funded from capital under statute	667	740
Loans	9	36
<i>Sources of finance</i>		
Capital receipts	(19)	(87)
Government grants and other contributions	(615)	(652)
Sums set aside from revenue		
Direct revenue contributions	(208)	(114)
Minimum Revenue Provision	(183)	(179)
<i>Closing Capital Financing Requirement</i>	1,865	2,048
<i>Explanation of movements in year</i>		
Increase/(Decrease) in underlying need to borrow (unsupported by government financial assistance)	(183)	(179)
Assets acquired under finance leases	-	-
<i>Increase / (decrease) in Capital Financing Requirement</i>	(183)	(179)

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 2019 £000	31 March 2018 £000
Finance lease liabilities (net present value of minimum lease payments)		
Current	127	148
Non-current	113	240
Finance costs payable in future years	19	37
Minimum lease payments	259	425

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

	Minimum lease payments		Finance lease liabilities	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Not later than one year	139	166	127	148
Later than one year and not later than five years	120	259	113	240
Later than five years	-	-	-	-
	259	425	240	388

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 2019 £000	31 March 2018 £000
Not later than one year	82	63
Later than one year and not later than five years	52	90
Later than five years	-	-
	134	153

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:

	2018/19 £000	2017/18 £000
Minimum lease payments	116	137
Contingent rents	-	-
Sublease payments receivable	-	-
	116	137

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 2018/19 the Authority has no impairment losses.

39. TERMINATION BENEFITS

The Authority has not terminated the contracts of any employees in 2018/19.

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	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
£0 - £20,000	-	-	-	4	-	4	-	£36,157
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Total	-	-	-	4	-	4	-	£36,157

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	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of Services:</i>				
• Current service cost	1,373	1,383	-	-
• Past service costs / (gains)	17	10	-	-
• (Gain) / Loss from settlements	-	-	-	-
<i>Financing and Investment Income and Expenditure:</i>				
• Net interest expense	425	464	8	7
<i>Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services</i>	1,815	1,857	8	7
<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)	(3,763)	(3,134)	-	-
• Actuarial gains and losses due to changes in financial assumptions	4,119	(72)	8	4
• Actuarial gains and losses due to changes in demographic assumptions	(3,256)	-	(12)	-
• Actuarial gains and losses due to liability experience	131	430	1	22
<i>Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</i>	(954)	(919)	5	33
<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	(954)	(919)	5	33
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>				
• Employers contributions payable to scheme	1,143	1,142		
• 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	
	2018/19	2017/18	2018/19	2017/18
Present value of the defined benefit obligation	(81,039)	(79,036)	(295)	(306)
Fair value of plan assets	66,045	62,271	-	-
Net liability arising from defined benefit obligation	(14,994)	(16,765)	(295)	(306)

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

	Local Government: Pension Scheme £000		Discretionary Benefits Arrangements £000	
	2018/19	2017/18	2018/19	2017/18
Opening fair value of scheme assets	62,271	58,358	-	-
Interest income	1,599	1,451	-	-
Remeasurement gain/(loss):				
• The return on plan assets, excluding the amount included in the net interest expense	3,763	3,134	-	-
The effect of changes in foreign exchange rates	-	-	-	-
Contributions from employer	817	1,794	16	16
Contributions from employees into the scheme	282	284	-	-
Benefits paid	(2,687)	(2,750)	(16)	(16)
Closing fair value of scheme assets	66,045	62,271	-	-

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

	Funded liabilities: Local Government Pension Scheme £000		Unfunded liabilities: Discretionary Benefits £000	
	2018/19	2017/18	2018/19	2017/18
Opening balance at 1 April	79,036	77,836	306	289
Current service cost	1,373	1,383	-	-
Interest cost	2,024	1,915	8	7
Contribution from scheme participants	282	284	-	-
Remeasurement (gains) and losses:				
• Financial Assumptions	4,119	(72)	8	4
• Demographic Assumptions	(3,256)	-	(12)	-
• Liability Experience	131	430	1	22
Past service costs	17	10	-	-
Losses/(gains) on curtailment	-	-	-	-
Entity combinations	-	-	-	-
Benefits paid	(2,687)	(2,750)	(16)	(16)
Closing balance at 31 March	81,039	79,036	295	306

Local Government Pension Scheme assets comprised:

	31 March 2019 £000	31 March 2018 £000
Equities	37,249	40,352
Property	5,548	4,982
Government Bonds	12,549	10,275
Corporate Bonds	-	-
Cash	3,236	124
Other	7,463	6,538
Closing fair value of scheme assets at 31 March	66,045	62,271

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 2019	31 March 2018
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.2 yrs	22.9 yrs
Women	25.3 yrs	26.4 yrs
Longevity at 65 for future pensioners:		
Men	23.9 yrs	25.1 yrs
Women	27.2 yrs	28.7 yrs
Rate of Inflation (RPI)	3.30%	3.20%
Rate of Inflation (CPI)	2.20%	2.10%
Rate of increase in salaries	3.45%	3.35%
Rate of increase in pensions	2.20%	2.10%
Rate of revaluation in pension accounts	2.20%	2.10%
Rate for discounting scheme liabilities	2.40%	2.60%

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)	81,039	79,634 82,469	81,319 80,761	82,187 79,909	83,616 78,488
Change in Present Value of Total Obligation (%)		-1.7 1.8	0.3 -0.3	1.4 -1.4	3.2 -3.1
Projected Service Cost (£000)	1,452	1,412 1,493	1,452 1,452	1,493 1,412	1,508 1,397
Approx Change in Projected Service Cost (%)		-2.7 2.8	0.0 0.0	2.8 -2.7	3.8 -3.8

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 eight 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 £1,159,000 expected contributions to the scheme in the year to 31 March 2019.

The weighted average duration of the defined benefit obligation for scheme members is 17.5 years 2018/19 (17.5 years 2017/18).

41. CONTINGENT LIABILITIES

At 31 March 2019, the Authority had two material contingent liabilities:

The McCloud judgement

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sargeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated. The Government has applied to the Supreme Court for permission to appeal this judgement.

The impact of an unsuccessful appeal on public sector schemes and employer contributions cannot yet be determined as this will depend on a range of factors including Government approach, scheme membership profile and assumptions used to report pensions costs.

GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to April 1997 – all public service schemes including the LGPS were contracted out. Prior to April 2016 the Government ensured that both state and scheme pensions, when combined, kept pace with inflation through top up payments.

Reforms to the State Pension system in 2016 removed the Government top up payments to members with GMP who reached State Pension Age (SPA) from 5 April 2016 and introduced an 'interim solution' making the LGPS responsible for paying the full increases on GMPs for those individuals. This cost was accounted for in 2017.

In 2018 the Government extended the 'interim solution' to further individuals, while a High Court separately ruled that equalisation for the effect of unequal GMPs is required and that schemes have a duty to equalise benefits for men and women in relation to GMPs. HM Treasury have subsequently confirmed that the 'interim solution' provides a method to equalise GMP benefits.

The North Yorkshire Pension Fund is a funded arrangement with Ryedale District Council and other employers paying contributions based on the results of regular valuations, with the next valuation due as at 31 March 2019. The 2019 valuation of the fund is expected to include the liability of the extended 'interim solution' and as such could potentially result in increased employer contribution rates in the future. However, due to a number of unknown factors the impact cannot yet be determined.

42. CONTINGENT ASSETS

At 31 March 2019 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 2019 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 2019	Historical Experience of Default	Historical Experience adjusted for market conditions at 31 March 2019	Estimated maximum exposure to default and uncollectabil ity at 31 March 2019 £000	Estimated maximum exposure to default and uncollectabi lity at 31 March 2018 £000
	£000	%	%		
Deposits with Banks and Financial Institutions	21,964	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 2019 £000	31 March 2018 £000
Up to 20 years	599	639
21 to 50 years	1,014	1,014
	1,613	1,653

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.

2017/18			2018/19		Note
Council Tax £000	Business Rates £000		Council Tax £000	Business Rates £000	
		INCOME			
(36,581)		Council Tax	(38,647)		
		Transfers from General Fund - Council Tax Benefits			
	(16,153)	Income collectable from business ratepayers		(16,472)	
	(1,062)	Transitional Protection Payments		474	
(36,581)	(17,215)	Total Income	(38,647)	(15,998)	
		EXPENDITURE			
		Precepts and Demands:			(2)
25,539		North Yorkshire County Council	27,112		
4,753		North Yorkshire Police & Crime Commissioner	5,054		
1,443		North Yorkshire Fire & Rescue	1,502		
4,890		Ryedale District Council	5,115		
50		Street Lighting Expenses	55		
		Business Rates:			(3)
		Payment to National Pool			
	8,364	Central Government		8,413	
	6,691	Ryedale District Council		6,731	
	1,505	North Yorkshire County Council		1,514	
	167	North Yorkshire Fire & Rescue		168	
	110	Allowance for cost of Business Rate Collection		110	
30	(10)	Allowance for Impairment	(196)	(30)	(4)
	1,066	Provision for Appeals		(1,679)	(4)
67	(3)	Write Off of uncollectable amounts	83	14	(4)
36,772	17,890	Total Expenditure	38,725	15,241	
191	675	(Surplus) / deficit for the year	78	(757)	
(426)	591	Surplus at 1 April	(235)	1,266	
(235)	1,266	Surplus at 31 March	(157)	509	

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	Ratio	Band D Equivalent Dwellings
A	2,278	6/9	1,299
B	6,209	7/9	4,359
C	5,789	8/9	4,741
D	4,308	1	4,340
E	3,406	11/9	3,929
F	2,039	13/9	2,817
G	1,147	15/9	1,826
H	107	18/9	204
TOTAL	25,283		23,515
Empty Property Premium			21.12
Cost of LCTS Scheme			(1,692.67)
Less adjustment for Collection Rate			(262.12)
Council Tax Base			21,581.37

Precepts and demands for 2018/19 are analysed as follows:

	Ryedale DC £000	NYCC £000	NYPCC £000	NYFRA £000
2018/19 Precept/Demand Payment in respect of 2017/18 surplus	5,084 31	26,952 160	5,025 29	1,493 9
	5,115	27,112	5,054	1,502

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	(20)
North Yorkshire County Council	(109)
North Yorkshire Police & Crime Commissioner	(22)
North Yorkshire Fire & Rescue Authority	(6)

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 2019	48,321,258
NDR Rate in £ for 2018/19	49.3p
Small Business Rate in £ for 2018/19	48.0p
Number of Business Premises (Hereditament) at 31 March 2019	3,025
Number of Local Council Tax Support Claimants at 31 March 2019	3,101

Business Rate Yield for 2018/19 is analysed as follows:

	Ryedale DC £000	NYCC £000	NYFRA £000	Government £000
2018/19 Estimates Yield Payment in respect of 2017/18 deficit	6,898 (167)	1,552 (38)	172 (4)	8,622 (209)
	6,731	1,514	168	8,413

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

	£000
Ryedale District Council	204
North Yorkshire County Council	46
Central Government	254
North Yorkshire Fire & Rescue Authority	5

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 £144,000 (2017/18: £340,000) and Business Ratepayers of £20,000 (2017/18: £50,000) and is included within Debtors in the Authority's Balance Sheet. Provision has been made for the cost of successful business rate appeals of £1,242,000 (2017/18: £2,921,000).

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

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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.

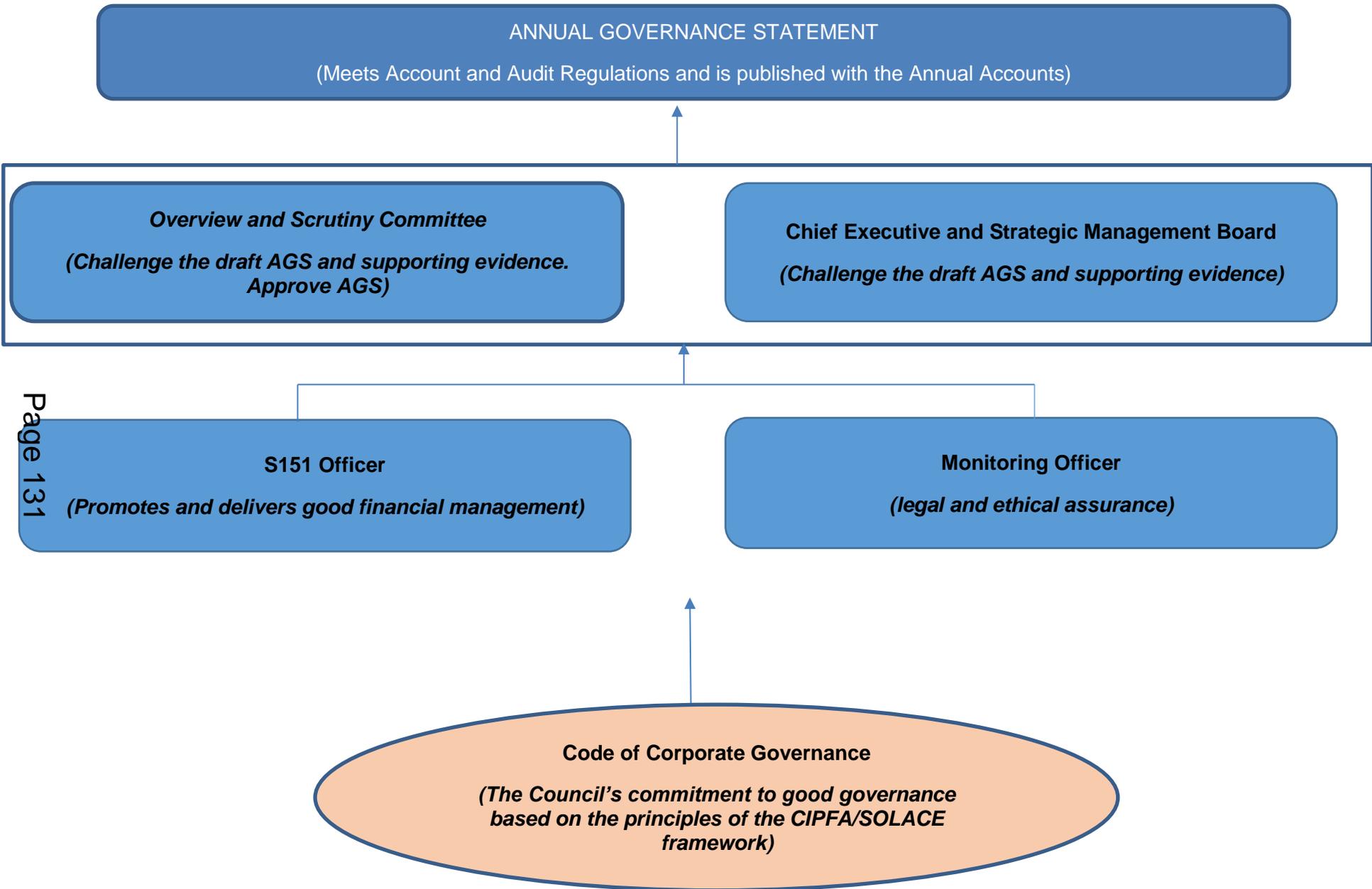
The governance framework has been in place at Ryedale District Council for the year ended 31 March 2019 and up to the date of approval of the annual statement of accounts.

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. To improve the effectiveness of this, the Chief Executive has commissioned a number of Health Checks which all have action plans.

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. Following the appointment of a new Chief Executive and Section 151 Officer in Autumn and Summer 2018, this task is now managed by the Strategic Management Board and other senior managers, who have commissioned and taken action to address governance related issues. This includes briefing relevant Committees for consideration. Overview and Scrutiny have also pursued a robust approach to strengthening governance arrangements in key areas such as risk management.

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

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

- Standards Annual Report to O&S 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)
- Overview and Scrutiny Committee
- Health Checks

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
- Mandatory Training
- Bribery, Anti-Fraud & Corruption Policy
- Whistleblowing Policy
- HR & OD Health Check and Improvement Programme

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 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 2018/19.

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In accordance with section 3.7 of the Code of Practice on Local Authority Accounting for 2018/19, 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 2018/19 the Monitoring Officer was supported by additional capacity to ensure the efficiency and effectiveness of all arrangements relating to Council and Committee meetings, working groups, and the required officer support. An Action Plan following the Health Check on Democratic Services will further strengthen this area in 2019/20.

The Overview and Scrutiny Committee acting as a Corporate Governance 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.

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 but is being reviewed. Monitoring information on key areas of performance has been provided to the Strategic Management Board 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. During 2018/19 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

Scrutiny Reviews on

- Provision of Swimming Lessons at Council-owned Pools
- Staff Survey Results - ongoing
- Governance of Shared Services
- Impact of RDC on Climate Change

Monitoring Reports from Key Partnerships and External Bodies including:

Safer Ryedale

Everyone Active

Ombudsman

Presentation from representatives of Scarborough and Whitby CCG and Vale of York CCG

The Council is dedicated to ensuring that its resources are utilised in the most effective and efficient manner whilst delivering continuous improvement. Work has been undertaken during the current year to ensure members are fully informed of, and involved in, shaping the budget strategy ahead of key meetings in February 2019.

Financial monitoring has been reviewed and new reporting arrangements have been put in place from October 2018.

To improve the Council's effectiveness of this, the Chief Executive has commissioned a number of Health Checks including Health and Safety, Democratic Services, Strategy and Performance, IT, Information Governance, Customer Services, Projects and Planning, Communications. These now have improvement plans and this is recognised as a Key Issue later in this statement.

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 2018/19 and a total of 18 audit reports and other pieces of work were provided to management and the O&S Committee. In addition, a fundamental review of how the Council undertakes Risk Management has been carried out, an updated Corporate Risk Register, and updated Service Risk Registers have been produced. External training has also been delivered to Members on Risk Management.

In July 2019 the Council's external auditor (Grant Thornton) are expected to provide the Council with an unqualified opinion on the Council's accounts within their Annual Audit and Inspection letter. Grant Thornton also noted that the Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources except for around improvement requirements in risk management arrangements. Grant Thornton acknowledged that improvement and progress has been made in developing arrangements for financial monitoring and risk management although this was commenced only partway into the 2018/19 financial year.

A Peer Review was undertaken in October 2016 and a revisit took place in April 2018. The Chief Executive has, since August 2018, carried out a review of the Council and its development needs. The three areas highlighted by the Peer Review revisit team (Valuing the Workforce, Strategic Planning, Leadership) have been included in that development work.

In the 2017/18 Annual Governance Statement, six key issues were identified. One of these is ongoing and will be continued (but 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 2019/20 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
Brought Forward and updated	<p>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.</p> <p>This needs to be matched with effective financial management on the part of members and officers.</p>	<p>The agreed Medium Term Financial Strategy of the Council highlights the expected need to make future savings. 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 reserves at the year-end.</p> <p>Ensure effective budget management is in</p>	Chief Finance Officer (s151).	Ongoing, but with improved financial monitoring and reporting by October 2019.	<p>Work has been undertaken during 2018/19 to ensure members are fully informed of, and involved in, shaping the budget strategy ahead of approval of the MTFFS Strategy by members in February 2019.</p> <p>Financial monitoring has been reviewed and new reporting arrangements have been in place since October 2018.</p>

Status	Control Issue	Action Proposed	Responsibility	Target Date	Current Position
		operation across the Council, including accurate data and forecasting and reporting to members. Ensure that members are kept aware of all relevant financial information to assist in budget setting in future years.			
2019/20	Waste and recycling review – ensuring that RDC achieves efficient and effective waste and recycling collection.	Implementation of new optimised household waste and recycling collections linked to new recycling vehicles and waste transfer station.	Deputy Chief Executive/Head of Waste and Environmental Services.	Spring 2020.	The new waste transfer station is expected to be operational in August 2019 and delivery of the new recycling vehicle in April 2020.
2019/20	Local Plan requires review and adoption.	Review of the development plan as the Local Plan Strategy is currently nearly six years old. This will highlight expected levels of development that will take place in the District and will set out the specific types of new development required to meet Ryedale's needs.	Deputy Chief Executive, Programme Director for Economic Development, Head of Planning.	Work on the review will commence later in summer /autumn 2019, but the formal adoption of the review is likely to be in 2023.	Adoption of the current Sites Document will be made by the Council following receipt of the Inspectors final report (due in June).

Status	Control Issue	Action Proposed	Responsibility	Target Date	Current Position
2019/20	Resilience and Capacity – to ensure sufficient capacity to enable the Council to carry out strategic and/or operational objectives.	<p>Ensure that actions from the following Health Checks are followed up and implemented</p> <ul style="list-style-type: none"> - Health and Safety - Democratic Services - Strategy and Performance - IT - Information Governance - Customer Services - Projects and Planning - Communications 	Chief Executive & Strategic Management Board.	October 2019.	<p>A number of Health Checks have been completed and action plans drawn up which will increase the performance and resilience.</p> <p>Investment in capacity has begun (e.g. Health and Safety).</p>
2019/20	Economic Development. We need to ensure sufficient emphasis (and resource) is allocated to this as a key issue.	Sustainable Growth is one of the Council's key Priorities and a fundamental element in the future prosperity of the district, with the promotion of a strong economy, thriving businesses, robust infrastructure and a strong culture, tourism and leisure sector at the very heart of this approach.	Programme Director-Economic Development.	March 2020.	<p>Resources to fund additional Economic Development capacity have been agreed. Recruitment to new posts will be completed by July 2019.</p> <p>Work will be done to review the Economic Development Strategy and progress resulting</p>

Status	Control Issue	Action Proposed	Responsibility	Target Date	Current Position
					<p>priorities.</p> <p>A key area of work going forward will be to build strong external partnerships, particularly with the LEP.</p> <p>We will also monitor any potential impact of Brexit.</p>
2019/20	Climate Change - following O&S recommendation to Council (adopted by Council) to look at how Ryedale District Council can contribute towards the reduction in global temperature rise.	Action Plan to be reviewed and enacted following discussion at Council.	Programme Director-Economic Development.	March 2020.	Action Plan will be reviewed.
2019/20	Council Plan and Priorities - these need to be updated to ensure awareness of the key issues which the Council will deal with.	Revision of Council Plan and Priorities.	Chief Executive.	March 2020.	These are currently being revised and an initial report is due at P&R in July 2019.

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 K C Duncan
Chairman of Policy and Resources Committee

Date: 25 July 2019

Signed:

Stacey Burlet
Chief Executive

Date: 25 July 2019

Auditors report to follow

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:

2017/18 Net Exp. £000	Service	2018/19 Expenditure £000	2018/19 Income £000	2018/19 Net Exp. £000
	Central Services to the Public			
103	Grants, Bequests & Donations	87	-	87
34	Emergency Planning	39	-	39
385	Local Tax Collection	706	236	470
125	Elections	200	22	178
12	Local Land Charges	105	90	15
659	Net Expenditure Central Services to the Public	1,137	348	789
	Cultural & Related Services			
107	Culture & Heritage	65	-	65
79	Open Spaces	137	7	130
553	Recreation & Sport	618	-	618
121	Tourism	148	25	123
860	Net Expenditure Cultural & Related Services	968	32	936
	Environmental & Regulatory Services			
5	Closed Churchyards	4	-	4
2	Community Safety (CCTV)	17	(1)	18
58	Community Safety (Crime Reduction)	64	-	64
1	Community Safety (Safety Services)	5	-	5
132	Flood Defence & Land Drainage	113	-	113
292	Recycling	1,511	1,102	409
597	Regulatory Services	1,050	210	840
349	Street Cleansing	329	15	314
(23)	Trade Waste	767	788	(21)
549	Waste Collection	639	15	624
1,962	Net Expenditure Environmental & Regulatory Services	4,499	2,129	2,370
	Planning Services			
(3)	Building Control	245	275	(30)
42	Business Support	90	-	90
86	Community Development	83	-	83
(4)	Development Control	676	511	165
114	Economic Development	208	70	138
86	Environmental Initiatives	92	-	92
51	Planning Policy	258	-	258
372	Net Expenditure Planning Services	1,652	856	796

2017/18 Net Exp. £000	Service	2018/19 Expenditure £000	2018/19 Income £000	2018/19 Net Exp. £000
	Highways & Transport Services			
(602)	Parking Services	390	950	(560)
51	Transport Support	52	-	52
(551)	Net Expenditure Highways & Transport Services	442	950	(508)
	Housing Services			
49	Enabling	53	-	53
141	Homelessness	523	346	177
68	Housing Advice	102	-	102
200	Housing Benefits Administration	469	200	269
1	Housing Benefits Payments	8,433	8,383	50
131	Housing Strategy	153	47	106
74	Other Council Property	221	47	174
8	Other Welfare Services	276	249	27
107	Private Sector Housing Renewal	821	682	139
779	Net Expenditure Housing Services	11,051	9,954	1,097
	Corporate & Democratic Core			
540	Corporate Management	662	29	633
531	Democratic Representation & Management	581	-	581
1,071	Net Expenditure Corporate & Democratic Core	1,243	29	1,214
	Other Corporate & Non Distributed Costs			
(2)	Other Services	14	2	12
(22)	Non Distributed Costs	36	-	36
(24)	Net Expenditure Other Corporate & Non Distributed Costs	50	2	48
5,128	COST OF SERVICES	21,042	14,300	6,742

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.



Grant Thornton UK LLP
No 1 Whitehall Riverside
LEEDS
LS1 4BN

When telephoning, please ask for:

Anton Hodge

ext 385

anton.hodge@ryedale.gov.uk

25 July 2019

Dear Sirs

**Ryedale District Council
Financial Statements for the year ended 31 March 2019**

This representation letter is provided in connection with the audit of the financial statements of Ryedale District Council for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vi. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Council has been assigned, pledged or mortgaged



-
- c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatement included in your Audit Findings Report at Appendix B. We have not adjusted the financial statements for this misstatement brought to our attention as it is immaterial to the results of the Council and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xv. We have provided you with:
- access to all information of which we are aware that is relevant to the preparation of the Council financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of your audit; and
 - unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
- xvi. We have communicated to you all deficiencies in internal control of which management is aware.



-
- xvii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
 - xviii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - xix. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
 - xx. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
 - xxi. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 - xxii. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
 - xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxiv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxv. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council financial statements.

Approval

The approval of this letter of representation was minuted by the Council's Policy and Resources Committee at its meeting on 25 July 2019.

Yours faithfully

Name.....

Position.....

Date.....



Name.....

Position.....

Date.....

Signed on behalf of the Policy and Resources Committee

The Audit Findings (ISA260) Report for Ryedale District Council

Year ended 31 March 2019

15 July 2019

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Contents



Your key Grant Thornton
team members are:

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Gareth Mills

Engagement Lead

T: 0113 200 2535

E: Gareth.Mills@uk.gt.com

Thilina De Zoysa

Engagement Manager

T: 0113 200 1589

E: Thilina.De.Zoysa@uk.gt.com

Greg Charnley

Engagement in-charge

T: 0113 200 2558

E: Greg.F.Charnley@uk.gt.com

Section

1. Headlines
2. Financial statements
3. Value for Money
4. Independence and ethics

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Appendices

- A. Action Plan
- B. Audit adjustments
- C. Fees
- D. Audit Opinion (proposed)

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Ryedale District Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2019 for those charged with governance.

Financial Statements		
Page 159	<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the group and Council's financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the financial position of the Council and the Council's income and expenditure for the year• have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.	<p>Our audit work commenced as planned at the beginning of June and at the time of this report, remains ongoing. Our key audit findings are summarised in this report.</p> <p>Based on our audit work to date, we have not identified any adjustments that impact on the useable reserves of the Council, however, we have identified a small number of proposed adjustments which materially change the primary statements. A summary of our audit adjustments are detailed at Appendix B. We have also raised some recommendations for management as a result of our audit work in the Action Plan at Appendix A.</p> <p>Our work is currently progressing and, at this stage, there are no matters of which we are aware that would require modification of our proposed audit opinion (as set out at Appendix D), subject to the following outstanding matters:</p> <ul style="list-style-type: none">• finalisation of a testing and review of the work done by the engagement lead and manager in the following sections;- elements of testing on property, plant and equipment, completing substantive testing of income streams and all aspects of operating expenditure, work on the collection fund, completion of audit testing on debtors, creditors and reserves, senior officers remuneration and investments• review of the updated pension fund liability and related disclosures in light of the changes required following the McCloud judgement and Guaranteed Minimum Pension (GMP) requirements (we will review the updated accounting entries and disclosures upon receipt from the Council's actuary)• completion of our audit work on some notes to the accounts not included above, in line with our audit approach• receipt of the updated Annual Governance Statement (AGS) and Narrative Report taking into account our review of the draft versions of these documents• completing our review of management's going concern assessment• receipt of management's letter of representation (included as a separate item on the Overview and Scrutiny Committee's agenda for 24 July)• review of the final set of financial statements.
	<p>We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation and the financial statements we have audited, subject to satisfactory completion of our review of the final Narrative Report and AGS. We expect to issue an unqualified (clean) audit opinion by 31 July 2019.</p>

Headlines - continued

Value for Money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').

We have completed our risk based review of the Council's value for money arrangements. We have concluded that the Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources, except for in relation to governance, risk management and financial monitoring arrangements. This impacts on the Council's ability to satisfy the 'informed decision making' element of the VFM criteria.

Our work identified that following the new senior management team's arrival in early 2018-19, they had taken steps to enhance the Council's risk management and financial monitoring arrangements. This is a positive step forward for the Council and is to be commended for the work done in 2018-19. However, given that developments were only implemented during the final quarter of 2018-19 and we are required to review the arrangements in place for the full April 2018 to March 2019 period, we cannot state that they were embedded and operating for the full 2018-19 period.

As such, we are proposing a qualified 'except for' VFM conclusion as proper arrangements were not in place for the full year. We considered the findings warranted an 'except for' VFM qualification opinion under the guidance issued by the NAO. We have discussed our proposal with Grant Thornton's national VFM consistency panel (who review any possible VFM qualifications) and they are in agreement with our proposal. The text of our opinion which confirms this can be found at Appendix D.

Further detailed on our audit work on the VFM conclusion are included in Section 3 of this report on pages 15 to 17.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act
- To certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of our work under the Code and once all the outstanding work noted on page 3 is satisfactorily completed, we anticipate certifying the completion of the audit when we give our audit opinion by 31 July 2019.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

2. Summary

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management prior to reporting to the Overview and Scrutiny Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

We have not had to alter or change our Audit Plan, as communicated to you on 24 January 2019, except for the reduction in the level of our materiality as detailed below.

Conclusion

Our audit work on your financial statements is currently ongoing. Subject to outstanding work and queries being satisfactorily completed and resolved (previously listed on page 3 of this report), we anticipate issuing an unqualified audit opinion following the Overview and Scrutiny Committee on 24 July 2019, as detailed at Appendix D.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

As a result of our interim audit findings, which we reported to the Overview and Scrutiny Committee in June 2019, we revised the materiality calculation from what was reported to you in our Audit Plan issued in January 2019. We reduced our materiality figure following the issues identified in our interim audit. Our determination of final materiality is detailed below in comparison with the earlier reported planning materiality.

Materiality category	Audit Plan (January 2019)	Final (June 2019)	Qualitative factors considered
Materiality for the financial statements	£400,000	£375,000	We have determined materiality at 1.8% of gross expenditure from the 2018-19 draft accounts. This is in line with the industry standard and reflects the risks associated with the Council's operational environment.
Performance materiality	£300,000	£281,250	This is 75% of materiality and reflects any significant findings from the work of the previous external auditor and that 2018-19 is the first year of audit for us as external auditors.
Trivial matters	£20,000	£19,000	A standard level of five per cent of materiality has been used. This is our reporting threshold for any errors identified.
Materiality for specific transactions, balances or disclosures	£5,000	£5,000	The senior officer remuneration disclosure has been identified as an area requiring specific materiality of £5,000 based on the disclosure bandings, due to its sensitive nature.

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
<p>1 The revenue cycle includes fraudulent transactions</p>	<p>Auditor commentary</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA (UK) 240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including the Council, mean that all forms of fraud are seen as unacceptable. <p>We did not consider this to be a significant risk for the Council in our Audit Plan.</p> <p>Therefore we did not undertake any specific work in this area other than our normal audit procedures, including validating total revenues to council tax, non domestic rates and central government grants income.</p> <p>Our audit work has not identified any issues in respect of fraudulent revenue recognition.</p>
<p>2 Management override of controls</p>	<p>Auditor commentary</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council continues to face financial pressures and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p> <p>As part of our audit, we:</p> <ul style="list-style-type: none"> • evaluated the design effectiveness of management controls over journals • analysed the journals listing and determine the criteria for selecting high risk unusual journals • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>Our audit work to date has not identified any issues in respect of management override of controls. We are currently working through the journals selected for testing, we will provide a verbal update the Overview and Scrutiny Committee on 24 July with our final findings on our review of journals.</p>

Significant findings – audit risks

Risks identified in our Audit Plan (January 2019)	Commentary
<p data-bbox="68 325 99 354">3</p> <p data-bbox="140 318 607 339">Valuation of the pension fund net liability</p> <p data-bbox="140 361 634 444">The Council's pension fund net liability, as reflected in its balance sheet, represents a significant estimate in the financial statements.</p> <p data-bbox="140 475 671 615">The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£17m in the Council's prior year balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p data-bbox="140 646 679 758">We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p data-bbox="700 318 928 339">Auditor commentary</p> <p data-bbox="700 361 1487 382">As a response to this risk, our audit work included but was not restricted to:</p> <ul data-bbox="700 396 1995 853" style="list-style-type: none"> • updating our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls • evaluating the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assessing the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation • assessing the accuracy and completeness of the information provided to the actuary to estimate the liabilities • testing the consistency of the pension fund assets and liabilities and disclosures in the notes to the core financial statements with the actuarial reports from the actuary • undertaking procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report • obtaining assurances from the auditor of North Yorkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements [note: currently awaiting information from NYPF auditor]. <p data-bbox="700 875 897 896">Key observations</p> <p data-bbox="700 932 1995 1039">Subject to satisfactory receipt of assurances from the auditor of the Pension Fund, we have reviewed this estimate and are satisfied that it is reasonable. Key assumptions have also been reviewed and agreed as reasonable. In the 'significant findings – other issues' on page 9 we set out the potential impact of the McCloud judgement on the pension fund net liability.</p> <p data-bbox="700 1061 2005 1168">At the time of producing this report, we have been in discussions with management and we are aware that the Council has requested updated reports from its actuary to take into account the impact on the Council's pension numbers of the McCloud judgement and GMP. We understand the expected impact of these issues would result in a suggested increase of the Authority's £15.3m pension fund liability by c£737k, which is above the materiality figure.</p> <p data-bbox="700 1189 2005 1230">We will review the updated actuary reports and resulting changes to the pension figures in the accounts once received. We will verbally update the Committee on 24 July with our findings on this issue.</p>

Significant findings – audit risks

Risks identified in our Audit Plan (January 2019)	Commentary
<p data-bbox="66 297 99 325">4</p> <p data-bbox="136 287 493 315">Valuation of land and buildings</p> <p data-bbox="136 332 683 501">The Council revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (PY: £14.7m) and the sensitivity of this estimate to changes in key assumptions.</p> <p data-bbox="136 518 704 658">Additionally, the Council needs to ensure the carrying value of land and buildings in the Council's financial statements is not materially different from the current value or the fair value at the financial statements date, where a rolling programme is used</p> <p data-bbox="136 689 689 801">We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p data-bbox="727 287 961 315">Auditor commentary</p> <p data-bbox="727 329 1514 358">As a response to this risk, our audit work included but was not restricted to</p> <ul data-bbox="727 365 1997 768" style="list-style-type: none"> • evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluating the competence, capabilities and objectivity of the valuation expert • discussing with the valuer the basis on which the valuation was carried out • challenging the information and assumptions used by the valuer to assess completeness and consistency with our understanding • testing revaluations made during the year to see if they had been accounted correctly in line with applicable accounting guidance and input correctly into the Council's asset register • assessing how management have confirmed assets valued at 1 April 2018 have not significantly changed in value by the year end, 31 March 2019 • evaluating the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end. <p data-bbox="727 822 1991 962">Our audit work to date identified some adjustments to the original land and buildings figures in the draft accounts in relation to revaluation and impairments. These issues have been discussed and with management and have been updated in the revised accounts. There is no impact on the Council's useable reserves arising from the adjustments we have identified on the valuation of land and buildings, although there are material changes to both the Comprehensive Income and Expenditure Statement and Balance Sheet. The adjustments are further detailed at Appendix B.</p> <p data-bbox="727 976 1984 1031">In order to mitigate against this situation occurring going forward we have raised a recommendation to management on this issue in the Action Plan at Appendix A.</p> <p data-bbox="727 1045 1607 1073">There are no other issues to bring to your attention in respect of this significant risk.</p>

Significant findings - other issues

Issue	Commentary	Auditor view
<p>Potential impact of the McCloud judgement</p> <p>The Court of Appeal has ruled that there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members.</p> <p>The Government applied to the Supreme Court for permission to appeal this ruling, but this permission to appeal was unsuccessful. The case will now be remitted back to employment tribunal for remedy.</p> <p>The legal ruling around age discrimination (McCloud - Court of Appeal) has implications not just for above pension funds but also for other pension schemes where they have implemented transitional arrangements on changing benefits.</p>	<p>Discussion is ongoing in the sector regarding the potential impact of the ruling on the financial statements of Local Government bodies.</p> <p>The Council has requested an estimate from its actuary of the potential impact of the McCloud ruling and GMP. The actuary's estimate suggested a potential impact of these issues would result in an increase of the Council's £15.3m pension fund liability by c£737k.</p> <p>The Council has requested that it's actuary carry out a detailed review of the impact of this issue and will update it's accounts on completion of the Actuary's work.</p> <p>We will review the updated actuary reports and resulting changes to the pension figures in the accounts once received. We will verbally update the Committee on 24 July with our findings on this issue. Management's view is that the impact of this change is material and therefore updating the accounts for this issue is appropriate.</p>	<p>We have reviewed the analysis performed by the actuary, and consider that the approach that has been taken to arrive at this estimate is reasonable.</p> <p>Given the change in liability resulting from the McCloud judgement, management has agreed to process the adjustment of c£737k on receipt of the updated IAS19 report. We consider this as an appropriate adjustment to the Council's financial statements.</p> <p>We have included this as an adjusted item at Appendix B.</p>

Significant findings – key judgements and estimates

Accounting area	Summary of management's policy	Audit Comments	Assessment
Land and Buildings – Other - £14.5m	<p>Other land and buildings comprises specialised assets, such as swimming pools, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision.</p> <p>The remainder of other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The Council has engaged an external RICS qualified valuer to complete the valuation of these properties on a five yearly cyclical basis. A total of c30% of total assets were revalued during 2018-19.</p> <p>Management has considered the year-end value of non-valued properties, and the potential valuation change in the assets revalued at 1 April 2018 comparing the potential changes at the date of valuation and the year end of 31 March 2019 to determine whether there has been a material change in the total value of these properties.</p> <p>Management's assessment of assets not revalued in year and asset revalued during the year has identified no material change to the properties current value compared to it's carrying value as at 31 March 2019.</p>	<p>As part of our audit, we performed the following procedures to ensure the estimates used and key judgements applied when valuing the land and buildings are prudent and reasonable, including:</p> <ul style="list-style-type: none"> • Assessment of management's expert (external RICS qualified valuers) • Completeness and accuracy of the underlying information used to determine the estimate • Impact of any changes to valuation method as relevant. There were no significant changes to the valuation method • Consistency of estimate used • Reasonableness of the movement in the estimate. • Adequacy of disclosure of estimate in the financial statements. 	 Green

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Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated (red)
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic (amber)
- We consider management's process is appropriate and key assumptions are neither optimistic or cautious (green)

Significant findings – key judgements and estimates

Summary of management's policy	Audit Comments	Assessment																									
<p>Net pension liability:</p> <p>£15.3m</p> <p>(Before McCloud Adjustment, see page 22 for further information)</p> <p>The Council's total net pension liability at 31 March 2019 is £15.3m (PY £17.1m) comprising the Council's element of the North Yorkshire Local Government Pension Scheme and unfunded defined benefit pension scheme obligations.</p> <p>The Council uses AON an actuarial firm, to provide actuarial valuations of the Council and group's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2016-17.</p> <p>A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investment returns.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £1.8m net decrease in the Council's pension fund liability in 2018-19.</p>	<p>As part of our audit , we performed the following procedures to ensure the estimates used and key judgements applied when valuing the Council's pension liability were prudent and reasonable:</p> <ul style="list-style-type: none"> • Assessment of management's expert (for the Council this is AON) • Assessment of actuary's roll forward approach taken, detail work undertaken to confirm reasonableness of approach • Use of PwC as auditor's expert to assess the actuary's assumptions – see table below for comparison with Actuary assumptions 	 Green																									
<table border="1"> <thead> <tr> <th data-bbox="727 489 1162 539">Assumption</th> <th data-bbox="1162 489 1369 539">Actuary Value</th> <th data-bbox="1369 489 1873 539">PwC range</th> <th data-bbox="1873 489 2063 539">Assessment</th> </tr> </thead> <tbody> <tr> <td data-bbox="727 539 1162 632">Discount rate</td> <td data-bbox="1162 539 1369 632">2.4% -2.5% for most employers</td> <td data-bbox="1369 539 1873 632">We are comfortable that the methodologies used to establish discount rate will produce reasonable assumption at 31 March 2019.</td> <td data-bbox="1873 539 2063 632" style="text-align: center;">● Green</td> </tr> <tr> <td data-bbox="727 632 1162 753">Pension increase rate</td> <td data-bbox="1162 632 1369 753">Dependent on duration (2.20%-2.10%for most employers</td> <td data-bbox="1369 632 1873 753">We are comfortable that the methodologies used to establish pension increase rate will produce reasonable assumption at 31 March 2019.</td> <td data-bbox="1873 632 2063 753" style="text-align: center;">● Green</td> </tr> <tr> <td data-bbox="727 753 1162 861">Salary growth</td> <td data-bbox="1162 753 1369 861">1.25% above the CPI inflation adjustment</td> <td data-bbox="1369 753 1873 861">We are comfortable that the methodologies used to establish salary growth will produce reasonable assumption at 31 March 2019.</td> <td data-bbox="1873 753 2063 861" style="text-align: center;">● Green</td> </tr> <tr> <td data-bbox="727 861 1162 989">Life expectancy – Males currently aged 45 in 20 years time</td> <td data-bbox="1162 861 1369 989">23.9</td> <td data-bbox="1369 861 1873 989">We are comfortable that the methodologies used to establish life expectancy will produce reasonable assumption at 31 March 2019.</td> <td data-bbox="1873 861 2063 989" style="text-align: center;">● Green</td> </tr> <tr> <td data-bbox="727 989 1162 1110">Life expectancy – Females currently aged 45 in 20 years time</td> <td data-bbox="1162 989 1369 1110">27.2</td> <td data-bbox="1369 989 1873 1110">We are comfortable that the methodologies used to establish life expectancy will produce reasonable assumption at 31 March 2019.</td> <td data-bbox="1873 989 2063 1110" style="text-align: center;">● Green</td> </tr> </tbody> </table>	Assumption	Actuary Value	PwC range	Assessment	Discount rate	2.4% -2.5% for most employers	We are comfortable that the methodologies used to establish discount rate will produce reasonable assumption at 31 March 2019.	● Green	Pension increase rate	Dependent on duration (2.20%-2.10%for most employers	We are comfortable that the methodologies used to establish pension increase rate will produce reasonable assumption at 31 March 2019.	● Green	Salary growth	1.25% above the CPI inflation adjustment	We are comfortable that the methodologies used to establish salary growth will produce reasonable assumption at 31 March 2019.	● Green	Life expectancy – Males currently aged 45 in 20 years time	23.9	We are comfortable that the methodologies used to establish life expectancy will produce reasonable assumption at 31 March 2019.	● Green	Life expectancy – Females currently aged 45 in 20 years time	27.2	We are comfortable that the methodologies used to establish life expectancy will produce reasonable assumption at 31 March 2019.	● Green	<ul style="list-style-type: none"> • Impact of any changes to valuation method • Reasonableness of the Council's share of LGPS pension assets • Reasonableness of the movement in the estimate • Quantifying the impact of the McCloud judgement and GMP on the group and Council's pension fund balance (note work still in progress on this matter at the date of this report) • Adequacy of disclosure of estimate in the financial statements. • Completeness and accuracy of the underlying information used to determine the estimate 		
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Going concern

Our responsibility: As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

Going concern commentary

Management's assessment process

- Final outturn for year ending 31 March 2019
- Approved Budget 2019-20
- Medium Term Financial Strategy (MTFS) 2019-20 to 2021-22 and assumptions
- Efficiency savings target 2019-20
- Efficiency savings proposals 2020-21 onwards
- The robustness of the Budget and recommended level of reserves
- Reserves Strategy 2019-20 onwards
- Assessment of going concern basis paper provided by management for 2018-19

Auditor commentary

Management produced a going concern assessment paper as part of their 2018-19 accounts preparation procedures. It is recognised good practice for local authorities to perform an appropriate going concern review. The review covered the guidance from the CIPFA Code 2018-19 on the going concern concept.

In the vast majority of cases, local authorities shall prepare their financial statements on a going concern basis of accounting; that is, the financial statements shall be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future.

The Council’s going concern report included the Council’s thought process in relation to going concern principles and how that specifically applies to the circumstances in place at the Council. From our consideration of management’s assessment and our review of key documents, we would note the following key points:

- the Council’s level of earmarked general fund reserves of £15m as at 31 March 2019 (an increase of £2.2m from the prior year) and an underspend of £1.4m (or 21%) against a net revenue budget of £6.6m in 2018-19. This followed an underspend of £2m (or 32%) on 2017-18’s net revenue budget of c6.2m. Whilst there are issues in relation to the level of underspends delivered at the Council (and we reflect on this in our VFM section of this report), given the current financial challenges facing the local government sector the Council is currently in a relatively healthy financial position to manage any significant unexpected financial difficulties
- the future reserves position highlights a projected general fund reserve of £11.2m as at 31 March 2020 compared to its’ net budget position of c£8m for the same year, the projections assume that capital reserves will be utilised in 2019-20, including £2.4m for the Public Services Hub. The Council’s projected reserves as at 31 March 2020 are 1.4 times the Council’s net budget for the same period.
- the financial content of the approved MTFS for 2019-20 to 2021-22, the 2019-20 balanced budget and identified savings target do not highlight any going concern issues for the coming 12 months from the date of this report.

Work performed

We performed work on the MTFS, held meetings with senior management to discuss the MTFS, budget setting and savings plans.

Auditor commentary

- Our work indicates that there are no material uncertainties in terms of the going concern assessment by the management and no further disclosures are considered necessary in the Financial Statements.

Concluding comments

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Finance Officer (s151) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer (s151) has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We are satisfied with management’s assessment that the going concern basis is appropriate for the 2018-19 financial statements.

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Internal Audit and noted Internal Audit updates to the Overview and Scrutiny Committee. We have not been made aware of any material incidents in the period and no other issues have been identified during the course of our audit procedures. Our work did not identify any material incidents during interim and final audits.
2	Matters in relation to related parties	<ul style="list-style-type: none"> Based on our review of related party transactions to date, we are not aware of any related parties or related party transactions which have not been disclosed.
3	Matters in relation to laws and regulations	<ul style="list-style-type: none"> You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4	Written representations	<ul style="list-style-type: none"> A letter of representation has been requested from the Council and will be included as a separate agenda item at the Overview and Scrutiny Committee on 24 July 2019. The letter is expected to be approved and signed by the Policy and Resources Committee on 25 July 2019 We have included a specific representation around the unadjusted misstatement reported at page 23 of this report.
5	Confirmation requests from third parties	<ul style="list-style-type: none"> We requested from management permission to send confirmation requests to the Council's bank, loans and investments counterparties. The majority of these requests were returned with positive confirmations, however, when requests were not received, we carried out appropriate alternative procedures by observing and obtaining copies of online banks statements to confirm the balances as at 31 March 2019.
6	Disclosures	<ul style="list-style-type: none"> We have identified some disclosure amendments to assist in the understanding of the financial statements. These are included at Appendix B.
7	Significant difficulties	<ul style="list-style-type: none"> We did not identify any significant difficulties with management or working papers during the course of our audit.

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Other responsibilities under the Code

We set out below details of other matters which we, as auditors, are required by the Code to communicate to those charged with governance.

Issue	Commentary
<p>1 Other information</p>	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>Our review of the AGS identified a small number of areas for enhanced disclosure. The Council has accepted our findings on the AGS and a revised version is due to be presented to the Overview and Scrutiny Committee on 24 July.</p> <p>Our review of the Narrative Report also identified some areas for enhanced disclosure. The Council has agreed to update its Narrative Report to take into account our comments.</p> <p>Subject to satisfactory receipt and review of the revised AGS and Narrative Report taking into account our comments, we plan to issue an unmodified opinion in this respect – please see our proposed audit opinion at Appendix D.</p>
<p>2 Matters on which we report by exception</p>	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit • If we have applied any of our statutory powers or duties <p>We have nothing to report on these matters.</p>
<p>3 Specified procedures for Whole of Government Accounts</p>	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>This work is not required as the Council does not exceed the threshold set by the NAO for such specified procedures.</p>
<p>4 Certification of the closure of the audit</p>	<p>We intend to certify the closure of the 2018-19 audit of the Council in the audit opinion, as detailed in Appendix D.</p>

3. Value for Money

Background to our VFM approach

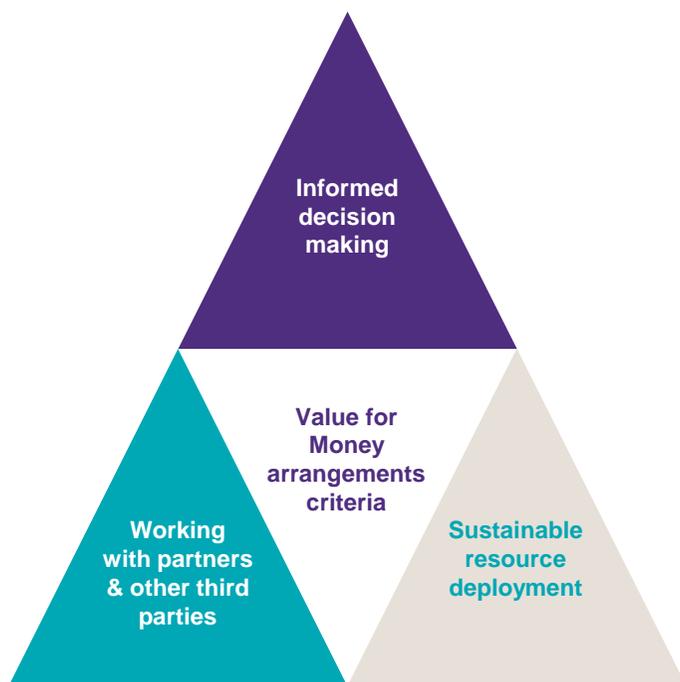
We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2017. AGN 03 identifies one single criterion for auditors to evaluate:

"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people."

This is supported by three sub-criteria, as set out below:

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Risk assessment

We carried out an initial risk assessment in January 2019 and identified a significant risk in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated these risks to you in our Audit Plan in January 2019

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risks we identified from our initial and ongoing risk assessment. Where our consideration of the significant risk determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

Value for Money

Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risk that we identified in the Council's arrangements. In arriving at our conclusion, our main consideration was:

- Embedding governance, risk management and financial monitoring arrangements to support informed decision making.

We have set out more detail on the risk we identified, the results of the work we performed, and the conclusions we drew from this work on page 17.

Overall conclusion

We have completed our risk based review of the Council's value for money arrangements.

We have concluded that the Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources, except for, in relation to embedding risk management and financial monitoring arrangements. This impacts on the Council's ability to satisfy the 'informed decision making' VFM criteria.

Our work identified that following the new senior management team's arrival in early 2018-19, they had taken steps to enhance the Council's risk management and financial monitoring arrangements. However, these arrangements were not sufficiently embedded during 2018-19 as a whole.

We consider our findings warrant an 'except for' VFM qualification opinion under the guidance issued by the NAO. We have discussed our proposal with Grant Thornton's national VFM consistency panel and they are in agreement with our proposal.

The text of our opinion which confirms this can be found at Appendix D.

Recommendations for improvement

We discussed findings arising from our work with management and have agreed a recommendation and management response in the Action Plan at Appendix A.

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

Significant risk reported in the Audit Plan	Findings	Conclusion
<p>Embedding governance, risk management and financial monitoring arrangements to support informed decision making</p> <p>In 2017-18, the Council's Annual Governance Statement (AGS) highlighted that improvements were required to the Council's risk management arrangements. We are aware that Internal Audit's review of risk management in both 2016-17 and 2017-18 resulted in an assessment of 'limited assurance' for the Council's arrangements in this area and that significant improvements were required.</p> <p>In our discussions with officers and planning work to date, we have noted the previous issues with regard to monitoring, oversight and communicating and reporting of risk management and related issues. We are also aware of internal audit's previous findings in this area.</p> <p>The Council acknowledges that the identifying, mitigating, prioritising, and timely reporting to Members of its significant risks are an important factor in its governance environment.</p> <p>The Council acknowledges that enhancements to its risk management and reporting arrangements are required and is taking steps to do this. This is a key area that requires improvement at the Council.</p> <p>As part of our VFM work, we will:</p> <ul style="list-style-type: none"> consider the arrangements, governance structures and internal monitoring processes in place around risk management at the Council continue to meet with senior management and Internal Audit to discuss the progress the Council is making around risk management arrangements consider how the Council is addressing the findings reported in 2017-18 AGS, and what narrative and findings will be include in the 2018-19 AGS. 	<p>Our focus in this area was around arrangements in place to embed risk management and monitoring arrangements to secure economy, efficiency and effectiveness in Council's use of resources. Our findings were as follows:</p> <ul style="list-style-type: none"> Our initial work during the risk assessment stage highlighted there were gaps in Council's risk management arrangements around identification, prioritisation, registration in a strategic risk register, action taken to mitigate the risks and timely reporting to the Council and relevant Committees including Overview and Scrutiny Committee. In addition, we considered the adequacy of the Council's in-year financial reporting to Members. We understand that no in-year financial reporting was performed in 2017-18 with the resulting £2m underspend against the £6.2m budget in 2017-18 coming as a surprise to many Members and stakeholders. Our subsequent work indicated the Chief Executive and the Chief Finance Officer, both newly appointed in 2018-19, recognise the need to enhance the Council's governance arrangements and have started to take action to improve risk management and financial monitoring arrangements . As part of this process, the Council conducted meetings with relevant stakeholders such as senior officers, Members and Internal Audit before revising and updating the Council's Strategic Risk Register to make it more relevant to the Council's key challenges and priorities. During 2018-19, the Chief Executive commissioned number of 'health checks' and carried out a 'root cause analysis' to understand the underlying issues facing the Council and how those could be prioritised and actioned and how progress against the challenges could be monitored. Health checks were carried out in a number of areas including Customer Services, HR and workforce, Projects and Health and Safety. The health check reviews identified some gaps in assurances available to support informed decision making, key risks and challenges to the successful delivery of the Council's objectives. A lack of a formal framework to register, action, monitor and timely report such risks was noted. As a result, a new updated Strategic Risk Register was formulated from the outcomes of these health checks. This was reported to the Audit and Scrutiny Committee in January 2019. In addition, the Council produced an in year financial monitoring report, reported to Members in end of May 2019 – which highlighted the Council was projected an underspend of £1.4m on its £6.1m 2018-19 budget. Both of these developments, on risk management and financial monitoring, are a positive step forward for the Council and are to be commended for the work done in 2018-19. However, given that both were only implemented during the second half of 2018-19 and we are required to review the arrangements in place for the full April 2018 to March 2019 period, we cannot state that they were embedded and operating for the full 2018-19 period. As such, we are proposing a qualified 'except for' VFM conclusion as proper arrangements were not in place for the full year. Our continuing discussions with senior management indicates embedding risk management and financial monitoring arrangements are key priorities to support informed decision making in 2019-20 and beyond. We will continue to monitor developments in this areas as a part of our 2019-20 audit planning. 	<p>We concluded that the Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources, except for, in relation to informed decision making VFM criteria.</p> <p>Our work identified that risk management and governance arrangements were not sufficiently embedded during 2018-19 and as such result in a proposed 'qualified 'except for' conclusion as set out in the audit opinion at Appendix D.</p> <p>We have raised a recommendation in relation to our VFM findings in the Action Plan at Appendix A.</p>

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed at Appendix C.

Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following non-audit services were identified:

Service	£	Threats	Safeguards
Audit related:			
Housing Benefit Certification	11,484	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £11,484 in comparison to the total fee for the audit of £32,206 and in particular relative to Grant Thornton UK LLP's turnover overall.
Non-Audit related:			
Chief Finance Officer Insights and Place Analytics subscription (2019-20 related)	3,500 *	Self-Interest (because this is a subscription)	This service is provided by a separate team within Grant Thornton UK LLP. There is no exchange of information relating to the audit between the two teams and therefore no impairment of auditor independence. The level of this fee taken on its own is not considered a significant threat to independence as the fee for this work is £5,000 per annum in comparison to the total fee for the audit of £32,206 and in particular relative to Grant Thornton UK LLP's turnover overall.

* We have agreed one non-Audit related service since the year end 31 March 2019. This relates to Chief Finance Officer Insights and Place Analytics subscription for 2019-20. Though this service relates to 2019-20, for transparency we have disclosed this on the basis of reporting all agreed non-audit fees as at the date of this report.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings (ISA260) report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

We have not provided any other services to the Council in 2017-18 prior to our appointment as external auditors to the Council on 1 April 2018.

Appendix A: Action Plan

We have identified the recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2019-20 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Rec	Issue and risk	Recommendations
1	<p>Interim Audit Recommendations</p> <p>We reported our 2018-19 Interim Audit Findings to Overview and Scrutiny Committee on 13 June 2019.</p> <p>It included 7 recommendations with management responses.</p>	<p>We have not replicated those recommendations in this report.</p> <p>We will report on the Council's progress against these recommendations during the course of the 2019-20 audit</p>
2	<p>Embedding governance, risk management and financial monitoring arrangements to support informed decision making</p> <p>As noted in our VFM section, we identified that Council's risk management and governance arrangements were not sufficiently embedded during 2018-19.</p> <p>Our work in this area identified the 'Health Checks' undertaken by the Council. The Health Checks highlighted key risks to the Council's strategic objectives as well as day to day operations.</p> <p>Effective risk management is at the heart of good governance and vital to informed decision making to secure good value for money of Council's resources.</p> <p>Not embedding sound risk management and monitoring arrangements for informed decision making could have significant consequences to the Council's operations and the outcomes delivered to the people it serves.</p> <p>The senior management team, newly established in 2018-19, understand this and have been actively engaged in reviewing the Council's approach to governance, risk management and financial management. The reviews performed and changes initiated during 2018-19 should help to strengthen the Council's arrangements in 2019-20.</p>	<p>As part of the continued need to strengthen and embed governance, risk management and financial monitoring arrangements to support informed decision making, the Council should:</p> <ul style="list-style-type: none"> continue to update the risk register on a regular basis, firstly as a senior management team and then by reporting to Members, to ensure the key risks of the Council are being appropriately considered, discussed and mitigated. The Council should consider quarterly reporting of the risk register to the Overview and Scrutiny Committee ensure Members are kept regularly informed of the Council's performance against it's budget and capital programme. This could be via quarterly reports to Members highlighting any key areas of over or underspends and the mitigations and actions proposed by senior officers to ensure agreed budgets are delivered broadly in line with agreed spending limits (to avoid the unexpected nature of the high levels of underspend witnessed in recent years) continue to implement the proposals towards an open and transparent culture regarding governance. Ensuring senior management and Members have access to up-to-date information on the Council's key performance objectives, key risks and financial projections – making the various governance tools 'live' documents ensuring they are subject to regular update, discussion and appropriate actions are agreed. <p>Management response</p> <p>Agreed. Management Actions were put in place mid-way through 2018-19 following the appointment of new senior management staff to ensure these issues were being addressed, including a new s151 officer. A new Chief Executive began in September 2019, followed. These included sharing of budget monitoring information at Q2 (to end of Sept) and Q3 (to end of December) with all members and presenting estimates of the outturn which were in line with the financial position as at 31 March 2019.</p> <p>Significant progress has also been made with respect to risk management including a refresh of the overall strategy and a new Corporate Risk Register. Members have seen and contributed to both of these and the Register is now a live document which is reviewed regularly by Strategic Management Board and Overview and Scrutiny Committee. Service Risk Registers have also been developed and workshops held with senior staff. Consideration has been given to Governance arrangements and how these will be strengthened. This will be partially achieved by a new management structure and targeted resources but also by a review of key policies and processes.</p> <ul style="list-style-type: none"> Anton Hodge, Chief Finance Officer, ongoing

Appendix A: Action Plan (continued)

Rec	Issue and risk	Recommendations
3	<p data-bbox="136 368 505 396">Valuation of Land and Buildings</p> <p data-bbox="136 411 940 468">The Council revalues its land and buildings on a rolling five-yearly basis. As part of this process, certain land and buildings were valued during 2018-19.</p> <p data-bbox="136 482 940 568">Our audit work highlighted that the outcome of this exercise in relation to upward valuations and impairments were not appropriately accounted for in the draft financial statements.</p> <p data-bbox="99 582 940 644">Further to our discussions with the management, material adjustments were made to correct this issue in the financial statements (see Appendix B).</p> <p data-bbox="99 658 940 772">Land and buildings form a key part of Council's total asset base. In addition, valuation of Land and buildings is considered as a significant risk in the Audit Plan for 2018-19 and appropriately accounting for valuation is an important aspect of the accounts preparation process.</p> <p data-bbox="136 786 940 901">A detailed review of the draft accounts by someone who is experienced in local government accounting but are not involved in the detailed production of the accounts, before publishing the draft accounts could help to mitigate such omissions in the future.</p>	<p data-bbox="961 376 1984 462">The Council should further strengthen the draft accounts review, process prior to publishing the draft accounts, particularly in relation to significant risk areas. This should identify any material omissions within the draft accounts prior to their publication and presented for audit.</p> <p data-bbox="961 511 1222 539">Management response</p> <p data-bbox="961 554 1984 668">Additional checks to be incorporated into the closedown timetable to ensure a second review of supporting working papers and backing documents are carried out for significant risk areas. This will be carried out by an Accountant or above who has not been involved in preparing the draft accounting entries.</p> <ul data-bbox="961 676 1761 705" style="list-style-type: none"> <li data-bbox="961 676 1761 705">• Michelle Oates, Senior Accountant – External Clients, 31 May 2020

Appendix B: Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. We can confirm that there were no unadjusted misstatements above our triviality level.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2019.

Detail	Comprehensive Income and Expenditure Statement £000	Statement of Financial Position £000	Impact on the Council's useable reserves
<p>1 Valuation of Land and Buildings</p> <p>The Council revalues its land and buildings on a rolling five-yearly basis. As part of this process, certain land and buildings were valued during 2018-19. Our audit work highlighted that outcome of this exercise in relation to upward valuations and impairments were not appropriately accounted for in the draft financial statements.</p> <p>In addition, we also noted that land valued at £72k had in effect been double counted and therefore required reversing out from the updated accounts.</p> <p>Further to our discussions with the management, adjustments were made to correct this issue in the financial statements.</p>	<p>Dr Loss on Impairment of Assets 55</p> <p>Cr Previous revaluation charged reversal 55</p> <p>Cr Other Comprehensive Income 562</p>	<p>Dr Land and Buildings 562</p> <p>Cr Revaluation Reserve 562</p> <p>Dr MIRS 562</p> <p>Dr Revaluation Reserve 9</p> <p>Cr CAA 9</p> <p>Dr revaluation reserve 72</p> <p>Cr land and buildings 72</p>	<p>There is no impact on the Authority's useable reserves arising from this adjustment.</p>
<p>2 Pension Liabilities – McCloud legal case</p> <p>As a result of Supreme Court's decision on 27 June 2019 denying the Government to appeal against the 'McCloud case' gave rise to reassess the Council's IAS19 liabilities and associated disclosures. The Council is responsible for making the estimates included in the financial statements and for ensuring that the financial statements are not materially misstated which also includes IAS19 entries.</p> <p>Due to significant amounts involved under pension liabilities, the Council made a decision and instructed its actuary to run a revised IAS19 report incorporating the impact of the McCloud and GMP judgement.</p> <p>The assessment is expected to result in a material change to the previously reported pension liabilities in the draft accounts (to a suggested impact of c£737k). We anticipate the Council will incorporate the revised figures into the financial statements once received from the actuary.</p>	<p>£TBC</p> <p>Change to CIES actuarial gains/losses on pensions assets/liabilities</p> <p>£TBC</p> <p>Reversal within the MIRS</p> <p><i>[the value of this adjustment is TBC subject to receipt of the detailed actuary report on the impact of McCloud & GMP which is currently outstanding as at the date of this report]</i></p>	<p>c737</p> <p>Increase in pension liability (c737)</p> <p>Increase in pension reserve deficit</p>	<p>There is no impact on the Authority's useable reserves arising from this adjustment.</p>

Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
1.	Disclosure	Capital Commitments note was updated to reflect the appropriate capital commitments as at 31 March 2019.	Capital Commitments Note 14	✓
2.	Disclosure	Minor presentational adjustments were made to the Narrative Report to ensure the content was consistent with the financial information and the activities during year ended 31 March 2019.	Narrative Report	✓
3.	Disclosure	Net gain has been amended to show £208k which was a casting error.	Investment Properties Note 16	✓
4.	Disclosure	The Expenditure and Funding Analysis statement is not a primary statement. As such we requested this to be moved from its original location within the primary statements in the draft accounts. Management have appropriately moved the EFA statement to after the primary statements.	Expenditure and Funding Analysis	✓
5.	Disclosure	Minor presentational adjustments were made to the Accounting Policies note to reflect the applicable accounting policies of the Council.	Accounting Policies Note 1	✓
6.	Disclosure	The notes disclosed under Officers Remuneration disclosure table were updated to further clarify to which job titles the payments have been made in 2018-19 and 2017-18. In addition, narrative was added below the table to reflect the re-charge arrangements between the Council and NYCC in respect of the current Chief Executive and Chief Finance Officer.	Officers Remuneration Note 32	✓
7.	Disclosure	The initial draft accounts included the result of the EU referendum result from 2016 as a post balance sheet event. The note has been updated to confirm that there have been no events after the balance sheet date.	Non-adjusting events after the reporting date Note 9	✓
8.	Disclosure	Additional note was added to clarify that supplementary information provided does not form part of the External Audit opinion for the year ended 31 March 2019.	Analysis of the cost of services - page 93-94	✓

Audit Adjustments

Unadjusted misstatements

We note below the details of an adjustment identified during the 2018-19 audit which has not been made within the final set of financial statements. The Overview and Scrutiny Committee is required to approve management's proposed treatment of the item recorded below:

- In our audit testing of creditors we identified a balance of £25k which related to grant funding received in 2014-15 from North Yorkshire County Council in respect of capital spend in relation to supporting independent living for elderly members of the region. We understand the Council incurred appropriate spend in relation to the grant in 2014-15, leaving a balance of £25k carried forward as at 31 March 2015. The Council's original plan was to release the remaining balance in 2015-16 following incurred spending in this area, however, this release of income did not take place and the balance has sat within creditors for the past four year-ends.
- Upon identifying the balance within our review of creditors, we discussed the background and details of the funding with the finance team. Given that the relevant spending in this area appears to have been incurred and the conditions appear to have been met to recognise the income, and that no request has been made from NYCC for repayment of the balance over the 4 years, it would be appropriate, in our view, to release the balance from creditors to income (the amount is above our trivial reporting level as set out on page 5).
- This would have the effect of increasing the Council's 2018-19 surplus by £25k with a resulting increase in the Council's useable reserves.
- Management have considered our proposal but are not minded to adjust the accounts on the grounds of materiality. Although the balance is above our triviality reporting threshold, it is not a material error. Therefore should the Committee agree with management and not adjust for this issue, it would not impact on our ability to award an unqualified opinion on the accounts (on the basis that they would still provide a materially accurate true and fair view).

Appendix C: Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Audit Fees

	Planned fee	Final proposed fee	2017-18 fee (to predecessor auditor)
Authority Audit	£32,206	TBC*	£41,826
Total audit fees (excluding VAT)	£32,206	TBC*	£41,826

* In light of the additional audit work to be performed on the Pension balances and entries in the Authority's accounts (as a result of the McCloud judgement and GMP), the additional work performed on the Value For Money conclusion (compared to 2017-18) and the additional auditing testing performed on the Council's accounts following the findings from our interim audit, we are proposing an increase in the audit fee for 2018-19 of £10,000. This proposal has been discussed and agreed with the s151 officer during April and was raised with the Overview and Scrutiny Committee in our interim report in June 2019. We will provide an update on this in our Annual Audit Letter, due to be agreed with management in August and presented to the Overview and Scrutiny Committee in October 2019. Final approval of any additional audit fee will be by Public Sector Audit Appointments Ltd (PSAA).

The audit fees reconcile to note 33 in the financial statements.

Non Audit Fees

Fees for other services	Fees £
Audit related services:	
• Housing Benefit Certification	11,484
Non-audit services:	
• Chief Finance Officer Insights and Place Analytics subscription (2019-20)	3,500*

* We have agreed one non-Audit related service since the year end 31 March 2019. This relates to Chief Finance Officer Insights and Place Analytics subscription for 2019-20. Though this service relates to 2019-20, for transparency we have disclosed this on the basis of reporting all agreed non-audit fees as at the date of this report.

Appendix D: Audit opinion (proposed)

We anticipate we will provide the Council with an unqualified 'clean' audit opinion for the financial statements audit and 'except for' qualified opinion for the Value For Money conclusion, by 31 July 2019.

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 2019 which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Notes to the Accounts including Accounting Policies, the Collection Fund Statement and associated notes to the Collection Fund. The notes to the financial statements include the Expenditure and Funding Analysis. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018-19.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2019 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018-19; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Finance Officer (s151)'s use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer (s151) has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Chief Finance Officer (s151) is responsible for the other information. The other information comprises the information included in the Statement of Accounts, the Narrative Report, the Annual Governance Statement other than the financial statements, our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Authority obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Appendix D: Audit opinion (continued)

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts, the Narrative Report and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report 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; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application 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 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Chief Finance Officer (s151) and Those Charged with Governance for the financial statements

As explained more fully in the Statement of 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 the responsibility for the administration of those affairs. In this authority, that officer is the Chief Finance Officer (s151). The Chief Finance Officer (s151) is responsible for the preparation of the Statement of Accounts, which includes the 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 2018/19, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer (s151) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer (s151) is responsible for 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 unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Overview and Scrutiny Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Audit opinion (continued)

Report on other legal and regulatory requirements - Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, except for the effects of the matter described in the basis for qualified conclusion section of our report, we are satisfied that, in all significant respects, the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Basis for qualified conclusion

In considering the Authority's arrangements for securing efficiency, economy and effectiveness in its use of resources we identified the following matters:

- Our initial work highlighted there were gaps in Authority's risk management arrangements around identification, prioritisation, registration in a strategic risk register, action taken to mitigate the risks and timely reporting to the Authority and relevant Committees including Overview and Scrutiny Committee
- In addition, we considered the adequacy of the Authority's in-year financial reporting to Members. We understand that no in-year financial reporting was performed in 2017-18 with the resulting £2m underspend against the £6.2m budget in 2017-18 coming as a surprise to many Members and stakeholders.

Our work identified that following the new senior management team's arrival in early 2018-19, they had taken steps to enhance the Authority's risk management and financial monitoring arrangements. However, these arrangements were not sufficiently embedded during 2018-19 as a whole.

These matters are evidence of weaknesses in proper governance arrangements in place during 2018-19, impacting on the Authority's ability to demonstrate and apply the principles and values of sound governance, to inform decision making, and to support the sustainable delivery of Authority's strategic priorities.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing 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.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made 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 in all significant respects 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. 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 the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Certificate

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

Appendix D: Audit opinion

Use of our report

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 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

TO BE SIGNED

Garth Mills, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

Date: TBC



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PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	25 JULY 2019
REPORT OF THE:	CHIEF EXECUTIVE STACEY BURLET
TITLE OF REPORT:	DEVELOPING THE COUNCIL PLAN 2019-2023
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report outlines the proposed process for developing a new Council Plan so that it can be put in place as soon as possible and act as a strategic framework for progressing Council business over this four year administrative term.
- 1.2 The reports also suggests a proposed layout for the Plan and asks for feedback on an initial set of priorities so they can be worked up further.

2.0 RECOMMENDATION(S)

- 2.1 That Elected Members endorse the approach for developing, reviewing and refreshing the 2019-2023 Council Plan over the current administrative term.
- 2.2 That Elected Members provide any specific advice and guidance on:
- (i) the proposed set of draft priorities for the 2019-2023 Council Plan, attached as Appendix 3 to this report
 - (ii) the proposed layout of the 2019-2023 Council Plan, as detailed at paragraph 6.8 of this report
 - (iii) the proposed process and timeline for developing the 2019-2023 Council Plan, as detailed at paragraphs 6.3 and 6.4 of this report.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 A Council Plan is an essential part of a Council's strategic planning framework, providing a map that guides Council business and resource allocation.

Appendix 1 shows the other essential aspects of a robust strategic planning framework with an example of a timeline for developing, reporting, reviewing and refreshing each strand.

- 3.2 Ryedale's approach to its strategic planning framework requires improvement. The recent LGA Peer Review Revisit and a Healthcheck into our approach indicated that there was a lack of focus on strategic and longer-term goals. Many staff also report that the current Council Plan lacks clarity and does not drive Committee or Council business, or determine how resources are allocated.
- 3.3 It should also be noted that most Council Plans are fully rewritten every 4 years, with refreshed versions being published annually alongside a summary of achievements made that year. This is an important aspect of Council business as showing progress against the Plan gives Elected Members and staff the opportunity to celebrate successes and put renewed focus on areas needing additional impetus. It also demonstrates to local communities that we are making good use of public money.

4.0 SIGNIFICANT RISKS

- 4.1 Not having a functioning Council Plan risks continued criticism from external bodies that Ryedale is lacking strategic focus and/or not delivering best value. It may also negatively impact on staff motivation, as a consequence of not having a clear routemap for progressing Council business and guiding how Council resources are allocated. It also weakens performance management and monitoring, as there will be a lack of focus on the aspects of Council business that matter most.
- 4.2 There is a risk associated with the accelerated approach to developing the initial Council Plan for 2019-2023 in that usually the content of a Plan would be informed by significant levels of intelligence (for example, involving public and partner consultation as well as the involvement of staff and Elected Members). It is recommended that this aspect of development be phased in during the annual refresh of this plan in year 2 given there is a need for a clear strategic routemap now.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Council Plan 2019-2023 will act as the strategic routemap of the organisation. Activities and projects will still need to pay due regard to any statutory, legislative, constitutional and best value 'tests' prior to progression.
- 5.2 Policy changes and consultation may also give rise to the need for Plan alterations. Where this occurs, this will be picked up in the annual refresh process.
- 5.3 The District Council is here to serve local people across Ryedale and support all of our communities, alongside those visiting, working and doing business

here, to live healthy and pleasant lives in a vibrant and safe environment. As the Council operates in complex organisational landscape, some aspects of the proposed Plan will be about influencing and working with others to achieve our goals.

REPORT

6.0 REPORT DETAILS

6.1 Council Plans differ in style and content. Commonly, they articulate key priorities to be achieved over an administrative term and the milestones that are seen to be of most significance for delivery. Once in place, they act as a guide for resource allocation and performance monitoring.

6.2 The most effective plans contain:

- (i) A statement of ambition - an example of what this could look like for Ryedale is attached as Appendix 2.
- (ii) Key priorities, ideally limited in number - potential priorities for Ryedale are attached at Appendix 3 which are being proposed so they can be utilised as the 'starter for ten' during the consultation period
- (iii) The underpinning reasons for priorities – an example of the type of information to be drawn upon for Ryedale is attached as Appendix 4
- (iv) How progress will be measured; usually this is articulated through articulating any significant milestones (e.g. the opening date of a major project / capital build) or key performance indicators that require continued Elected Member focus through the administrative period (e.g. affordable housing).

Process for developing the Ryedale Council Plan for 2019-2023

6.3 It is proposed that a series of workshops are held in August and September, which will involve partners, staff and Elected Members, to:

- (i) Test out the ambition statement, making any suggestions for alteration and/or improvement
- (ii) Test out the proposed priorities, making any suggestions for alterations and / or improvement as well as suggesting the inclusion of any additional priorities
- (iii) Discuss the information that exists and which serves as a rationale for priorities
- (iv) Discuss how progress might be measured, making suggestions for inclusion in the finalised plan

6.4 The information from the workshops will inform a draft Council Plan 2019-2023, which will be presented to the Policy and Resource Committee in September 2019. The target date for presentation to Council would be October 2019, subject to the outcome of decision-making at the Policy and Resources Committee.

- 6.5 Any agreed Council Plan would then inform the budget setting process (Medium Term Financial Strategy) and performance management cycle.

Proposed statement of ambition and priorities

- 6.6 The proposed statement of ambition attached at Appendix 2 should be aspirational and reflect Ryedale Council's ambitions for local people and place. Statements are usually very high level and feel authentic.
- 6.7 The priorities attached as Appendix 3 have been drafted to reflect a range of information including manifesto commitments; Council decisions; policy change and use of intelligence (including initial feedback from staff and partners as well as performance information, statistics and data).

Proposed layout of the Plan

- 6.8 As well as the statement of ambition being at the forefront of the document, it is proposed that each priority is covered very simply in less than 2 pages through:

- (i) Stating the priority
- (ii) Explaining why we are focusing on it
- (iii) Saying what we hope to achieve (milestones)
- (iv) Saying how we'll measure progress on it (KPIs).

- 6.9 The Plan will also state that there will be an annual review and refresh of the Plan, which include a progress report of achievement.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:

- a) Financial
Any agreed Council Plan will have financial implications and will guide resource allocation.
- b) Legal
It is essential that the organisation complies with all relevant statutory, legislative and constitutional matters when executing the delivery of its Council Plan.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
Equalities, staffing, health and safety, and policy matters such as environmental and climate change will inform the content of and execution of the Council Plan once agreed.

Author: Stacey Burlet, Chief Executive
Telephone No: 01653 600666 ext 200
E-Mail Address: Stacey.burlet@ryedale.gov.uk

Background Papers:
Ryedale District Plan (current version)

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

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Strategic Planning

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Council Plan		P&R Committee Development report	Council Plan consultation and development. This would become the review and refresh period in subsequent years and progress update/actions would be gathered			P&R Final Draft & full Council approval of Council Plan / refreshed Plan	Production of annual progress report	P & R receives annual progress report	Full Council approval of annual progress report			
MTFS	Ongoing discussions – Heads of Service / Directors / DCX & Finance / Strategic Management Board informed by Council and Committee decisions, statutory and legislative priorities etc.					Develop consultation	Public budget consultation	Briefings - Draft settlement	P&R Committee – Budget Strategy Final draft	Full Council approval		
Shaping the future (Modern Council) programme	SMB awayday prioritise programmes	Programme & Project Briefs for prioritised areas				Business Cases to Strategic Management Board/Committees (as appropriate)			Programme mobilisation			
	Delivery of existing projects and reviews that have been agreed by SMB or Committees											
Service Planning	Monitor and review Service and Team Plans						Develop Service and Team Plans linked to the Council Plan and any other requirements	Draft Plans presented to SMB	Final Service and team plans in place to deliver Council Plan priorities and other requirements			
Performance Management Cycle		Q4 Performance and Finance report		Q1 Performance and Finance report				Q2 Performance and Finance report		Q3 Performance and Finance report		Individual appraisals

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Appendix 2 - Statement of Ambition Example – Ryedale District Council Plan 2019-2023

Ryedale District is a beautiful rural area, with proud and unique local communities who are working with the Council and other partners like the County Council, Police, National Park and Local Enterprise Partnership to maintain and strengthen our high quality of life so it is experienced by everyone.

Ryedale is Yorkshire's Food capital. Located close to York, the area is characterised by some of the most stunning and dramatic landscapes in the country and welcoming and thriving market towns. These are enjoyed by local people, visitors and, increasingly, those relocating to our special and distinctive place.

We want to ensure that Ryedale continues to be one of the best places in the country to live and visit through supporting all of our local communities to thrive. We also want to inspire people to live healthy, fulfilled lives, so they can actively contribute to their communities and enjoy the wonderful places they live in. To this end, we will enable and promote cultural, physical and community activities and events to happen and flourish.

We have a range of businesses working in Ryedale - from micro enterprises working in a variety of sectors, including food and drink production, farming and tourism, to the leading research and development agency, FERA, and clusters of highly specialised enterprises focused on agri-tech and high tech engineering. We want to create the conditions for supporting all of these businesses to excel, creating jobs and raising wages for local people, and generating benefits for the local economy. This includes the aim of encouraging talented people to stay in the area, bringing up their families and working, living and spending locally.

As a Council, we will use our powers to champion social justice and support those who are most in need wherever we can. This includes enabling more local people to access affordable housing where needed. Other initiatives will aim to ensure that people are warm, have the food they need and access to the advice and resources available to them.

We will also take action as a Council to ensure that we practice what we preach. As we are proud of our place and want to ensure that future generations can enjoy it, our aspiration is to look to encourage and embrace new technology and solutions that promote a greener, cleaner and healthier Ryedale. This includes supporting digital and clean technology, renewable energy and biodiversity initiatives and considering our environmental impact in the delivery of our activities.

Finally, we are absolutely committed as a Council to a small and mighty approach. We are operating in a context where the Council has faced unprecedented reductions in funding from Central Government and a changing political environment. This means it more important than ever to work collaboratively with our communities, partners and stakeholders so that the communities of Ryedale benefit and get their share of opportunities locally and nationally. It's also critical that all of our services and the

organisation offer best value. Spending public money in the best possible way will involve maintaining a focus on reducing our operating costs and generating additional income to support the maintenance of local services and deliver exciting new projects.

Elected Members and our workforce will all work together to deliver the actions needed to achieve our ambitions and plans over the next four years.

We will update you on our progress every year to show you what we've achieved.

Appendix 3 – Draft Priorities for the Council Plan 2019-2023

A great place to grow business, work and visit

We will promote and deliver economic growth, working with businesses and creating high quality, high paying jobs that benefit all of Ryedale's communities

We will support the prosperity of our attractions and market towns through promoting Ryedale as a 'must experience' place for food, family days out and the great outdoors.

A great place to live

We will support access to housing, setting exceptional standards in homelessness prevention and affordability.

We will promote health and well-being across Ryedale's communities so everyone has the opportunity to enjoy and contribute to the place they live in.

We will use our power and resources to keep Ryedale's environment clean, green and safe.

Shaping the future

We will act commercially and be business-like, investing in new technology, initiatives and infrastructure where this benefits local people and represents good use of public money.

We will coordinate and collaborate with partners, joining up our work programmes and resources where this brings benefits for local people and communities.

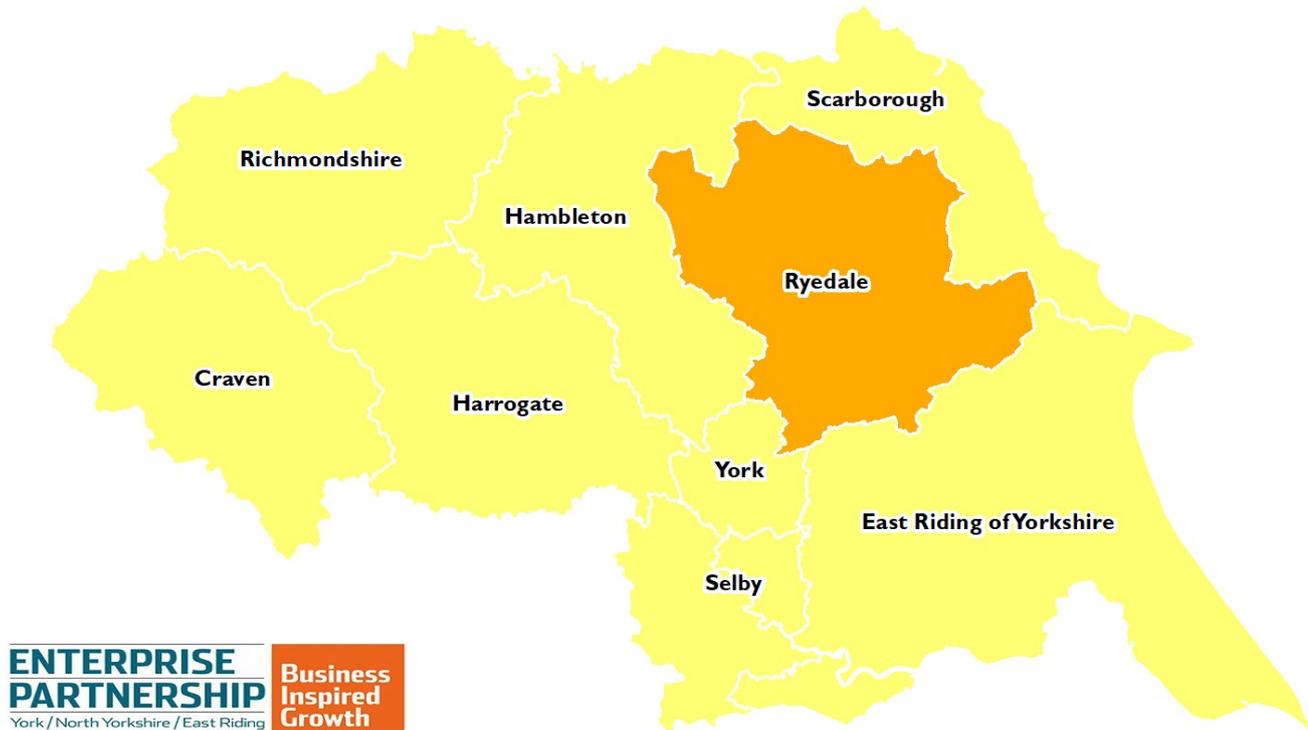
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Appendix 4 – Ryedale Economic Profile – Example of Evidence Base

This Ryedale profile presents economic information from official national sources that intend to analyse current economic performance and establish the role the area plays across the broader York, North Yorkshire and East Riding (YNYER) LEP economy. This will provide a baseline to support the identification of existing strengths, future challenges and opportunities for economic development.

Ryedale District sits within the broader non-metropolitan county of North Yorkshire covering an area of approximately 582 square miles and is home to 54,300 people (or 0.3 people per hectare). This district was classified as being 98.3% rural according to the 2011 ONS Rural-Urban Classification and includes the towns of Malton, Norton-on-Derwent, Helmsley, Pickering and Kirkbymoorside.

Ryedale in the context of the YNYER Local Enterprise Partnership (LEP) area.



This brief report will monitor progress against headline performance indicators against a range of themes to support the evaluation of LEP activities in promoting growth, raising productivity and boosting employment across the local economy.

YNYER HEADLINE PERFORMANCE SCORECARD	Ryedale	CHANGE	+/-	YNYER	DATE
Working age population (ages 16-64)	31,500	+100 (-0.7%)	↓	-0.2%	2017
Population aged 16-30	7,800	-100 (-1.2%)	↓	-1.4%	2017
Total output (GVA), £	1,235million	+65 m (+5.6%)	↑	+2.9%	2016
Gross Value Added (Balanced) per head by Local Authority	23,092	+1039 (+4.7%)	↑	+2.2%	2016
VAT-registered business stock	4,015	+50 (+1.3%)	↑	+2.2%	2017
Total number of jobs	26,000	+1,000 (+4.0%)	↑	+1.7%	2016
Employment rate (% of 16-64 working age population)	24,600	+900 (+6.6%)	↑	-3.3%	2018
Working age people educated to Level 3+	17,600	-800 (+0.7%)	↑	+0.1%	2017
Net additional dwellings (housing completions)	321	+75 (+30.5%)	↑	+20.2%	2017
Residence-based full time gross annual median earnings, £	23,095	-78 (-0.3%)	↓	+0.6%	2017

Demography

£22,951 median annual pay 2017
(-1% on 2016)



CHALLENGES

45.2% of the population of Ryedale travel to work by car

Housing affordability score is higher than the regional and national averages.



Increasing **+65 population**,
Decreasing **working age population**
Challenging to **retain young people**, with a perception of limited **career development opportunities**

One of the highest **housing affordability gaps** in Northern England
Delivering **connectivity, infrastructure and services** in a sparse area with very **low population density**

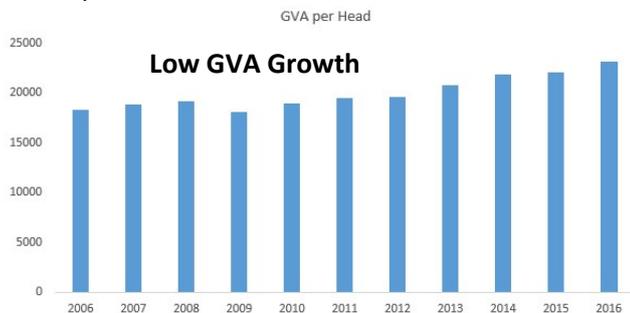


Lower than Regional and England Figures



+65 population has increased by **+22.1%** between 2017 and 2007

Economy



16 to 64 Population



Small overall population increase of **1.4%** in 16 - 64 population between 2001 - 2017 but there have been large levels of fluctuation

Dependence on a small number of large employers, limiting economic resilience
Below average wages
High dependence on traditional low paid sectors

41% of population aged 16-64 educated to level NVQ4+

18% population aged 16-64 educated to level NVQ3 only

30% population aged 16-64 educated to level NVQ2 only

Place

5% District have Ultrafast broadband and **78%** have Superfast broadband - both under England levels



32% of people employed in professional, associate professional and technical occupations

Quality of Life

Accessing services in a **sparse geography**
Understanding the **real terms fall in earnings**



Facilitating an **inclusive and fair society**

Since 2008, wages have risen **2.2%**, while the national price of goods has risen by **24.3%** (ONS, BoE)

11.2% of homes in fuel poverty, higher than the LEP and National average but lower than the Regional average

DEMOGRAPHY



GENERAL POPULATION (2017)



54,311 Ryedale population **7,788** population aged 16.

30 **57,857 YNYER** **55,619,430 England** **192,544 YNYER**

31,485 Ryedale working age population (ages 16-64)

696,475 YNYER **34,950,950 England**

Ryedale
YNYER
Region
England

Ages 0-15

15.58%
16.5%
19.0%
19.1%

16-64

57.97%
60.1%
62.6%
62.8%

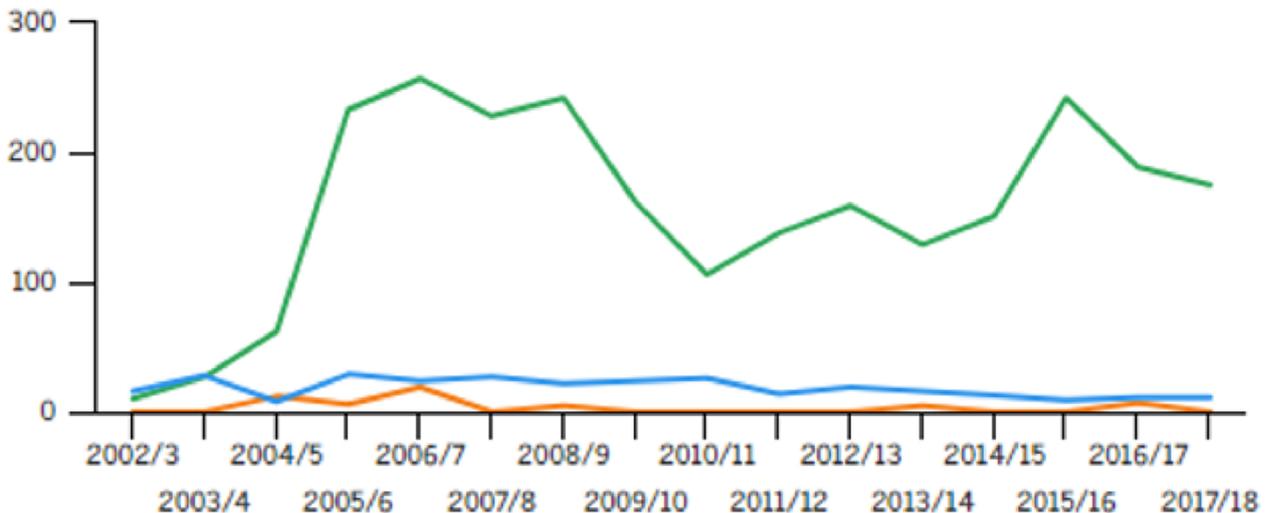
65+

26.45%
23.2%
18.4%
18.0%

Source: Mid-Year Population Estimates, 2017

NINo REGISTRATIONS - EU / NON EUROPEAN UNION / OTHER (2018)

RYEDALE



— EU — Non-EU — Other

Source: DWP, 2018

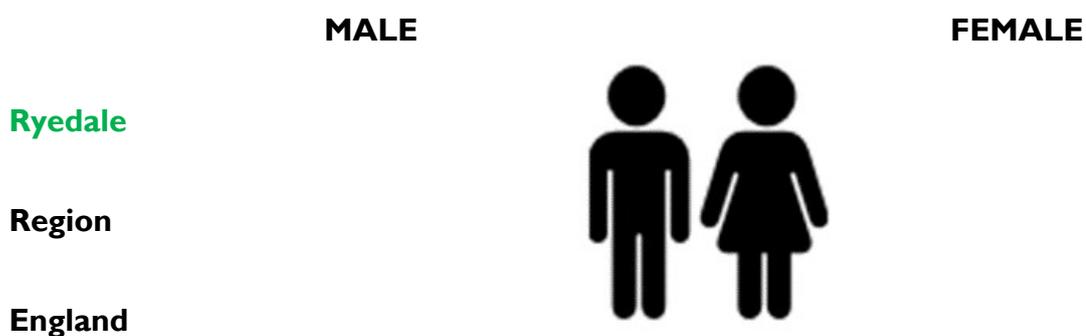
This graph shows adult overseas nationals entering the UK through National Insurance Number (NINo) registrations. A NINo is required by any overseas national looking to work or claim benefits in the UK, including those who are self employed or students working part time. The data shows the comparative difference between EU immigration and non-EU immigration, highlighting the changes that may occur after Brexit.

ETHNIC BREAKDOWN - PERCENTAGE OF ALL USUAL RESIDENTS (2011)

	White	Mixed Ethnic Groups	Asian/ Asian British	Black/ African/ Caribbean/	Other Ethnic Group
Ryedale	98.7%	0.6%	0.5%	0.2%	0.1%
YNYER LEP	97.0%	0.9%	1.5%	0.4%	0.2%
Region	88.8%	1.6%	7.3%	1.5%	0.8%
England	85.4%	2.3%	7.8%	3.5%	1.0%

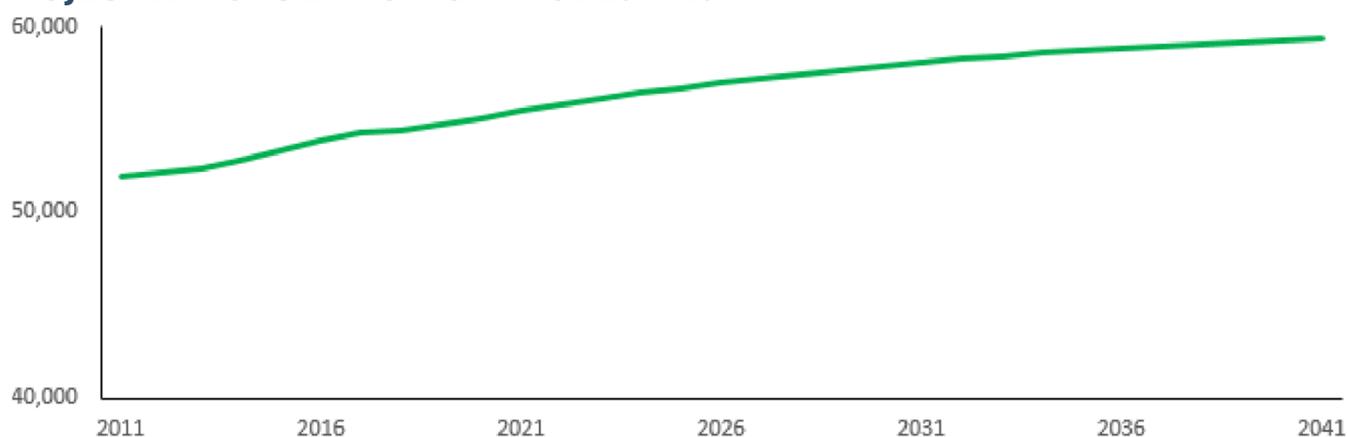
Source: Census, 2011

LIFE EXPECTANCY (2017)



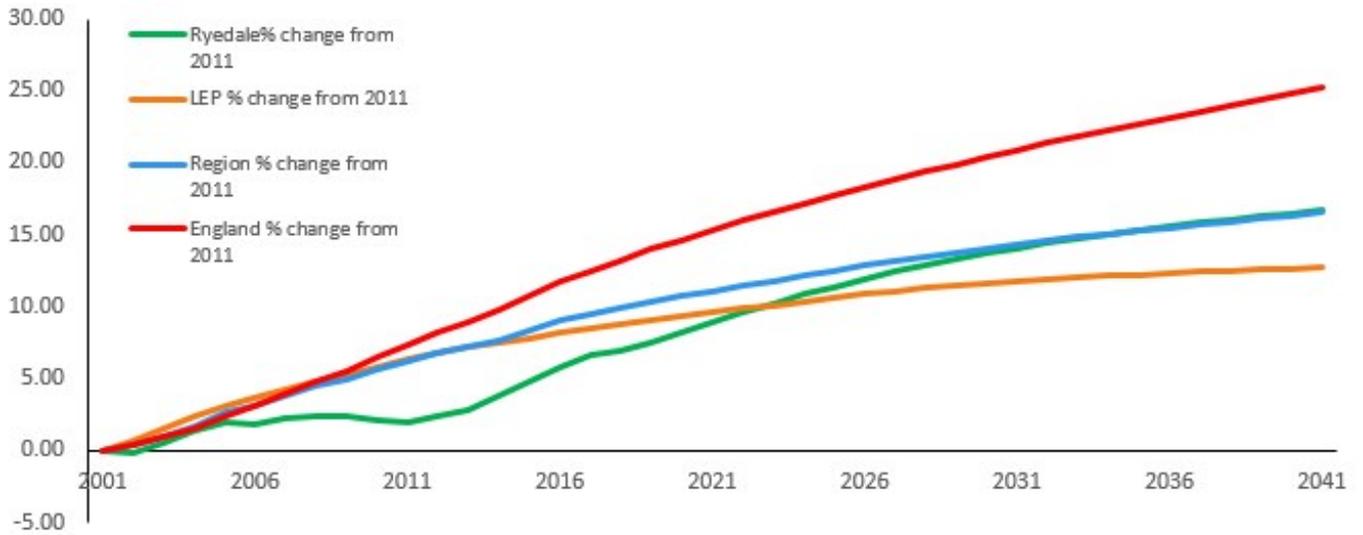
Source: ONS, 2017

PROJECTED POPULATION CHANGE 2011-2041



Source: ONS, 2011-2041

PERCENTAGE POPULATION GROWTH AND PROJECTIONS 2011-2041



Source: ONS, 2001-2041

Population estimates and projections give an indication of how the population has changed and will continue to change. The data indicates that Ryedale's population will continue to grow at an accelerated rate than previously was the case. In comparison the national population projections will accelerate at a much faster pace, suggesting that the population growth of the YNYER LEP area is set to increase at a much steadier rate.

ECONOMY

OUTPUT (2016)



Ryedale: £1.2bn economy

+£65m GVA growth on 2015

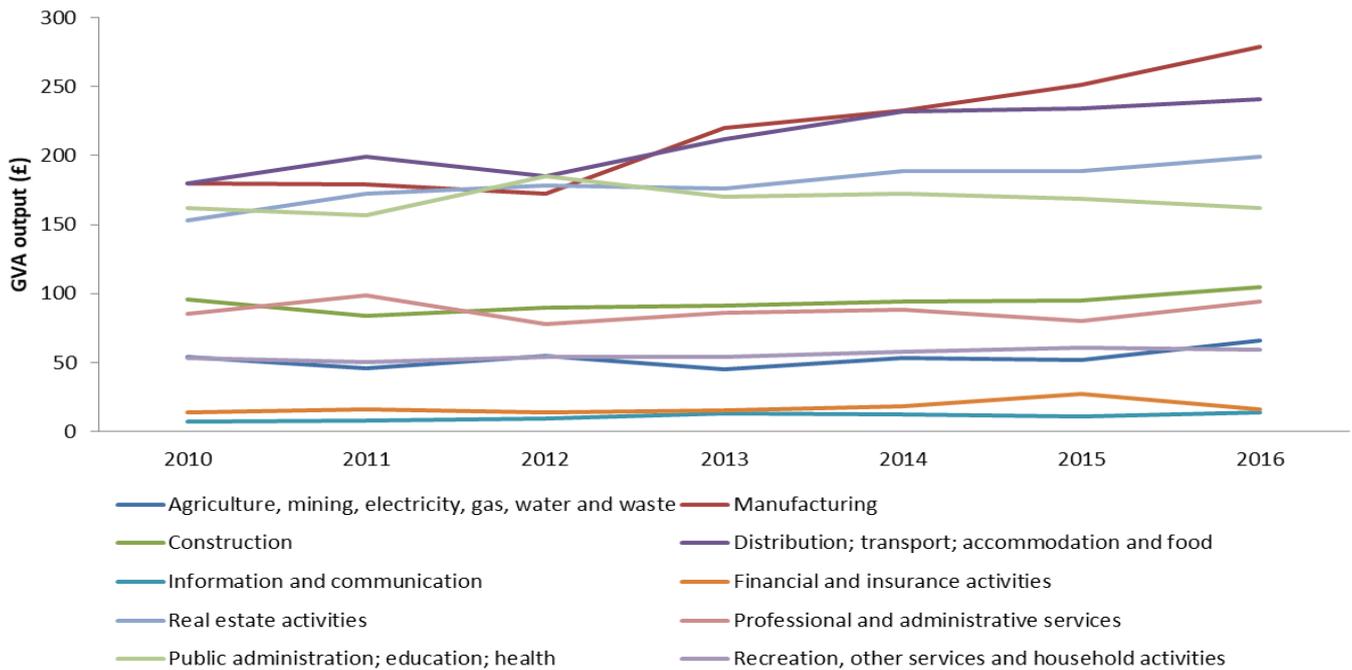
Source: ONS, 2017

Productivity comparison (2016)

		Ryedale	YNYER LEP	England
GVA per head (£)	2016	£23,092	£21,146	£27,108
GVA per hour worked (£)	2016	-	£27.50	£33.10
GVA per job filled (£)	2016	-	£42,378	£53,474

GVA (£) BY INDUSTRY (BALANCED APPROACH) (2016)

GVA (£) by industrial sector



Source: ONS, 2017

Gross value added (GVA) by industry (balanced approach), is the value generated by any unit engaged in the production of goods and services. The balanced approach combines the production (GVA(P)) and income (GVA(I)) approaches giving a more robust measure of productivity. The graph shows that in Ryedale the greatest value is generated by the manufacturing sector, while the lowest sector is information and communication.

BUSINESS BASE (2017)

		Ryedale		YNYER LEP		Y&H Region		England
Total VAT-registered business stock	2017	4,015	-	62,285	-	-	-	-
0-9 employees	2017	3,505	87.1%	52,740	84.7%	82.6%		84.8%
10-49 employees	2017	445	11.1%	8,020	12.9%	14.0%		12.2%
50-249 employees	2017	55	1.4%	1,375	2.2%	3.0%		2.5%
250+ employees	2017	10	0.2%	155	0.2%	0.4%		0.4%
Sole proprietorships	2017	990	24.7%	11,590	18.6%	16.2%		14.1%

Source: IDBR, 2017

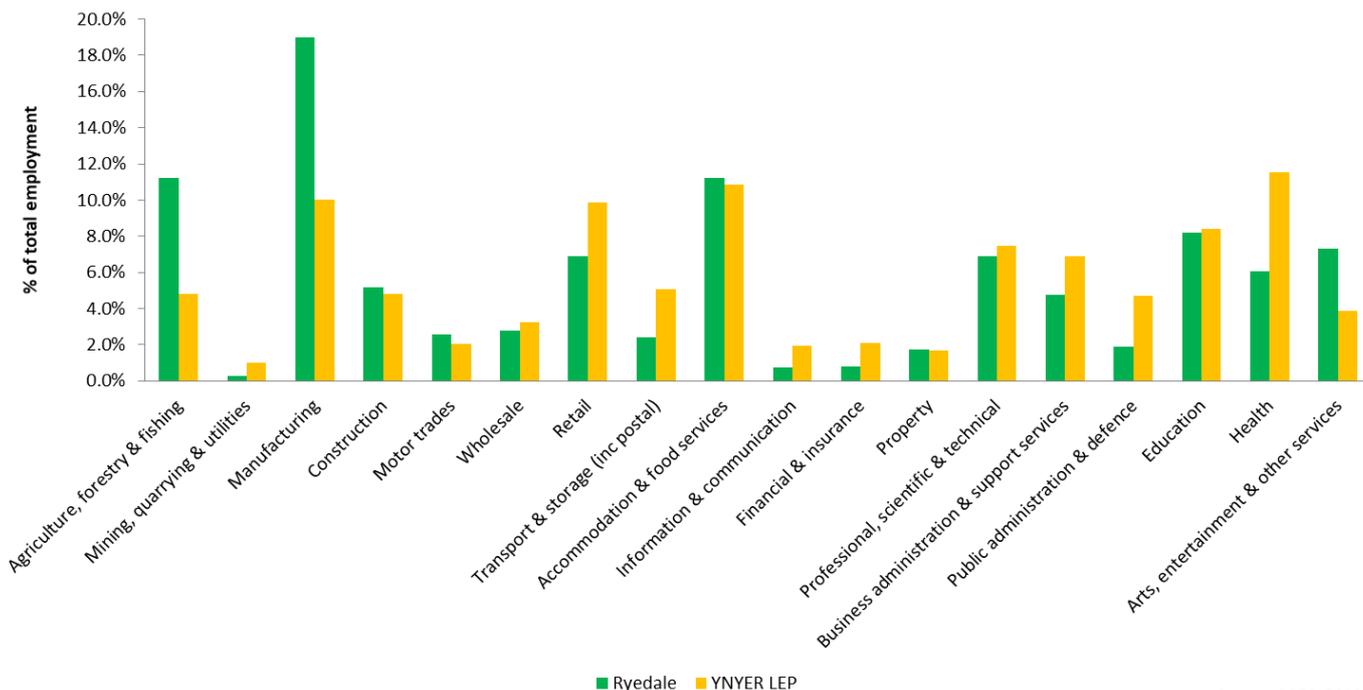
BUSINESS DEMOGRAPHY (2016)

		Ryedale		YNYER LEP		Y&H Region		England
Active enterprises	2016	2,685		49,460		195,725		2,499,060
Enterprise birth rate (per 1,000 businesses)	2016	93.1		117.5		139.1		149.7
Enterprise death rate (per 1,000 businesses)	2016	85.7		98.1		113.1		116.5
Enterprise two-year survival rate (%)	2016	80.0		78.7		75.6		75.8
Enterprise five-year survival rate (%)	2016	44.2		46.4		43.2		44.0

Source: IDBR, 2017

EMPLOYMENT BASE BY INDUSTRY (2017)

Employment by industry



Source: BRES, 2018

Ryedale has an above average two-year business survival rate, higher than the LEP average, and a 5 year survival rate comparable to the national average. Employment in manufacturing, construction and accommodation and food services is proportionally higher in Ryedale than the LEP average, whereas the LEP area is higher in retail, health and transport and storage activities and highlighting the variations in the economy across the region.

JOBS DENSITY (2016)



32,000 jobs in Ryedale (2016)

1.03 jobs per

working age person

0.88 YNYER LEP; 0.85 England

Source: ONS, 2017

TOP 10 SPECIALIST INDUSTRIES (2017)

*sectors employing at least 200 people	Jobs	LQ
24: Manufacture of basic metals	600	10.52
01: Crop and animal production	3,250	8.91
10: Manufacture of food products	2,375	6.99
91: Libraries, archives and museums	600	6.77
22: Manufacture of rubber and plastic products	800	4.81
72: Scientific research and development	500	3.85
75: Veterinary activities	200	3.20
55: Accommodation	1,250	3.05
93: Sports activities and amusements	1,250	2.73
25: Manufacture of fabricated metal products	600	2.01

Source: BRES, 2018

LABOUR MARKET

EMPLOYMENT RATE (2018)

Ryedale: 79.4%

YNYER: 77.3%

England: 75.1%



ECONOMIC ACTIVITY RATE (2018)

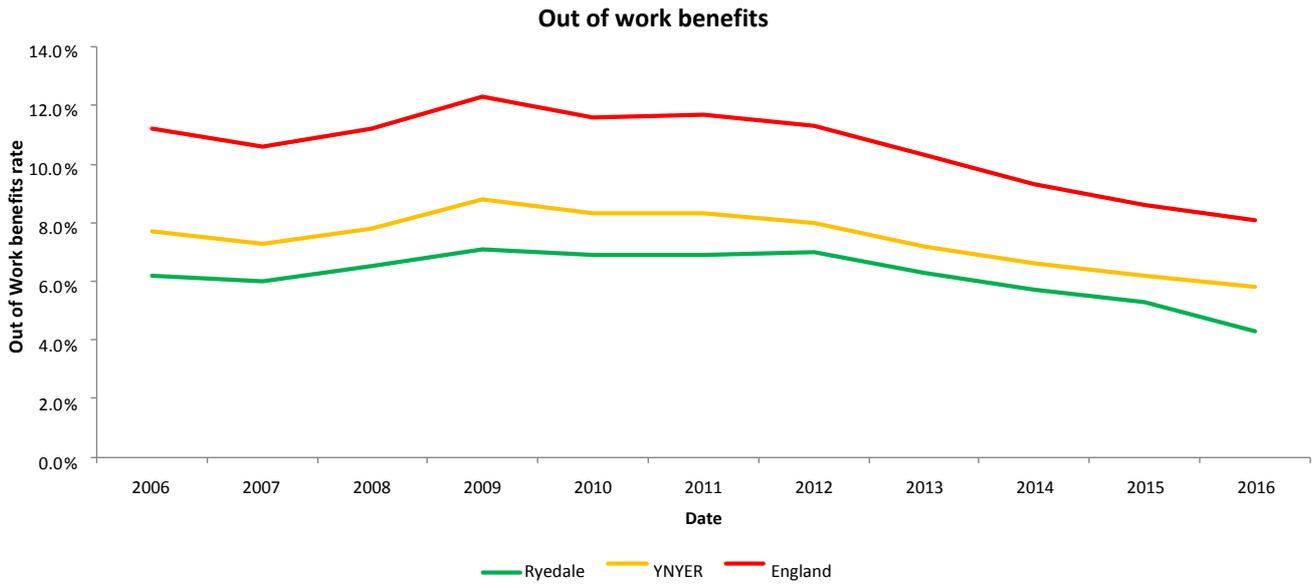
Ryedale: 84.2%

80.2%

78.6%



OUT OF WORK BENEFITS (2018)



TOP 5 SECTORS FOR EMPLOYMENT (2016)



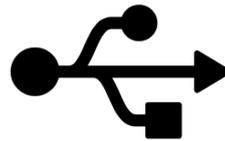
Public administration
5,500 jobs



Education
3,250 jobs



Manufacturing
3,250 jobs



Information &
communication
2,375 jobs



Financial & insurance
2,125

Source: BRES, 2016

TOP 5 EMPLOYMENT GROWTH SECTORS (2016)



Manufacture of rubber
and plastic products

+725 jobs



Food and beverage
services

+500 jobs



Manufacture of fabri-
cated metal products

+200 jobs



Services to building and
landscaping

+175 jobs



Office administration

+175 jobs

Source: BRES, 2012-2016

OCCUPATIONS

Occupation type

Ryedale

YNYER

Yorkshire & Humber

England

Managers, Directors and Senior officials	12.9%	11.5%	9.7%	11.2%	        
Professional Occupations	19.7%	18.5%	17.9%	20.4%	
Associate Prof & Tech Occupations	15.5%	14.1%	13.0%	14.7%	
Administrative and Secretarial Occupations	8.5%	10.1%	10.0%	10.3%	
Skilled Trades Occupations	18.3%	12.7%	11.4%	10.1%	
Caring, Leisure and Other Service Occupations	8.8%	8.2%	9.6%	8.9%	
Sales and Customer Service Occupations	4.6%	6.9%	8.1%	7.5%	
Process, Plant and Machine Operatives	5.7%	6.6%	7.6%	6.2%	
Elementary Occupations	6.0%	11.0%	12.1%	10.4%	

SKILLS (2016)

Average Attainment 8 score per pupil (2015/16)

Ryedale: 51.1

YNYER: 51.8

England: 50.1



Average Progress 8 score per pupil (2015/2016) a A* to

Ryedale: 0.12

YNYER: 0.05



England: -0.03

Percentage of pupils who achieved C (2015/16)

Ryedale: 64.7

67.8

England: 63.3



The average attainment 8 score is a calculation based on the average grades achieved across 8 subject areas, showing an overall score for educational attainment. Average progress 8 scores are measured between -1 and +1, these scores show how pupils attainment compares to the national average. Overall these scores show that Ryedale performs better than the

national average in both attainment and progression.

Source: APS 2018

Apprenticeship starts by sector

120 apprenticeships starts 2015 to 2016.

40 in Engineering and Manufacturing

33% of apprenticeship starts

20 in Retail and Commercial Enterprise

17% of apprenticeship starts

20 Agriculture, Horticulture and Animal Care

17% of apprenticeships

Source: DFE 2018

Highest level of qualification (ages 16-64)



40.7% people

educated to NVQ Level 4+

YNYER average: 38.6% England

average: 38.3%

18.0% people educated to NVQ Level 3

YNYER average: 18.6% England average: 17.3%

3.3% people with an apprenticeship

YNYER average: 4.2% England average: 2.9%

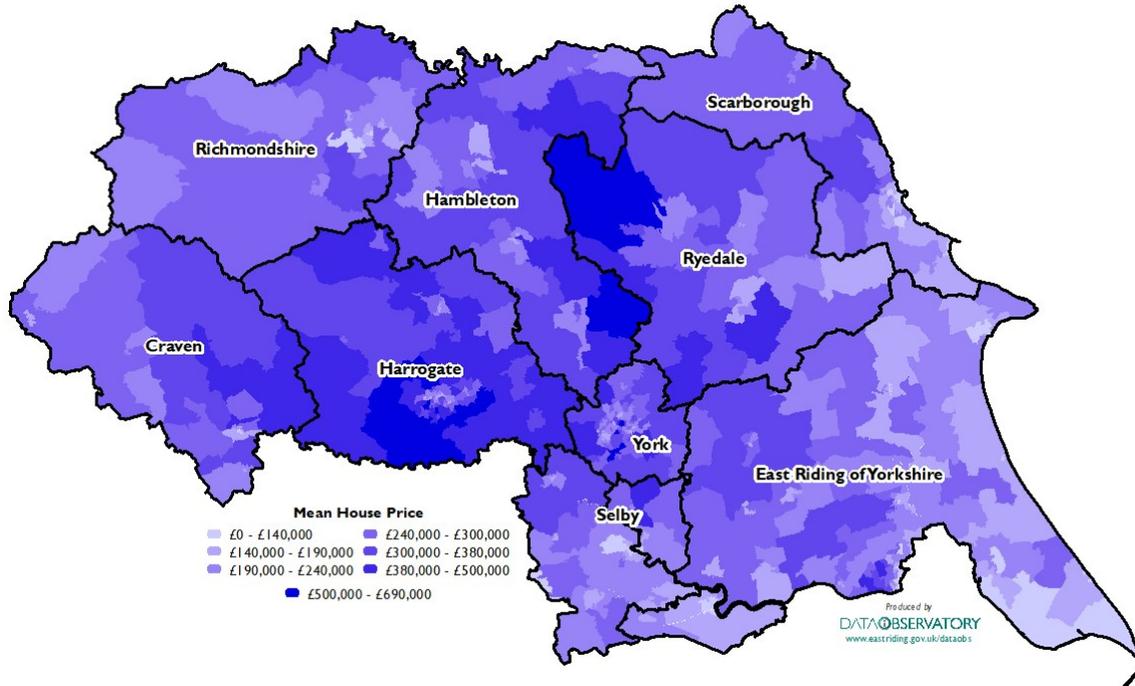
0% people with no qualifications

YNYER average: 6.0% England average: 7.6%



PLACE

MEAN HOUSE PRICE



The most expensive housing in the LEP area is located centrally in Harrogate and York within the Leeds commuter belt. The most affordable housing is can be found along the coast in the East Riding of Yorkshire, Scarborough and parts of Ryedale.

HOUSING AFFORDABILITY RATIO (2018)

NET ADDITIONAL DWELLINGS PER 1,000 POPULATION (2018)



321 Dwellings:

Net Additional

Net Additional

4,320 Dwellings:

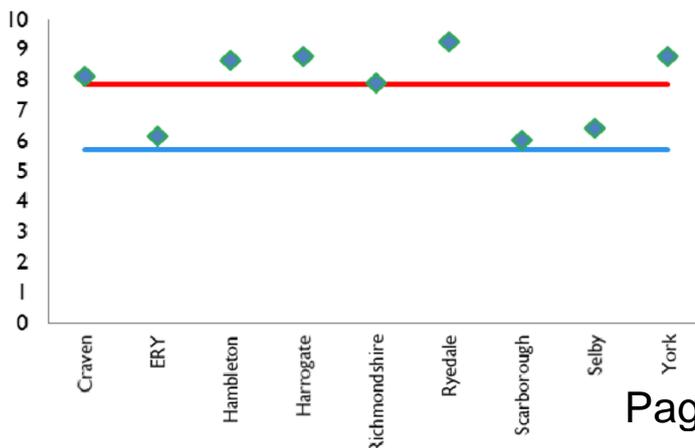
Ryedale: 5.9

LEP: 3.7

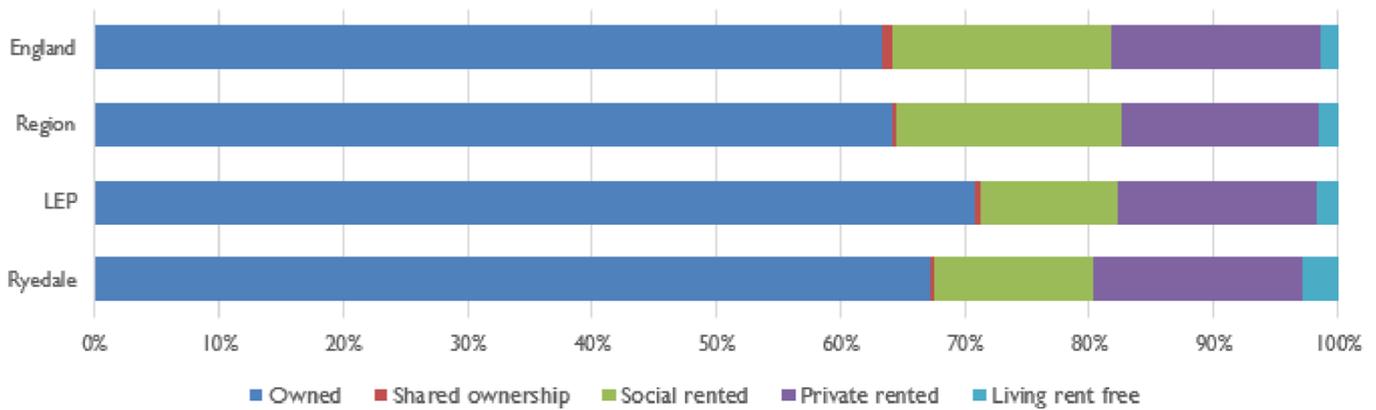
The housing affordability ratio supports the mean house price map above. The highest housing affordability ratio in 2017 was Ryedale at 9.31, while the lowest is recorded in Scarborough at 6.03.

All values are above the regional housing affordability ratio however East Riding of Yorkshire (6.18), Scarborough (6.03) and Selby (6.45) are all below the England ratio value (7.9).

Source: ONS 2018



TENURE (2011)



Source: Census, 2011

TRAVEL TO WORK SELF-CONTAINMENT/ METHOD OF TRAVEL TO WORK (2011)

INFLOW

OUTFLOW

12,000 (63%) Ryedale workers live in Ryedale

12,000 (65%) Ryedale residents work in Ryedale

1,300 (7%) Ryedale workers live outside of the LEP

1,600 (9%) Ryedale residents work outside of the LEP

Top 5 Residential locations of Ryedale		Top 5 Workplace locations of Ryedale Residents	
Scarborough	2,000 (11%)	York	2,100 (11%)
York	1,700 (9%)	Scarborough	1,300 (7%)
East Riding of Yorkshire	1,000 (5%)	Hambleton	500 (3%)
Hambleton	500 (2%)	East Riding of Yorkshire	500 (2%)
Hull	300 (1%)	County Durham	400 (2%)

Source: Census, 2011

	Work from Home	Driver/ Passenger in Car or Van	Cycle	On Foot	Train	Bus
Ryedale	8.0%	45.2%	2.1%	9.5%	0.7%	1.1%
LEP	4.8%	44.4%	2.9%	9.7%	1.3%	2.5%
Region	2.9%	42.5%	1.6%	7.4%	1.5%	5.3%
England	3.5%	40.1%	1.9%	6.9%	3.5%	4.9%

Source: Census, 2011

Travel to work statistics show the significant movement of Ryedale workers and residents between the Scarborough and York economies, highlighting the extent to which Ryedale's economy is connected with these areas. The use of a car as the method of travel to work in Ryedale is significantly higher than the national average due to the rural geography.

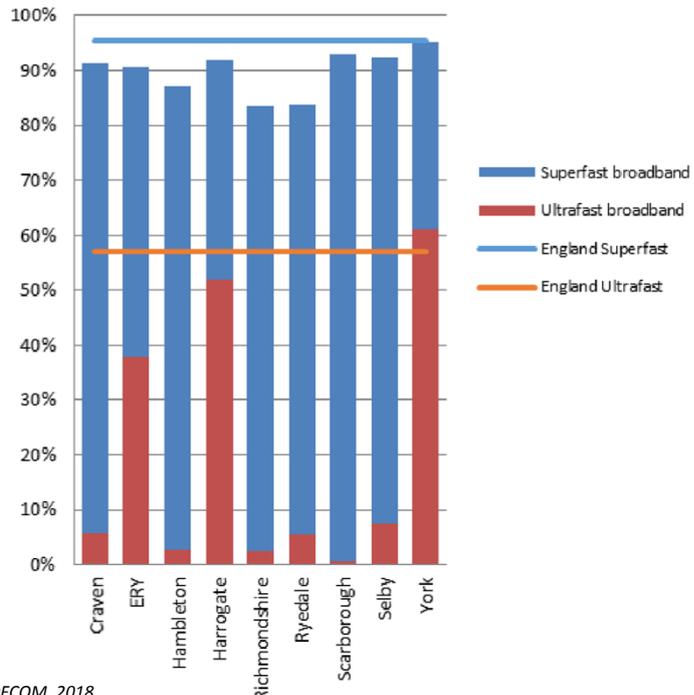


BROADBAND AND 4G COVERAGE (2018)

Local Authority	Percentage 4G Coverage
Craven	41.3%

Richmondshire	46.0%
Scarborough	56.3%
Ryedale	58.7%
Harrogate	73.1%
Hambleton	82.7%
ERY	85.3%
Selby	93.1%
York	96.2%

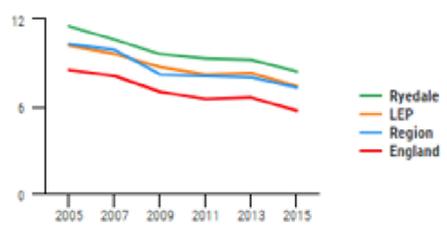
No area in the LEP has 100% broadband and 4G coverage. The greatest coverage of 4G and ultrafast broadband is in York. Scarborough has the lowest coverage of ultrafast broadband and Craven has the lowest 4G signal.



Source: OFCOM, 2018

Source: OFCOM, 2018

CO₂ EMISSIONS (TONNES PER CAPITA) (2016)

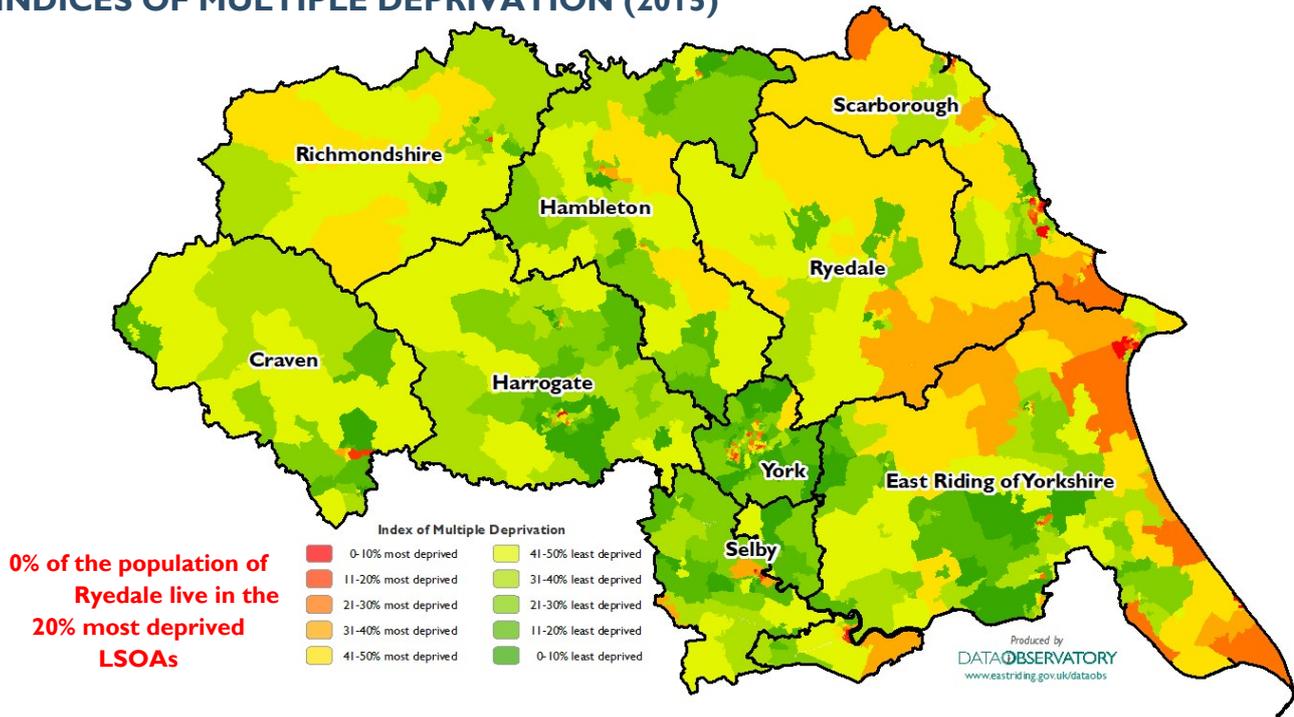


Ryedale: 7.9
LEP: 7.1
Region: 6.9
England: 5.3

Source: Department for Business, Energy and Industrial Strategy, 2016

QUALITY OF LIFE

INDICES OF MULTIPLE DEPRIVATION (2015)

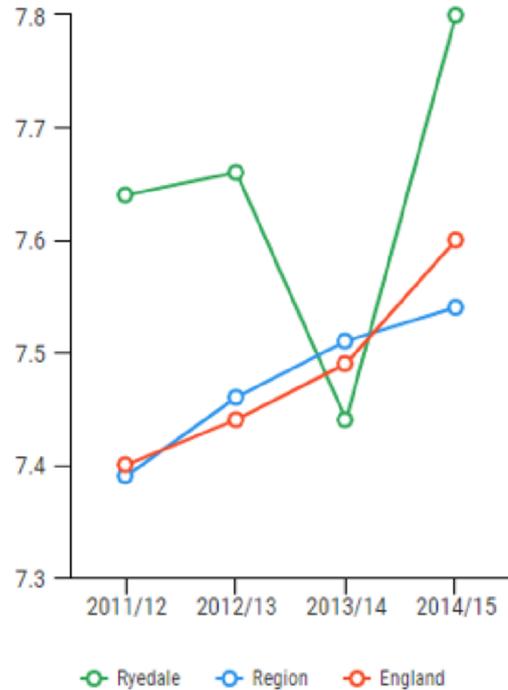
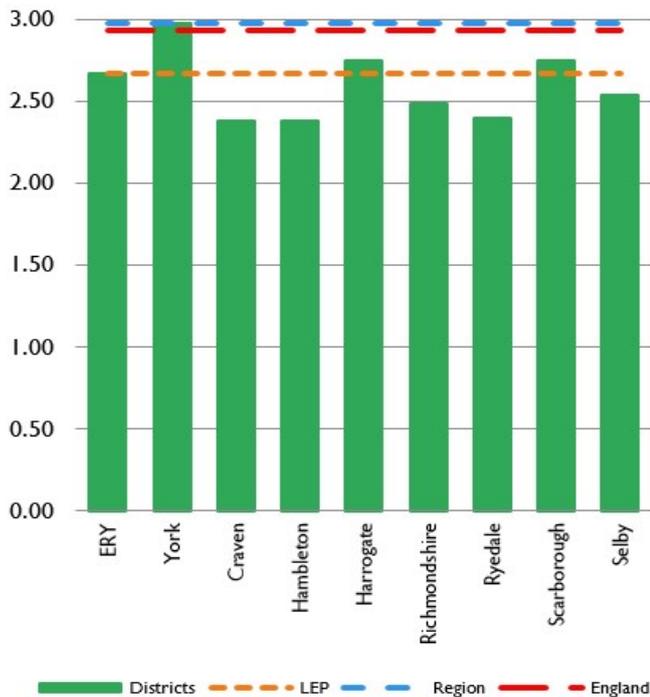


Across the YNER LEP area, 6.0% of the population live in the 20% most deprived LSOAs compared to 31.5% of the population that live in the 20% least deprived LSOAs. The areas of deprivation appear to be centred along the coastal areas of the LEP area. Within Ryedale, 0% of the population live in the 20% most deprived LSOAs, although the deprivation rankings do worsen towards the eastern side of the district.

WELLBEING (2015)

AVERAGE ANXIETY RATING (OUT OF 10)

AVERAGE LIFE SATISFACTION RATING (OUT OF 10)

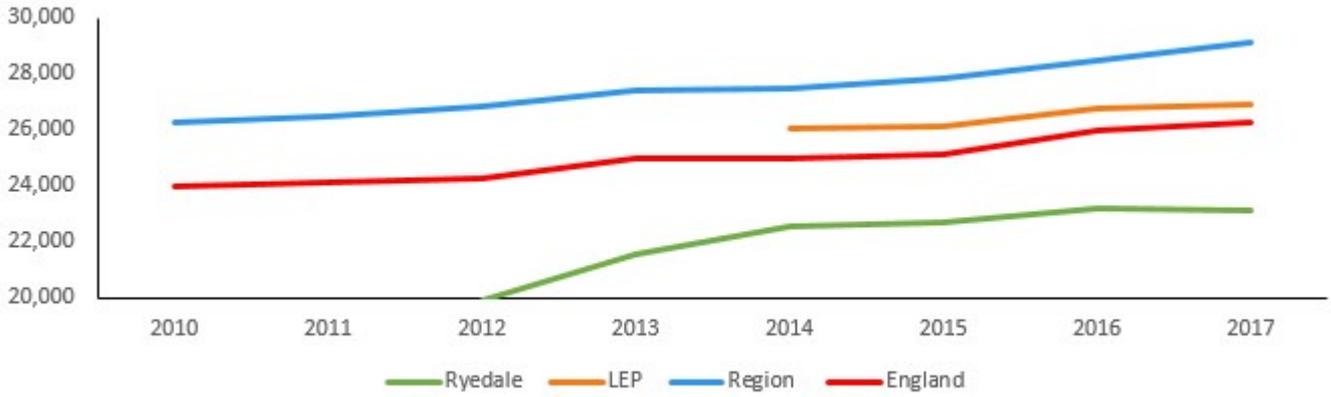


The LEP as a whole has a lower Average Anxiety Rating (2.67) than the national figure of 2.93. York has an anxiety rating equal to the regional level of 2.97, which is higher than the national figure of 2.93.

Ryedale has a higher life satisfaction rating than both the regional and the national figures and has increased over the past year by 0.38. This suggests a rapid increase in perceived life satisfaction, which is supported by a low anxiety rating.

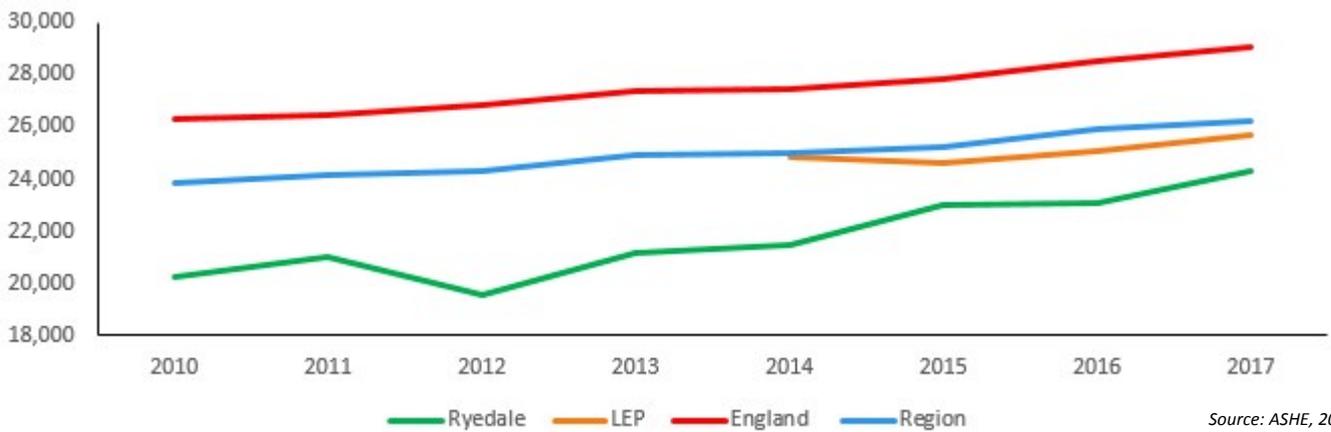
EARNINGS

RESIDENCE BASED EARNINGS (FULL TIME GROSS ANNUAL MEDIAN PAY) (2017)



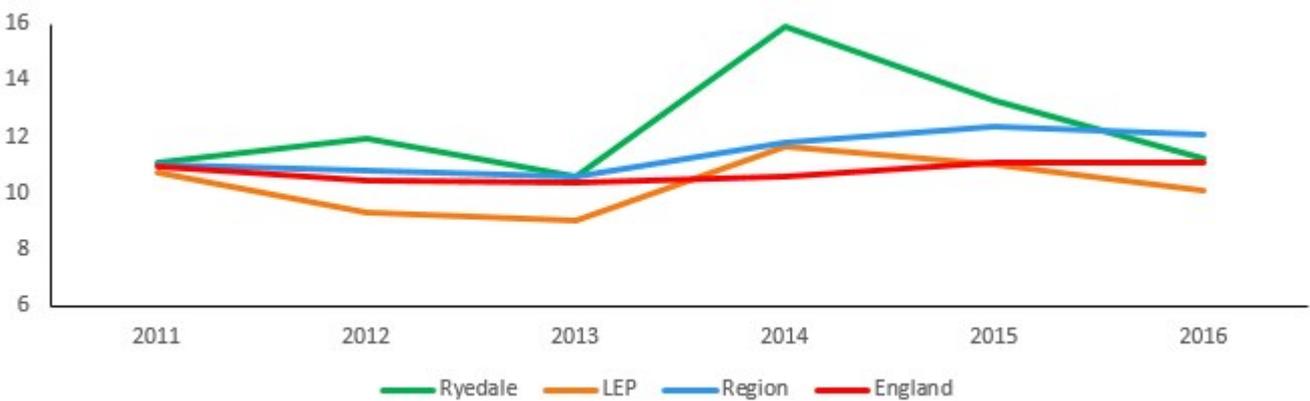
Source: ASHE, 2017

WORKPLACE BASED EARNINGS (FULL TIME GROSS ANNUAL MEDIAN PAY) (2017)



Source: ASHE, 2017

FUEL POVERTY (% OF FUEL POOR HOUSEHOLDS) (2016)



Source: Department for Business, Energy and Industrial Strategy, 2016

PERCENTAGE OF FUEL POOR HOUSEHOLDS (2016)



Ryedale:

Ryedale has a higher percentage of fuel poor households when compared to the regional average, suggesting a lower quality of life and higher cost of living in the area.

LEP:

The LEP geography shows an increase in the percentage of fuel poor households by nearly 3% between 2013-2014. Similarly, the region has increased by 1.5% between 2013-2015.

Region:

England:



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	25 JULY 2019
REPORT OF THE:	DEMOCRATIC SERVICES MANAGER SIMON COPLEY
TITLE OF REPORT:	MEMBER ALLOWANCES SCHEME
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report updates Members on matters relating to the Member Allowances Scheme.

2.0 RECOMMENDATION(S)

2.1 It is recommended that Members note the contents of the report and the action proposed to be taken.

3.0 REASON FOR RECOMMENDATION(S)

3.1 To ensure openness and transparency.

4.0 SIGNIFICANT RISKS

4.1 The actions outlined in this report seek to minimise any risks around the index used for the annual adjustment of allowances being fully compliant with all legal requirements.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 Regulation 20 of The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) requires the District Council to establish an Independent Remuneration Panel to make recommendations to the Council about allowances payable to Members of Ryedale District Council. A Panel was last established in March 2013, with a term of office until March 2018. There is not currently an appointed Panel.

REPORT

6.0 REPORT DETAILS

- 6.1 On 3 July 2014 when Full Council agreed the current Member Allowances arrangements part of the decision, based on the Panel's recommendations, was as follows:

The basic allowance of £3,551.64 be increased annually for the next four years effective 15 May 2014 and then each 1 April by reference to the annual percentage award to officers under the National Joint Council for Local Government Services for spinal column 34;

That all allowances should include an annual increase in line with the indexation provisions of the scheme of Members Allowances for 2014/15;

- 6.2 Regulation 10(5) of The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) states, "Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme."
- 6.3 As the index has been applied for more than a period of four years (covering the initial four years 2014-15, 2015-16, 2016-17, 2017-18, and then 2018-19 and into 2019-20), the Council is not complying with the requirement in Regulation 10(5).
- 6.4 To regularise this matter going forwards, an Independent Remuneration Panel needs to be appointed to consider the current Member Allowances Scheme and make recommendations in respect of it. An advertisement has therefore be placed with a view to bringing recommendations to Full Council in September 2019 for the appointment of members to the Panel.
- 6.5 A meeting of the Panel will then be convened to review the use of an index for the annual adjustment of allowances and make a recommendation. Recommendations from the Panel must then be published, before they can be brought to Full Council, in order to be able to implement a revised Scheme from 1 April 2020.
- 6.6 Regulation 10(1) states "Before the beginning of each year, an authority shall make the scheme required by regulation 4(1)(a) for the payment of basic allowance for that year." Custom and practice has been for approval of the relevant budgets in February each year to be taken as approval of this scheme. However for clarity and transparency it is proposed to include an explicit recommendation relating to this matter in future.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
No financial implications as funding has been set aside for the cost as part of the budget approved in February 2019.
 - b) Legal
The risk of legal challenge is low.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)

None.

Simon Copley
Democratic Services Manager

Author: Simon Copley, Democratic Services Manager
Telephone No: 01653 600666 ext: 43277
E-Mail Address: simon.copley@ryedale.gov.uk

Background Papers:

Reports and minutes from Full Council in March 2013 and June 2014.

Background Papers are available for inspection at:

www.ryedale.gov.uk

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PART A: MATTERS DEALT WITH UNDER DELEGATED POWERS

REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 25 JULY 2019

**REPORT OF THE: DEMOCRATIC SERVICES MANAGER
SIMON COPLEY**

**TITLE OF REPORT: REPLACEMENT OF THE MICROPHONE AND ELECTRONIC
VOTING SYSTEM AND CONSIDERATION OF LIVE
STREAMING OF MEETINGS**

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report sets out the requirement to replace the microphone and electronic voting system and also asks Members to consider whether they wish to include live streaming of meetings in the replacement system.

2.0 RECOMMENDATION(S)

2.1 It is recommended that

- (i) The requirement to replace the microphone and electronic voting system be noted and approved;
- (ii) Members decide whether they wish to include live streaming of meetings in the replacement system, and if so, whether this just applies to Full Council meetings or also committees.

3.0 REASON FOR RECOMMENDATION(S)

3.1 To keep Members informed and seek their views prior to a procurement process being undertaken.

4.0 SIGNIFICANT RISKS

4.1 Failure of the existing microphone / voting units or the existing system as a whole has the potential to disrupt meetings and the business being considered, and also to prevent access to these meetings for people with a hearing impairment.

4.2 The introduction of live streaming would mitigate risks around access to meetings, for

those who are unable to get to Ryedale House and for those who are unable to attend in an evening. It would also allow officers and Members who may wish to hear a debate on a particular item of business to do so from home, rather than having to attend the meeting in person, and therefore it supports flexible ways of working.

- 4.3 There are risks associated with live streaming in so far as the costs are significant and it may be a service which is used by only a very small number of people. An additional local resource in IT would be required to support the management of the streaming process for each meeting.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 This report relates to the Council priority on customers and communities, as live streaming has the potential to increase access to the Council's meetings, and to the One Ryedale priority, as it relates to the innovative use of IT.

REPORT

6.0 REPORT DETAILS

- 6.1 The current microphone and voting system was procured in 2009 when the Civic Suite was refurbished and implemented in 2010. The normal expectation for an IT system such as this would be a lifespan of 5 years. The system is now nearly 5 years beyond this. Members may be aware that individual units and battery packs have failed and been replaced, and this sometimes causes some disruption at meetings. Spare component parts have not been available for some time, so the current system has been nursed along, partly awaiting a final decision on the future location of the Council offices. However it is now at a point where a replacement needs to be procured.
- 6.2 Interest has been expressed in the live streaming of meetings. There are two ways of doing this, either through leasing or through a mixture of leasing and capital purchase. Owing to the flexible use of the Council Chamber for different meetings and other events, and the various room layouts required, a wide angle camera view would be required on live streaming, rather than cameras zooming in on individual speakers. The benefits of live streaming include access to meetings for those who are unable to get to Ryedale House, for those who are unable to attend in an evening, for those who don't wish to sit through a meeting for a later item of business, and for officers and Members working from home. In addition, when meetings occur which consider items of business in which there is a high level of interest, all interested parties will be able to see and hear the debate in real time, regardless of limitations on space at Ryedale House. The potential risk is that very small numbers of people will use the service and that the costs therefore outweigh the benefits.
- 6.3 Scarborough Borough Council and City of York Council currently live stream their meetings. North Yorkshire County Council and the other District and Borough Councils in the area do not.
- 6.4 City of York Council report that their average per meeting viewing figures are 542 for Full Council, 216 for the Executive, 322 for Planning Committee and 147 for Area Planning Sub-Committee.
- 6.5 Scarborough Borough Council's total viewing figures, measured as total unique IP addresses, with the split between live and archive viewings indicated in brackets, for

January-June 2019 are 611 for Full Council (143 / 534), 211 for the Cabinet (28 / 195) and 146 for Planning & Development Committee (17 / 137). Scarborough are however reviewing their use of live streaming because of the high costs and significant amount of staff time required to support the process.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

The cost of replacing the current system will be over £50k. This assumes that the current infrastructure, which is housed in and around the cabinet on the stage in the Council Chamber, does not need replacement.

For the leasing option for live streaming, costs would be over £20k per year, although this could be reduced through multiple year contracts.

For the leasing and capital purchase option, the annual costs could be halved but there would still be an initial spend of over £20k.

Prices usually cover a set number of hours of live streaming per year. Further costs may apply to any additional hours. If Members decided to support live streaming, then a decision would be needed as to whether this applied only to Full Council meetings or also to all committees.

Costs will be covered through existing capital and revenue budgets.

There may also be a cost for the additional staffing resource detailed below.

b) Legal

There are no legal implications. The required impact assessments have been or will be undertaken (see below) and the appropriate procurement process will be followed.

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

In terms of staffing, an additional local resource in IT may be required to support the management of the streaming process for each meeting. An equalities impact assessment has been undertaken and this shows that the use of live streaming has a positive impact. If Members wish to go ahead with live streaming, a data privacy impact assessment would have to be undertaken and this would then feed into the procurement process. Climate change implications will be assessed through the procurement process, in particular equipment energy use and also any information available relating to production. Live streaming of meetings may reduce the need for people to travel to meetings, having a small climate change benefit.

Simon Copley
Democratic Services Manager

Author: Simon Copley, Democratic Services Manager
Telephone No: 01653 600666 ext: 43277
E-Mail Address: simon.copley@ryedale.gov.uk

Background Papers:

None

Background Papers are available for inspection at:

N/a



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	24 JULY 2019
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) – ANTON HODGE
TITLE OF REPORT:	TREASURY MANAGEMENT ANNUAL REPORT 2018-19
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2.0 RECOMMENDATIONS

2.1 That Council is recommended to:

- (i) Note the annual treasury management report for 2018/19; and
- (ii) Approve the actual 2018/19 prudential and treasury indicators in this report.

3.0 REASON FOR RECOMMENDATIONS

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

4.0 SIGNIFICANT RISKS

4.1 There are significant risks when investing public funds especially with unknown institutions. However, by the adoption of the CIPFA Code and a prudent investment strategy these are minimised. The employment of Treasury Advisors also helps reduce the risk.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities and this report complies with the requirements under this code.
- 5.2 The Council uses the services of Link Asset Services – Treasury Solutions (Link) to provide treasury management information and advice.

REPORT

6.0 REPORT DETAILS

6.1 During 2018/19 the minimum reporting requirements were that the full Council should receive the following reports:

- An annual treasury strategy in advance of the year (Council 22 February 2018)
- A mid year (minimum) treasury update report (Audit, Overview & Scrutiny Committee 25 October 2018)
- An annual review following the end of the year describing the activity compared to the strategy (this report).

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

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

6.4 This report summarises:

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

The Council's Capital Expenditure and Financing 2018/19.

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

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

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

	2018/19 Actual (£)	2017/18 Actual (£)
Total Capital Expenditure	842,383	852,664
Resourced by:		
Capital receipts	18,592	86,468
Capital grants and contributions	615,307	652,324
Capital reserves	208,484	113,871
External Borrowing	-	-
Total	842,382	852,664

The Economy and Interest rates

6.7 The Council's treasury advisors Link Asset Services – Treasury Solutions (Link) summarised the key points associated with economic activity in 2018/19 as follows:

- Brexit negotiations have been a focus of much attention during the year;
- UK growth in 2018 was weak initially and then strengthened during the year before falling again in the final quarter;
- As expected the MPC raised Bank Rate from 0.50% to 0.75% on 2 August 2018;
- No further rate rises were expected until uncertainties regarding Brexit were resolved; and
- CPI inflation was on a falling trend throughout the year;

6.8 Deposit rates at the start of 2018/19 have gradually increased, as the rate increases in Q3 17/18 and Q2 18/19 have filtered through into investments placed by the Treasury Fund. As expected, there were no further base rate increases during the final quarter, with the final outturn position at £196k, against a forecast of £168k at Q3.

Overall Treasury Position as at 31 March 2019

6.10 The Council's opening and closing treasury position for the financial year was as follows (excluding finance leases):

	31 March 2019 Principal	31 March 2018 Principal
Total Debt	£1.59m	£1.63m
CFR	£1.62m	£1.66m
Over/(Under) borrowing	-£0.03m	-£0.03m
Total Investments	£22.25m	£19,78m
Net Debt	-£22.22m	-£19.75m

The Strategy for 2018/19

6.11 The Treasury Management Strategy for 2018/19 was approved by members at full Council on 22 February 2018.

6.12 The expectation for interest rates incorporated within the Annual Treasury Management Strategy for 2018/19 was based on officers' views at that time, prepared with assistance from the Council's Treasury Management Advisor (Link Asset Services) and supported by a selection of City forecasts.

6.13 The interest rates for the UK were expected to be as follows:

Bank Base Rate was expected to rise from 0.50% to 0.75%. This increase was pushed back from May to August 2018 due to weak GDP growth. It was not expected that Bank Rate would increase again in 2018/19 as a result of the major uncertainty surrounding Brexit.

PWLB Borrowing rates were forecast to rise gradually throughout the next three years in all periods. Variable and short term rates were expected to be the cheaper form of borrowing over the period.

6.14 Based on the above, the Strategy adopted by the Council for 2018/19 was as follows:

a) Long Term Debt to Finance Capital Expenditure (borrowing strategy 2018/19)

2018/19 was expected to continue as a year of low bank interest rates, extending the current opportunity for the Council to utilise an internal borrowing strategy. Borrowing in advance of need within the constraints of the Prudential Code and approved Prudential Indicators would only be considered in exceptional circumstances.

Consideration would be given to financing capital expenditure by taking borrowing from PWLB/money markets, but the key treasury strategy was to postpone borrowing and maintain an under borrowed position to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

In considering this option however, day to day cash flow constraints and the loss of longer term interest stability would also be taken into account together with the possibility of having to replace the internal borrowing with external borrowing in a subsequent year at higher interest rates.

b) Investment of Surplus cash (investment strategy 2018/19)

The County Council's investment priorities are firstly the security of capital and secondly the liquidity of its investments. The highest return would then be sought provided that proper levels of security and liquidity are achieved. The investment risk appetite of the County Council is low in order to give priority to the security of investments.

The Borrowing Requirement and Debt

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

	31 March 2017 Actual	31 March 2019 Budget	31 March 2019 Actual
Total CFR	£1.659m	£1.624m	£1.624m

Borrowing Rates in 2018/19

6.14 The movement in relevant UK market interest rates for the year was as follows:

a) For Bank Rate

	%
From 1 April 2018 to 1 August 2018	0.50
From 2 August 2018 to 31 March 2019	0.75

b) For PWLB rates (Inclusive of the 0.20% discount rate)

Item	Range during Year %	Start of Year %	End of Year %	Average in Year %
Fixed Interest Maturity				
1 Year	1.28 – 1.64	1.48	1.48	1.50
5 Years	1.50 – 2.07	1.84	1.55	1.80
10 Years	1.80 – 2.50	2.22	1.85	2.19
25 Years	2.33 – 2.93	2.55	2.40	2.65
50 Years	2.16 – 2.79	2.27	2.23	2.46

Borrowing Outturn for 2018/19

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

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£1.00m	Maturity	3.69%	45 years
PWLB	£0.59m	EIP	2.99%	14 years

Investment Rates in 2018/19

6.16 Deposit rates continued into the start of 2018/19 at previously depressed levels but then slowly increased after the 2 November.

Item	Range during Year	Start of Year	End of Year	Average during Year
	%	%	%	%
7 day LIBID	0.35 – 0.59	0.36	0.57	0.51
1 month	0.37 – 0.61	0.39	0.61	0.54
3 month	0.48 – 0.81	0.59	0.72	0.68
6 month	0.59 – 0.92	0.70	0.83	0.79
1 year	0.75 – 1.06	0.88	0.94	0.94

Investment Outturn for 2018/19

- 6.17 The Council's investment policy is governed by MHCLG guidance, which has been implemented in the Annual Investment Strategy approved by the Council on 22 February 2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).
- 6.18 The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.
- 6.19 The following table shows the result of the investment strategy undertaken by the Council and the relative performance of the internally managed funds against the 7-day LIBID un-compounded rate benchmark:

	Average Total Investment (£)	Gross Rate of Return	Net Rate of Return	Benchmark Return
Internally Managed:				
Temporary & On-Call Investments	£6.355m	0.56%	n/a	n/a
Fixed Term Deposits	£18.155m	0.88%	n/a	0.51%

- 6.19 **The interest received by the Council from investments in 2018/19 totalled £196k; this compares to an original estimate of £55k.**
- 6.20 The Council's investment position is organised by the Finance Section in order to ensure adequate liquidity for revenue and capital activities and security of investments. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Treasury Management Practices. At the beginning and the end of 2018/19 the Council's investments position was as follows:

	31 March 2019 (£)	31 March 2018 (£)
Internally Managed Investments	22,250,142	19,776,864

- 6.21 The maturity of the investment portfolio was as follows;

	31 March 2019 (£)	31 March 2018 (£)
On-call Investments	350,142	2,676,864
Fixed Term Deposits:		
Repayable within 1 month	1,000,000	0
Repayable 1 month to 3 months	6,400,000	2,500,000
Repayable 3 months to 6 months	10,500,000	12,600,000
Repayable 6 months to 12 months	4,000,000	2,000,000
Repayable 12 months to 24 months	0	0
Total	22,250,142	19,776,864

- 6.22 Investments were placed with the following institutions:

Type of Institution	31 March 2018 (£)	31 March 2018 (£)
UK Clearing Banks	4,475,142	12,776,864
Foreign Banks	3,000,000	4,000,000
Building Societies	3,000,000	3,000,000
Local Authorities	11,500,000	0
Total	22,250,142	19,776,864

Compliance with Treasury Limits

6.23 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement (annex B).

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
The results of the investment strategy effect the funding of the capital programme.
- b) Legal
There are no legal implications within this report
- c) Other (Equalities, Staffing, Planning, Health & Safety, Climate Change, Environmental, Crime & Disorder)
There are no additional implications within this report.

Anton Hodge
Chief Finance Officer (s151)

Author: Michelle Oates – Senior Accountant
Telephone No: 01653 600666 ext: 392
E-Mail Address: michelle.oates@ryedale.gov.uk

Background Papers: None

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TREASURY MANAGEMENT ANNUAL REPORT 2018/19 - RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Credit risk - associated with investing with financial institutions that do not meet the credit rating criteria.	Could mean loss of principal sum and interest accrued.	2	D	In response to the economic climate the Council continue to adopt a more stringent credit rating methodology.	1	D
Market risk - Selection of wrong type of investment for higher return.	The poor performance of the chosen investment.	3	B	The number of investment options have been kept to a minimum within the investment strategy.	2	B
Liquidity risk - Use of fixed term deposits and / or instruments / investments with low marketability may mean a lack of liquidity	Unable to take advantage of better investment options. Funds are unavailable to cover capital spend.	1	B	The maturity profile has shortened for investments. Short and medium term cash flow management ensures funds are available when needed.	1	B

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

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PRUDENTIAL AND TREASURY INDICATORS

Prudential Indicators

	2017/18 Actual	2018/19 Estimate	2018/19 Actual
Capital Expenditure	£0.853m	£2.016m	£0.842m
Net borrowing requirement	-£17.89m	-£11.19m	-£20.42m
Capital Financing Requirement as at 31 March (incl. leases)	£2.05m	£1.96m	£1.82m
Annual change in Capital Financing Requirement	-£0.214m	-£0.09m	-£0.23m

Treasury Management Indicators

	2017/18 Actual	2018/19 Original	2018/19 Actual
Authorised Limit for external debt -			
borrowing	N/a	£10.0m	N/a
other long term liabilities	N/a	£ 1.0m	N/a
Total	N/a	£11.0m	N/a
Operational Boundary for external debt -			
borrowing	N/a	£5.0m	N/a
other long term liabilities	N/a	£0.4m	N/a
Total	N/a	£5.6m	N/a
External debt	£1.63m	£1.59	£1.59m
Upper limit for fixed interest rate exposure			
Net principal re fixed rate investments	N/a	100%	N/a
Upper limit for variable rate exposure			
Net principal re variable rate investments	N/a	50%	N/a
Upper limit for total principal sums invested for over 364 days (per maturity date)	N/a	£1.0m	N/a

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PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	25th JULY 2019
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	BUDGET MONITORING – Q1 2019/20
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The revenue budget for 2019-20 was approved by Council on 22 February 2019, this report and associated appendices present the financial performance as at 30th June 2019 against the budget.

2.0 RECOMMENDATION

- 2.1 It is recommended that:
Policy and Resources committee note the contents of the report;

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 To ensure that members are kept informed of performance against budget and that any budget exceptions are brought to the attention of the Committee in order to approve remedial action where necessary.

4.0 POLICY CONTEXT AND CONSULTATION

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

REPORT

5.0 REPORT DETAILS

5.1 Summary

General Fund (Appendix A)

At the end of the first quarter, the General Fund forecast presents an outturn surplus of £17k. As it is early in the financial year, there are a number of year to date variances (positive & negative) which make the year to date deficit position of £1.4m, but it is expected that this is primarily in relation to timing of payments and income.

Capital (Appendix B)

As capital plans continue to be reviewed for the financial year, the programme will be updated to reflect the latest position. At the end of Quarter 1, there is an anticipated overspend on the capital programme of £46k, which reflects additional costs in relation to Property condition works (£101k) and expected underspends in IT Infrastructure strategy (£59k).

Capacity Monitoring

As part of the 2019-20 budget, £610k was approved for additional capacity across the Council. At this stage it is estimated that this will be fully spent in 2019-20. A further £100k was approved pending the outcome of the pay structure review following the NJC pay scale changes, this is still in progress with negotiations underway with UNISON/

Savings (Appendix C)

Planned savings and efficiencies of £528k for the year, identified as part of the 2019/20 budget setting process have already been built into the base budgets and are reflected in the numbers below and appendix A. Delivery of planned savings are on track for the year, but will be monitored as the year progresses.

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

General Fund Account – Q1 2019/20	Budget	Forecast	Variance
	£000's	£000's	£000's
Net Revenue Budget	8,197	8,197	0
Settlement Funding RSG/NDR	(3,926)	(3,943)	(17)
Amount to be met from Council Tax	4,271	4,254	(17)
Council Tax	(4,271)	(4,271)	0
Collection Fund Surpluses	0	0	0
Net Revenue Budget (Surplus) / Deficit	0	(17)	(17)

5.2 The main variances are:

Expenditure

- **All Employee-related costs (excluding consultants)** In total budgets were about on track by the end of Q1 with no forecast variances at this stage. A number of current vacancies are currently being managed by overtime and

additional hours. A recruitment campaign is currently being carried out to stabilise this position during Q2.

- **Supplies and Services** - Year to date position is mainly in relation to timing of payments and budget profiling, including £100k for election costs which will be settled in Q2
- **Vehicles and Transport** Year to date underspend is mainly attributable to delays in allocating fuel costs to vehicle accounts
- **Housing Benefit Payments** are lower than budgeted for by the end of Q1 (£262k), this is reflective of the reducing caseload and will be offset by a reduction in Subsidy income once in-year returns are submitted to DWP.
- **Premises related** - No known issues have been reported in relation to premises costs, underspend to date reflects timing of costs v budget profile

Income

- **Shares from the NNDR** pool will be reviewed once quarter 1 monitoring has been received from the Pool authorities.
- **Within fees & charges**, Q1 saw a shortfall of planning income (£50k) against budget and comparative figures in the previous 2 years. This could be a result of developers awaiting approval of the sites document, and will therefore be closely monitored in Q2
- **Income from Housing Benefit** - DWP make initial payments on estimates. A more reliable forecast can be estimated by the end of Q2, which will be linked to actual benefit payments made
- **Waste Collection & Recycling** – at the end of Quarter 1, the year to date variance was £293k shortfall against target. This however is most likely to be in relation to delays in invoices being raised and profiling of budget. Work is currently being carried out to assess the true position estimate the forecast for the year.

5.3 Capital Programme

At the end of Quarter 1, although limited progress has been made on in year plans, a forecast overspend of £46k is expected against the approved budget. The 2019/20 programme includes £2.97m carry forward due to slippage in 2018/19 and £191k approved for the purchase of the Railway Tavern. Further details can be found at Appendix B. Please note that this currently assumes that all funding set aside for the Public Services Hub will be spent in year – although this seems unlikely at this stage. When more details are known, future forecasts will be amended.

Capital Programme – 2019/20	Budget £000's	Actual £000's	Forecast £000's	Variance £000's
Asset Management	3,460	53	3,506	46
Housing	1,262	35	1,262	0
Other Schemes	1,487	(4)	1,487	0
Total Programme	6,209	84	6,255	46

6.0 IMPLICATIONS

6.1 The following implications have been identified:

- a) Financial
Included in the body of the report.
- b) Legal
There are no legal implications identified as part of this report
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
None arise from the contents of this report. Such implications are taken into account as part of the budget process and any variance will be reported as part of this report or when any remedial or other action is proposed which may have such implications.

Anton Hodge
Chief Finance Officer (s151)

Author: Michelle Oates
Telephone No: 01609 534196
E-Mail Address: michelle.oates@ryedale.gov.uk

Background Papers:
None

Background Papers are available for inspection at:
N/A

Management Accounts 2019/20

Results as at Quarter 1 - 2019/20

	Prior Year	Latest Approved	Year to Date		Full Year	Variances		COMMENTS
	Actual	Budget	Actual	Budget	Forecast	Q1 Year to Date	Q1 Full Year Forecast	
INCOME								
Fees & Charges	(2,891)	(2,778)	(571)	(642)	(2,778)	71	0	Q1 saw a shortfall of planning income (£50k) against budget and comparative figures in the previous 2 years. This could be a result of developers awaiting approval of the sites document, and will therefore be closely monitored in Q2
Government Grants	(263)	(74)	(27)	(19)	(74)	(8)	0	Rural Payments Agency Grant received
Grants & Contributions Inc	(112)	(83)	(11)	(12)	(83)	1	0	
Housing Benefits	(8,697)	(9,059)	(92)	(43)	(9,059)	(49)	0	DWP make initial payments on estimates. A more reliable forecast can be estimated by the end of Q2, which will be linked to actual benefit payments made
Investment Income	(197)	(198)	(53)	(53)	(198)	(0)	0	Interest Rates will need to be monitored as uncertainty around BREXIT continues
Waste Collection & Recycling Inc	(1,920)	(1,807)	(1,083)	(1,376)	(1,807)	293	0	Year to date shortfall primarily reflects profiling of payments, but activity currently being reviewed to enable forecasting
Recharges	(11)	(81)	(4)	0	(81)	(4)	0	
TOTAL SERVICE INCOME	(14,091)	(14,080)	(1,841)	(2,144)	(14,080)	303	0	
Salaries & Employee Costs	6,964	6,722	1,598	1,617	6,722	(19)	0	In total, budgets are mostly on track at the end of Q1. No forecast variances have been reported at this stage, but will require monitoring in Q2, overtime and additional hours are being used to back-fill vacancies. Recruitment campaigns are currently being carried out.
Supplies & Services	1,899	2,653	387	726	2,653	(339)	0	Year to date position is mainly in relation to timing of payments and budget profiling, including £100k for election costs which will be settled in Q2
Vehicles & Transport	596	644	63	132	644	(68)	0	Year to date underspend is mainly attributable to delays in allocating fuel costs to vehicle accounts
Premises	1,166	1,096	360	484	1,096	(124)	0	No known issues have been reported in relation to premises costs, underspend to date reflects timing of costs v budget profile
Drainage Board Levies	97	102	49	51	102	(2)	0	
Grants & Contributions	350	306	22	92	306	(70)	0	
Housing Benefit Payments	8,495	8,911	1,968	2,229	8,911	(262)	0	Reducing case load, will be offset by reduction in Housing Benefit Subsidy when interim & final claim settled
Additional Capacity & Provisions	93	769	55	185	769	(130)	0	Budget for additional resource / capacity included here - refer to appendix C
Interest Payable	55	58	7	7	58	(0)	0	
Capital A/c	191	(765)	0	0	(765)	0	0	
TOTAL SERVICE EXPENDITURE	19,907	20,495	4,509	5,522	20,495	(1,014)	0	
FINANCING & RESERVES								
Collection Fund Surplus	(31)	0	0	0	0	0	0	
Council Tax	(4,118)	(4,271)	529	0	(4,271)	529	0	
NNDR	(1,775)	(3,010)	1,577	0	(3,010)	1,577	0	
RSG	(143)	0	0	0	0	0	0	
General Government Grant	(1,626)	(915)	(233)	(228)	(932)	(5)	(17)	EU Exit Support Funding
Transfers to / from Reserves	1,228	1,782	0	0	1,782	0	0	
TOTAL FINANCING & RESERVES	(6,465)	(6,415)	1,874	(228)	(6,432)	2,102	(17)	
GF (SURPLUS) / DEFICIT	(650)	(0)	4,542	3,151	(17)	1,391	(17)	

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Capital Monitoring 2019/20

Results as at Quarter 1 - 2019/20

Category / Scheme	Description	2019/20						2020/21	2021/22	Total Approved Budget	Update Comments	
		Original £'000	Carry Forward £'000	Supp Estimate £'000	Revised Budget £'000	YTD Exp £'000	Forecast £'000	Forecast Variance £'000	Est. £'000	Est. £'000		£'000
ASSET MANAGEMENT												
Vehicle Replacement Programme	Replacement for recycling, street cleansing and grass cutting services	20	186		206	42	206	0	40	40	286	
Trade Waste Equipment	Replacement of trade waste bulk bins / roll out of glass recycling	0	20		20	0	20	0	0	0	20	
Property Condition Survey	Programme of minor capital works to property portfolio	110	547		657	0	758	101	110	110	877	Addition of Fire replacement system at Milton Rooms (£40k) and increases in estimated costs for various works.
Ryedale Hub	Programme review & feasibility work being undertaken	2,250	150		2,400		2,400	0	0	0	2,400	
IT Infrastructure Strategy	Essential upgrade of IT Infrastructure	10	117		127	7	68	(59)	0	0	127	Primarily network security/refresh requirements, in addition to £40k microsoft licensing which is subject to approval pending update to strategy
Incab Technology		0	0		0	4	4	4	0	0	0	
Garage Inspection pit	Essential upgrade to accomodate new style of vehicle	0	50		50		50	0	0	0	50	
		2,390	1,070	0	3,460	53	3,506	46	150	150	3,760	
PRIORITY AIMS - HOUSING												
Aff Hsg Init - Exception Sites Land Purchase	Contribution to RSL land acquisitions	0	100		100	0	100	0	0	0	100	
Aff Housing - Railway Tavern	Initial acquisition costs and feasibility works - Railway Tavern	0	0	191	191	0	191	0	0	0		Approved May / June '19
Aff Hsg Init - Property Improvement Loans	Recoverable Loans to ensure properties are to the decent home standard	75	0		75	(4)	75	0	75	75	225	
Aff Hsg Init - Landlord Improvement Loans/Grants	Recoverable Loans or Grants to Landlords	50	0		50	0	50	0	50	50	150	
Private Sector Energy Efficiency Grants	Provide insulation improvements	40	0		40	36	40	0	40	40	120	
Private Sector Renewal - Disabled Facilities Grants	Improve access to and within properties for people	496	0		496	4	496	0	496	496	1,488	
Community Housing Fund	Development of Community lead housing within the District	0	289		289	0	289	0	0	0	289	
Mortgage Rescue Scheme	Scheme in partnership with Registered Social Landlord	0	21		21	0	21	0	0	0	21	
		661	410	191	1,262	35	1,262	0	661	661	2,393	
OTHER SCHEMES												
Malton to Pickering Cycle track	Feasability work to enable a full funding bid	0	0		0	(4)	0	0	0	0	0	
Helmsley CPO	To enable Housing Development in Helmsley	0	1,011		1,011	0	1,011	0	0	0	1,011	
Assembly and Milton Rooms - Preservation Works	Work required under terms of lease to prevent further deterioration of building	0	476		476	0	476	0	0	0	476	
		0	1,487	0	1,487	(4)	1,487	0	0	0	1,487	
TOTAL CAPITAL PROGRAMME	TOTAL	3,051	2,967	191	6,209	84	6,255	46	811	811	7,640	TOTAL

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Savings Plan 2019/20
Update as at Quarter 1 - 2019/20

	RAG	2018-19 Actuals £000's	2019-20 Estimate £000's	2020-21 Projection £000's	2021-22 Projection £000's	Comments
Savings Targets		-436	-528	-876	-763	Savings Required to Balance budget - per 1920 Budget (planned savings plus forecast budget deficit)
Items included in 2018/19 Budget						
Towards 2020 Streetscene Review	Green	-175				Still need a detailed update on this, although big portion is within salary estimates
Root and Branch Review Net Efficiencies	Green	-132				
Additional Savings Identified through T2020 Phase 1	Green	-75				
Additional Income	Green	-11				
Realignment of Grant Income	Green	-16				
Pension Contributions	Green	-8				
Reduction in Capital Borrowing	Green	-19				
Savings included in 19/20 Budget						
Council Tax Recovery Cost	Green		-10			Included in Base, forecast on track
Reactive Repairs and Maintenance Budgets	Green		-25.0			Included in Base, forecast on track
Members Allowances	Green		-10			Included in Base, forecast on track
LDF Inspection	Green		-50			Included in Base, forecast on track
Insurance	Green		-80			Included in Base, forecast on track
Central Postage and Printing	Green		-10			Included in Base, forecast on track
Miscellaneous 'Provisions' Budget	Green		-80			Included in Base, forecast on track
Hired Services	Green		-10			Included in Base, forecast on track
Interest On Short Term Borrowing	Green		-5			Included in Base, forecast on track
External Audit Fee	Green		-10			Included in Base, forecast on track
Business Rates, RDC Properties	Green		-15			Included in Base, forecast on track
Various Small Base Budget Adjustments	Green		-1			Included in Base, forecast on track
Ryecare Services (Contact Ryedale)	Amber		-22			Included in Base, current forecast on track
Investment Income	Amber		-143	-53	-27	19/20 included in base - currently on track but need to monitor rates
Public Conveniences Rate Relief	Amber			-20		Pending new relief for Public Conveniences
Rent Allowances	Amber		-40			Included in Base, forecast on track
Leisure Management Costs	Amber		-16	0	-30	Included in Base, forecast on track
Total Savings Identified		-436	-528	-73	-57	
Savings (Shortfall) / Surplus		0	0	-803	-706	
Delivered/Low Risk	Green		-306	0	0	
In Progress/Medium Risk	Amber		-221	-73	-57	
Not Started/High Risk	Red		0	0	0	

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PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	25 JULY 2019
REPORT OF THE:	CHIEF EXECUTIVE STACEY BURLET
TITLE OF REPORT:	HEAD OF PAID SERVICE UPDATE - ORGANISATIONAL DEVELOPMENT & STAFFING
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report updates Committee Members on matters relating to staffing and organisational development.

2.0 RECOMMENDATION(S)

2.1 It is recommended that the Committee notes the contents of this update report.

3.0 REASON FOR RECOMMENDATION(S)

3.1 To ensure openness and transparency on progress relating to staffing matters and organisational development.

3.2 Ryedale District Council's workforce is its most valuable asset. The Council is aiming to be an employer of choice and recruit and retain motivated, skilled and experienced staff who are advocates for the organisation and the area.

3.3 The organisation has faced a series of challenges over the last 5 years regarding staffing and organisational development matters. Independent appraisals of the Council have drawn attention to the need to urgently address some of these challenges through visibly demonstrating that staff are valued, strengthening internal communications, improving working relationships between Elected Members and Officers and ensuring there are plans and resources in place to deliver against strategic and operational goals. Members can refer to the findings of the 2018 Peer Review Challenge Revisit and the 2019 LGA Communications Health Check for further detail.

3.4 The organisation has been drawing a number of historical matters to conclusion. This includes ensuring that its investigations into bullying and intimidating behaviour are

concluded and taking any appropriate action in line with its zero tolerance approach.

- 3.5 Since being in post, the current CX has invested additional resources and time in staffing capacity, organisational development and internal communications matters. This is considered essential for rebuilding relationships with employees and also for ensuring that the Council can deliver against its priorities efficiently and effectively.

4.0 SIGNIFICANT RISKS

- 4.1 It is essential that there is continued focus in this area to drive forward the progress which has started. This will involve investment, reorganisation and cultural change. A demotivated, unhappy and dislocated workforce would be an unacceptable state of affairs and result in reputational and financial risk for the organisation.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The vast majority of employment-related policies and procedures are significantly out dated at Ryedale District Council. They are in the process of review, with consultation due to take place over the summer period. The aim is to have new live operational policies in place during autumn 2019.
- 5.2 A variety of meetings now take place within the Council to ensure that appropriate consultation occurs around HR and staffing matters. This includes monthly staff sessions involving members of the senior management team, which all staff are invited to attend and contribute to. The sessions cover a variety of subject areas.
- 5.3 Operationally focused monthly meetings take place between HR and Unison (local branch). Bespoke meetings are also taking place at this time with regards to negotiations on employee terms and conditions. In addition to this, the CX and Head of HR meet with local and regional representatives of Unison every 2 months or when issues need to be escalated for resolution.
- 5.4 The CX and the DCX operate an open door policy where any member of staff can 'drop in', email or phone directly to share ideas or seek resolution on an issue.

REPORT

6.0 REPORT DETAILS

- 6.1 A number of issues have been identified as requiring critical attention since the CX has been in post:
- Restructure – the need to put in place an appropriate structure to support the Council to achieve its immediate and longer term goals as the current operating model is not fit for purpose.
 - Resolving historical matters – this has included ensuring that the organisation concludes its investigations into bullying and intimidating behaviour taking any appropriate action in line with its zero tolerance approach.
 - Strengthening governance – reviewing the effectiveness of external delivery arrangements – which includes those covered by the Local Government Act and contract.
 - Compliance with statutory and legal expectations as an employer – reviewing and taking action to make sure that the Council is fully compliant in its policies and working practices.

- Organisational development – ensuring that tools such as training, learning and development, and a behaviours framework that is fit for purpose.
- Internal communications and engagement – significantly enhancing the Council's approach so that employees are well informed and have the information they need to do their job.
- Recruitment and retention – promoting the Council as an employer of choice through a variety of measures including ensuring that staff are paid at an appropriate level of basic pay in line with the level of responsibility of the post and the rates paid attract the skills and experience the organisation needs through reflecting competitive market value.

Restructure

- 6.2 The current structure of the Council is a hybrid. In 2017, a new operating model was implemented – many long-standing members of the workforce exited the organisation and most of the remaining staff entered into new roles at this time. The operating model and reporting lines have been changed on a number of occasions since its implementation, and new arrangements have been into place to deliver core functions.
- 6.3 Upon appointment, the CX reviewed the current structure. To do this, she accessed a range of material and asked staff, Unions and Elected Members for their views. It became clear that the operating model was not effective or efficient. As a consequence, the structure is being reviewed with reorganisation taking place and extra capacity added where needed.
- 6.4 Principles underpinning the restructure are as follows:
- A phased approach to organisational redesign is being taken to avoid too much stress being put on organisational resources at one time
 - Cost neutral as far as possible unless there is a demonstrable need for investment (e.g. there is evidence of consistent lack of performance, lack of internal expertise, non-delivery against Elected Member objectives)
 - Existing employees will have the opportunity to apply for vacancies first followed by external recruitment if required
 - Structural design and investment will ensure that statutory and legal expectations are achieved
 - Structural design and investment will be made in areas deemed as Council priorities once statutory and legal responsibilities are achieved
 - There will be opportunities for staff and trade unions to fully engage in the process through meaningful consultation.
 - Elected Member priorities – as articulated through the Council Plan – will shape the allocation of resources so that strategic objectives can be delivered upon. The Council Plan consultations will therefore be utilised to gather intelligence for use in structural redesign.
- 6.5 The first areas prioritised were: economic development, housing, governance and streetscene.

Economic Development and Housing

- 6.6 During and following the T2020 restructure, a number of changes occurred, resulting in the Head of Planning and Regulatory Services and the Head of Customer Services assuming split responsibility for these areas of the Council following the departure of the Economic Development lead (who only had responsibility for specific aspects of staffing for these areas). A number of issues were experienced as a consequence of this including a lack of capacity to deliver on two significant areas of Council business.
- 6.7 A Programme Director for this area was recruited and is currently on a 12 month contract. He is responsible for the Council's Economic Development and Housing portfolios.
- 6.8 Economic growth and housing capacity for the organisation is being increased to support the Council to achieve its goals in these areas.
- 6.9 Sustainable economic growth is recognised as one of the Council's key corporate priorities, but recently the Council has had minimal capacity to move this agenda forward (until very recently the Economic Development function comprised 0.3 FTE).
- 6.10 The Programme Director identified the need for five posts in this area (Principal Economic Development Officer, Senior Business Advisor, Tourism and Development Officer, Arts and Events Officer and a graduate trainee), with recruitment currently underway. It should be noted that a number of these posts were already established and vacant. The balance of increased cost associated with this area is being met by money generated through Business Rates – the Council's involvement in the Business Rate pool has resulted in increased revenue of approximately £321 per annum. Also there is an additional one off payment of £132k as a result of the Business Rate pilot.
- 6.11 The Council's housing service capacity will also expand so that it increases its ability to support access to housing locally, generates income to support the sustainability of the service and ensures that all staff working in this area have the skills and supervision they need to achieve this. To this end, a number of changes are being progressed. This includes the transfer into Housing and restructuring of Ryecare (telecare service), the transfer into housing of a number of posts currently situated within the generic customer services team, the appointment of an additional post to work on private sector housing issues (including licensing, energy efficiency and empty homes) and a graduate trainee. Consultation with employees and Unison on these matters is currently taking place.
- 6.12 In addition, as a result of successful external funding bids, two new twelve month posts have been created in Housing to deal with Rough Sleeper and Rapid Rehousing activities.
- 6.13 One post will also come into the team as a result of the transfer back in-house of the management of Tara Park gypsy and traveller site and 2.5FTE posts will come into the team as a result of the transfer in of Homeless Prevention responsibilities from North Yorkshire County Council.
- 6.14 The Section 151 Officer is satisfied that the increased costs associated with the graduate post, Private Sector Housing Officer position and additional Ryecare post are affordable as they involve the ability to generate income to support service sustainability and will ensure that the Council fully utilises housing related ring-fenced funding.

Governance and Finance

- 6.15 During and following the T2020 restructure, a number of changes occurred, resulting in the Chief Executive, Section 151 Officer, Deputy Chief Executive, Head of HR and Head of Customer Services assuming split responsibility for areas relating to governance of the Council. These areas include legal services, committee services, elections, FOIs, complaints, information governance, risk assessment, performance management, finance, audit and corporate and service planning. The consequence of this was a lack of corporate governance and oversight with resources being significantly under-utilised by the organisation.
- 6.16 The Council's Section 151 Officer will assume lead responsibility for this area moving forwards and is developing a structure to strengthen the Council's ability to meet its statutory, legal and constitutional responsibilities in these areas, as well as strengthening its ability to achieve its strategic goals. This action is not yet complete. Consultation is taking place and financial implications are still being determined so that any new structure makes best use of resources and addresses issues on capacity and performance which have been raised by Members, officers, external auditors and through the Health checks. It is clear however, that significant additional resources will need to be invested in this area moving forwards as the resources available have previously been cut back too far. At this time, the funding for arrangements and posts detailed at 6.18 and 6.19 are dependent on one off capacity funding (this is the £638k agreed by Elected Members during the 2019/20 budget). Sustained funding will be required moving forwards and the Section 151 Officer is looking at how this can be achieved.
- 6.17 Additional resource has already been invested in financial management and Section 151 capacity so that the organisation manages its resources effectively and can place a key focus on developing a commercial strategy and reviewing its capital programme over the next 12 months. Section 151 officer resource will increase support to 0.3FTE (from 0.2FTE) and an additional Accounting Technician will also be employed.
- 6.18 Two solicitors are also currently being recruited to undertake legal business for the Council and will act as Deputy Monitoring Officers.

Streetscene

- 6.19 Action has been taken to stabilise the Streetscene service as a consequence of reducing dependency on agency staff from 15 to 1.5 FTE during the latter half of 2018. This number will be reduced even further to zero in August with the award of a new contract (public conveniences).

Next steps – Restructure

- 6.20 The next wave of restructuring will focus on IT, Communications and Project Management / Business Transformation, Planning and Enforcement.
- 6.21 Communications, IT and Business Transformation / Project Management have been identified through the Health Check processes as requiring a strengthened approach. Currently, these areas sit under the Deputy Chief Executive within disparate teams. Team members also carry out other functions such as committee clerking. A Head of IT, Communications and Business Transformation is currently being recruited to lead this area of work.

- 6.22 Now that Economic Development and Housing have moved to a new area of responsibility, there is the opportunity to ensure that the planning service is fit for purpose and can also conduct the imminent review of the Local Plan effectively and efficiently. This will be a key priority over the next three months given that this is an area of significant concern to Elected Members, and the Council has had issues recruiting qualified planning staff. As an interim measure, two graduate trainees have been employed to support the work of this area and a number of staff are being supported to qualify in this area.
- 6.23 A dedicated time limited resource has been employed to carry out a review to bolster enforcement delivery and the capacity of the Council in this area. This will include looking at the roles both the Streetscene and Community Teams might play in this and how our policies and practices are currently working and need to change to be effective in this area. The review will also pick up the action relating to dog-related enforcement activity following agreement that this matter would be considered by the Policy and Resources Committee. An update report on the enforcement review will be presented to Committee in September 2019. A graduate trainee is supporting the enforcement review work.
- 6.24 Streetscene services will also be reviewed to ensure that the Council has the capacity in place to respond to the future demands of residents and the outcome of the DEFRA waste management consultation. A graduate trainee is being recruited to support this work.

Resolution of historical issues

- 6.25 A number of outstanding historical HR matters have required attention since the CX has been in post. Some have now been resolved, with appropriate reporting to Committee where required and recommendations actioned. This includes enhanced training for Elected Members undertaking specific Council roles (e.g. Recruitment and Selection).
- 6.26 The CX has also stated to all staff that bullying behaviours will not be tolerated and that a zero tolerance approach will be taken towards these behaviours. To underpin these words, a number of actions are also taking place:
- An internal communications campaign will be rolled out over the next few months so that staff feel more confident about identifying and reporting in this area.
 - The CX and Head of HR engage regularly with Unison to allow any issues raised directly with trade union officials to be filtered through and dealt with promptly and effectively.
 - Policies and procedures relating to this area are being updated to ensure they are fit for purpose for the organisation to move forward and that staff are aware of their content, how to access them and how to raise issues/concerns and with whom.
 - Mental health awareness and training has been sourced and will be rolled out as part of the Council's mandatory training programme for staff.
 - Exit interviews with all staff leaving Ryedale District Council will be conducted to ensure that where any concerns around unsuitable behaviours are cited issues are addressed.
 - Management and leadership development sessions are taking place on behaviours, healthy organisational cultures and organisational expectations. This includes political awareness training for officers.

Strengthening governance

6.27 In addition to contractual arrangements, the Council has secured the delivery of a number of services from three Councils under the Local Government Act provision and via contracts. These Councils are:

- Veritau (York City / NYCC) – which provide Ryedale’s asset management, internal audit, fraud and information governance function
- Scarborough, which provide our revenues, procurement and car parking enforcement services
- North Yorkshire, which provide our health and safety, risk management, human resources and organisational development, payroll and financial services.

York City /Veritau

6.28 The City of York and Veritau currently provide support in the following services:

- i. Asset Valuation (£4.5k) – this is a service provided by the City of York to value our fixed assets as part of the statutory accounts. The current agreement will be reviewed in time to take a view on how to proceed further once it runs out in March 2020.
- ii. Veritau (£91k) – this incorporates an internal audit, fraud prevention and information governance service. Veritau Ltd is co-owned by the City of York Council and North Yorkshire County Council. Regular client meetings are now held with Veritau, which involve the CX and the Section 151 Officer, to monitor and provide feedback on the service provided. Veritau also regularly report on progress to the Audit Committee (Overview and Scrutiny). This contract currently runs until March 2022.

Scarborough

6.29 Scarborough currently delivers the followings services:

- i. Off Street Parking Enforcement (£28k). This covers 8 carparks located in Malton, Pickering, Helmsley and Kirbymoorside and the servicing of the ticket display machine of which there are 17.
- ii. Processing of Housing Benefit and Council Tax Claims (£12k)
- iii. Northgate (revenues) ICT support (£17k)
- iv. Revenues Service (£112k) – Scarborough manage the processing of housing benefit and council tax claims, the management of the bespoke revenues Northgate ICT support system and the management and delivery of RDC’s revenues collection service. These areas are currently under review to ensure service delivery is fit for purpose and the arrangements represent best value.
- v. Procurement Service (£24k per annum for the external service, which is in addition to the cost of the in-house Commissioning function). This service is currently under review to ensure that it represents best value and following the dissolution of the previous partnership arrangement that was in place to govern this (this followed Selby’s decision to leave and take the service in house).

North Yorkshire

6.30 North Yorkshire County Council currently delivers a cluster of services via a collaboration agreement. This was signed in 2018 and is reviewed on an annual basis. The agreement states that North Yorkshire (NYCC) and Ryedale (RDC) Councils will investigate how they can collaborate in service delivery to the mutual benefit of both

organisations and the public they serve.

- 6.31 At this time NYCC mainly provides services to RDC but the opportunity for RDC to provide services to NYCC is also there. Already the CX works for NYCC one day a week as an Assistant Chief Executive and other opportunities will be made available where there is mutual benefit to both organisations and collectively for residents.
- 6.32 It was agreed that the closer integration of County and District services would have as its intended overarching outcome: "The most effective use of the joint resources of the two organisations in providing services to our shared client base."
- 6.33 In delivering the intended outcome, closer collaboration would include the following elements:
- Increased resilience in service delivery by the sharing of resource and the development of expertise.
 - A more focussed delivery of services at a community level.
 - Sharing of back office services in an appropriate and sustainable manner.
 - A seamless delivery of front facing services using appropriate resources in a manner which does not require the recipient to determine whether the service is a District or County function.
- 6.34 The current cluster of services includes:
- i. Finance, including 0.3FTE to fund Ryedale's Section 151 officer and Risk Management (£158k)
 - ii. Human Resources and OD, including a Head of Human Resources (£100k)
 - iii. Payroll (£17k)
 - iv. Workforce and Member Development (£44k)
 - v. Programmes and performance delivery advice and support (£6k)
 - vi. Health and Safety advisory services (£36k)
- 6.35 It should be noted that the organisation has been investigating the delivery of legal services through this route over the last 12 months. This review is in its final stages, with any decision dependent on a business case indicating best value.

Compliance with statutory and legal expectations as an employer

- 6.36 The HR and OD Healthcheck that was carried out in summer 2018 identified a number of issues requiring serious attention. These matters are being addressed in order of priority.

Organisational Development - People and Culture Plan

- 6.37 The People and Culture Plan is in its final stages of development and is designed to nurture and unleash the potential of our most valuable resource, the Council's workforce. Staff have been involved in its development.
- 6.38 It will be launched in July alongside the new behaviours framework, with a review taking place annually to ensure it is consistent with our Council Plan and our key priorities.
- 6.39 The Plan includes reference to the Workplace Well-being Award. This award aims to promote a more productive and healthier place to work, by encouraging employers to

commit to improving the health and wellbeing of their workforce and by recognising those who have already made that commitment. It will help the Council to create a culture of health and wellbeing that aligns with our overall goals, enhancing our reputation, and making our organisation a great place to work.

- 6.40 Pre-assessment questionnaires for all staff are being co-ordinated by the Council's Health & Wellbeing Group. A number of staff members have come forward wishing to be involved and a number of suggestions of events have been received.
- 6.41 Another key milestone in the Plan is the roll out of 'Everybody Benefits' (an Employee Benefits platform). This is a web based site exclusively for council staff. It provides an online discount to a range of discounts and offers of a wide range of high street retailers, offers including certain percentage off saving and cash back there is also a range of local offers with north Yorkshire business and suppliers, in addition other salary sacrifice schemes provided by the council can be accessed through the council benefits sites. Final contracts are being signed by parties and the launch will take place in the next couple of months. It should be noted that local benefits will also be added to the platform from summer onwards as a means of supporting the local economy.
- 6.42 Ensuring all staff have access to professional support as well as a variety of tools and guidance including the Learning Zone which offers various learning programmes and helpful information is also a key milestone. A range of mandatory modules have been implemented to ensure statutory compliance for example, Health and Safety and Information Management.
- 6.43 A review of the current PROUD behaviours framework is also a key milestone. This is underway to ensure the organisation has a clearly defined and fit for purpose framework that staff are able to understand and importantly, relate to. This will be rolled out in July 2019.

Internal Communications and Engagement

- 6.44 Communications with staff has been strengthened. Monthly staff briefings will continue at Ryedale House on various topics, which employees request information about. This includes departmental restructures, employee benefits and workplace wellbeing.
- 6.45 Communications with staff at the Depot will vary in the future as there is a recognition that this staff group needs to be approached in a different way to capture as many staff as possible over the different shifts worked. A focus group of volunteers is being established in order to assess how best to do this.
- 6.46 Regular 'All Staff' emails are sent for messages which are outside of these timeframes to ensure that all staff understand what is happening within the organisation when key decisions/events occur. The CX has received positive feedback about these regular updates.

Recruitment and Retention

- 6.47 A number of challenges have been identified with the current pay, terms and conditions for staff and a review is underway, in consultation with the Unison, to ensure the Council has in place a fair and transparent set of pay arrangements.
- 6.48 The National Pay Award has been implemented, effective from April, and we are aiming to implement any revisions to terms and conditions in this financial year i.e.

2019/20.

- 6.49 As well as ensuring fairness and transparency, a key aim of the review is to enable the Council to attract and retain high quality staff. In this regard, we are working with colleagues from NYCC's Resourcing Solutions Team to ensure we are able to maximise the effectiveness of any recruitment activity and have already benefitted from this revised approach in terms of the level of interest in vacancies, the number of applicants but more importantly, also the successful appointment of good quality candidates across a range of disciplines.
- 6.50 It is also relevant to mention here that organisational restructure will need to be supported by a holistic job evaluation process. This is timetabled to be completed by April 2020, in line with the pay and allowances review currently undergoing trade union consultation. A departmental approach will be taken, focussing initially on areas of concern, such as Housing and Street Scene, having already completed the process for Economic Development with current recruitment to re-established posts being undertaken.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
New appointments to increase capacity have been made within existing budgets following the review of staffing as part of the 2019-20 budget process and allocation of additional capacity funding by the Council for 2019-20 and beyond. It is likely that further strengthening, for example in legal services, democratic services and corporate governance will require additional resources. However these will be fully costed and implications – including plans for meeting these costs from available budgets – will be considered before any proposals are finalised.
- b) Legal
It is essential that the organisation complies with employment law
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
Equalities, staffing and health and safety are all key aspects of staffing matters.

Author: Andrew Ellis, Head of HR
Anton Hodge, Section 151 Officer
Telephone No: 01653 600666 ext 201
E-Mail Address: Andrew.ellis@ryedale.gov.uk
Anton.Hodge@ryedale.gov.uk

Background Papers:
2018 LGA Peer Review Challenge Revisit Report
2019 LGA Communications Healthcheck

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



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	25 JULY 2019
REPORT OF THE:	DEPUTY CHIEF EXECUTIVE
TITLE OF REPORT:	DELIVERING THE COUNCIL PLAN
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To provide details of progress to Elected Members on Delivering the Council Plan showing the status of key performance indicators comparing actual performance indicators (PIs) against target for the period up to the end of June 2019.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Members:

(i) note the progress report

3.0 REASON FOR RECOMMENDATIONS

- 3.1 To inform Elected Members of progress in delivering the council's objectives and where applicable, identify any specific areas where progress for individual PIs has not been achieved together with further explanation and details of planned management action to address performance. The detailed Delivering the Council Plan Progress Report is attached at Appendix 1.

4.0 SIGNIFICANT RISKS

- 4.1 No significant risks have been identified

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Delivery of the Council Plan Report shows performance across all the Council's Corporate Priorities: Sustainable Growth, Customer and Communities and One Ryedale.

6.0 REPORT DETAILS

- 6.1 The report attached at Appendix 1 shows the status of key performance indicators comparing actual performance indicators (PIs) against target.

- 6.2 A motion was brought to Council in October 2018, stating that “on a repeat of “unavailable”, red or amber a report is produced for the appropriate committee. An explanation to be given as to why the target is close or missed on more than one occasion. Members to agree / recommend to Full Council appropriate changes so that actions can be implemented.”
- 6.3 Under this criteria, there is 1 PI with a red status on more than one occasion ‘Customer complaints resolved within 5 working days’ and 1 PI with an amber status ‘% of Non-domestic rates collected’ following the last progress report to the June cycle of meetings. The report provides commentary regarding the current position and the steps being taken to improve or examine the indicators as applicable.

Customer Complaints responded to within 5 working days (Red status)

Value: 52.9% Target: 75%

This performance indicator is showing a red status, with 9 out of the 17 corporate complaints responded to within 5 working days.

A breakdown of the departments handling the complaints not responded to within the 5 working day target during this quarter was as follows:

Department	Customer complaints not responded to within 5 working days
Planning	1
Legal	4
Housing	2
Revenues	1

A more detailed report was considered by the Overview and Scrutiny committee on 13 June 2019, outlining the background to the poor performance in this area. ([Link](#))

% of Non-domestic rates collected (Amber status)

Value: 33.81% Target: 34.21%

NNDR collection is subject to potential large-scale fluctuation due to the level of yield individual hereditaments can raise when the valuation office agency make an alteration. For example, if a premises’ RV increases substantially or a new hereditament is assessed with a significant RV, then additional yield is raised. As collection is monitored by comparing monetary value collected against net yield, any individual increases to RV show as a decrease in collection. This is something we expect will level out by the end of the financial year. Unfortunately, any decreases in yield do not show as an increase in collection as we have to refund the credit to the ratepayer in these circumstances.

- 6.4 Following a request by the Overview and Scrutiny committee in February 2019, the new claims processing time for Council Tax Support has been split out for quarter 1 on page 7 of Appendix A into the average time taken to process new claims by the Benefits Team at Ryedale and at the Department of Work and Pensions under Universal Credit.
- 6.5 The performance data shows the Ryedale processing time at 22 days (green status) against a target of 25 days during the first quarter, compared to the 32.9 days processing time (red status) by the Department of Work and Pensions which is out of our control.
- 6.6 Officers continue to work on improving the current performance management reporting arrangements to include refreshing and updating targets which will be the subject of a

further report to Elected Members as work progresses.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
None

- b) Legal
None

- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

Author: Tony Galloway, Deputy Chief Executive
Telephone No: 01653 600666 ext: 43347
E-Mail Address: tony.galloway@ryedale.gov.uk

Background Papers:

None

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Delivering the Council Plan – Appendix 1

Status	Performance Indicators showing as Amber or Red on more than one consecutive occasion	Lead Officer
	% of Non-domestic Rates Collected	Angela Jones
	Customer Complaints resolved within 5 working days	Angela Jones

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 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.

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.

In the Housing team, the performance indicators across North Yorkshire have been refreshed in accordance with the Homelessness Reduction Act. The end of quarter 1 performance is reported. (Pages 3-4) Now there is two quarters of data available, work to set effective targets will take place over the summer.

The Local Plan Sites Document was examined with hearing sessions held in September and October 2018. The Inspectors report was received in June 2019 and the Adoption of the Local Plan Sites Document and Policies Map was adopted as part of the development plan for Ryedale by Council on 27 June 2019.

CUSTOMERS AND COMMUNITIES

In terms of supporting the growth agenda and by meeting the needs of customers, the Council has continued to determine major planning applications in a timely manner with 100% of major applications determined in time and/or agreed extensions of time.

In addition, the processing of 'Minor' planning applications (81.5%) is exceeding its performance target levels for the 2019/20 year to date. The processing of Other planning application (88.3%) against a target of 90% has moved to an amber status for Q1.

Standard searches carried out in 10 working days has moved from an Amber to a Green status this quarter. This is the first time since Q2 2013/14 the indicator has shown a Green status.

Following a request from the committee, and a report from the Benefits Manager, the processing of new claims for Council Tax Support has been split out into Universal Credit and non-Universal Credit claims to show a breakdown of the processing times.

**Customer complaints resolved within 5 working days continues to show a RED status at the end of Q1.
Out of the 17 customer complaints received in 2019/20, 9 were resolved within 5 working days.**

ONE RYEDALE

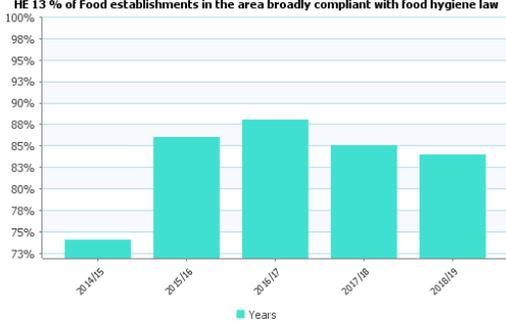
At the end of Q1, the collection rate of Non-Domestic Rates is slightly below target, showing an AMBER status for the second consecutive quarter. An explanation for this is included in the covering report.

The % of Council Tax collected has moved from a green to an amber status, following the banding of 70 new dwellings in the month of June. This has had the effect of increasing the Council Tax yield and therefore reducing the collection rate for this quarter.

SUSTAINABLE GROWTH

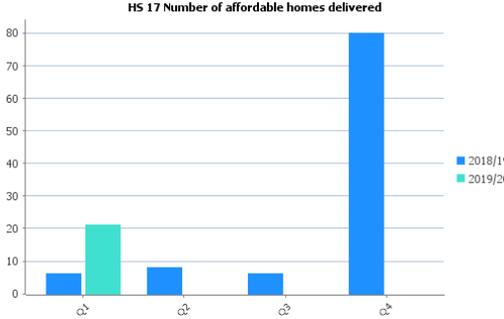
- Promoting a strong economy with thriving business and supporting infrastructure
- Capitalising on our culture, leisure and tourism opportunities
- Managing the environment of Ryedale with partners
- Enabling the provision of housing that meets existing and anticipates future need
- Minimising homelessness,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

ENVIRONMENT - GARY HOUSDEN

Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	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 within the local authority area that are broadly compliant with food law. The assessment is based on a scoring system that is defined in the national Code of Practice. When officers inspect a food business they rate the business with respect to several aspects. Three of those aspects namely the standard of hygiene, the structural standard and the confidence in management are awarded numerical values and if any one of them falls below a prescribed level then the establishment is judged to be non broadly compliant.	84%	72%	2018/19 result Aim to maximise	 <p>HE 13 % of Food establishments in the area broadly compliant with food hygiene law</p> <table border="1"> <caption>Data for Trend Chart: % of Food establishments in the area broadly compliant with food hygiene law</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>74%</td> </tr> <tr> <td>2015/16</td> <td>87%</td> </tr> <tr> <td>2016/17</td> <td>89%</td> </tr> <tr> <td>2017/18</td> <td>86%</td> </tr> <tr> <td>2018/19</td> <td>84%</td> </tr> </tbody> </table>	Year	Percentage	2014/15	74%	2015/16	87%	2016/17	89%	2017/18	86%	2018/19	84%
Year	Percentage																	
2014/15	74%																	
2015/16	87%																	
2016/17	89%																	
2017/18	86%																	
2018/19	84%																	

HOUSING - PHILLIP SPURR

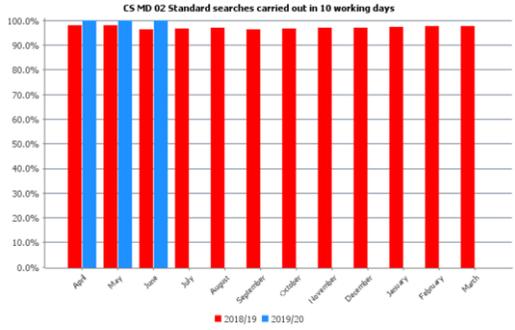
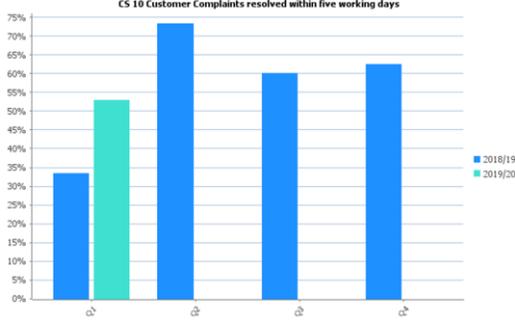
Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart															
New PI	Total number of households approaching Ryedale for assistance	21.5% asked to leave by family 18.5% relationship breakdown 7.7% rent arrears – registered provider 7.7% section 21 notice from landlord During 2018/19, 479 households approached the Housing Team for assistance.	92 households		Q1 2019/20 result																
New PI	Number of households approaching the Council as homeless or threatened with homelessness	Following assessment, we were satisfied in 28 cases that applicants were homeless or at risk of homelessness. 2018/19 – 215 households	36 households		Q1 2019/20 result																
New PI	Average length of stay in temporary accommodation for those made a main housing duty	Including those accepted as homeless (main duty) for any period in their temporary stay 2018/19 year-end figure – 141 days	181.67 days		Q1 2019/20 result																
New PI	Prevention of Homelessness through Advice and Proactive Intervention	35 actual total successful preventions: 30 preventions through HRA 5 reliefs through HRA	35 cases	Now two quarters of data have been generated from the new housing management system, work will take place over the summer to put together a set of realistic targets to accompany these performance indicators.	Q1 2019/20 result Aim to maximise	<table border="1"> <caption>HS 8 Prevention of Homelessness through Advice and Proactive Intervention</caption> <thead> <tr> <th>Category</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>40</td> <td>36</td> </tr> <tr> <td>2</td> <td>22</td> <td>0</td> </tr> <tr> <td>3</td> <td>40</td> <td>0</td> </tr> <tr> <td>4</td> <td>38</td> <td>0</td> </tr> </tbody> </table>	Category	2018/19	2019/20	1	40	36	2	22	0	3	40	0	4	38	0
Category	2018/19	2019/20																			
1	40	36																			
2	22	0																			
3	40	0																			
4	38	0																			

Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart															
	Number of affordable homes delivered	<p>From April to June 2019 there have been 4 affordable home completions at Broughton Manor and 12 completions Mickle Hill sites. Also 5 completions at The View, Thornton-le-Dale: 2 x 2 bed affordable rent and 3 x Discount for Sale units (2 x 2 beds, 1 x 3 bed). Rented units taken by Broadacres.</p> <p>In 2018/19 the Council completed 100 affordable homes in Ryedale. This was mainly made up of the 61 apartments at the Extra Care development at Bransdale View in Helmsley, but also included Section 106 schemes in Malton, Helmsley, Sheriff Hutton, Thornton-le-Dale and Rillington.</p> <p>This figure exceeded the Council's annual target of 75 affordable homes, however, over the last three years the total of homes delivered is 192, giving an average of 64 affordable homes per annum.</p>	21	19	<p>Cumulative result for 2019/20 as of end of Q1 2019/20</p> <p>Aim to maximise</p> <p>Target = The 75 affordable homes annual target is split equally over the four reporting quarters</p>	<p>HS 17 Number of affordable homes delivered</p>  <table border="1"> <caption>HS 17 Number of affordable homes delivered</caption> <thead> <tr> <th>Quarter</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>7</td> <td>21</td> </tr> <tr> <td>Q2</td> <td>8</td> <td>0</td> </tr> <tr> <td>Q3</td> <td>6</td> <td>0</td> </tr> <tr> <td>Q4</td> <td>80</td> <td>0</td> </tr> </tbody> </table>	Quarter	2018/19	2019/20	Q1	7	21	Q2	8	0	Q3	6	0	Q4	80	0
Quarter	2018/19	2019/20																			
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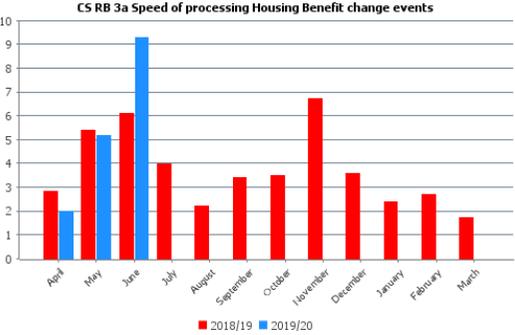
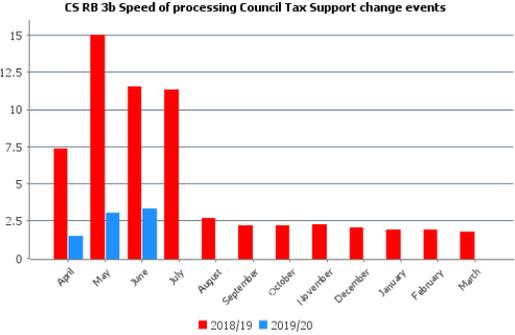
CUSTOMERS AND COMMUNITIES

- 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

CUSTOMER SERVICES – ANGELA JONES

Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart
	Standard searches carried out in 10 working days	<p>An extra member of staff in the Place team has been working in the Land Charge area to help cope with demand.</p> <p>This indicator has moved to green status on a quarterly measurement for the first time since Q2 2013/14</p>	100.0%	100.0%	Q1 2019/20 result Aim to maximise	 <p>CS MD 02 Standard searches carried out in 10 working days</p>
	Customer Complaints resolved within five working days	<p>9 out of 17 corporate complaints received from 1 April to 31 June 2019 were responded to within the five working day target.</p> <p>Further detail included in the covering report on this indicator as it has remained at a Red status since the previous quarter.</p>	52.9%	75%	Q1 2019/20 result Aim to maximise	 <p>CS 10 Customer Complaints resolved within five working days</p>

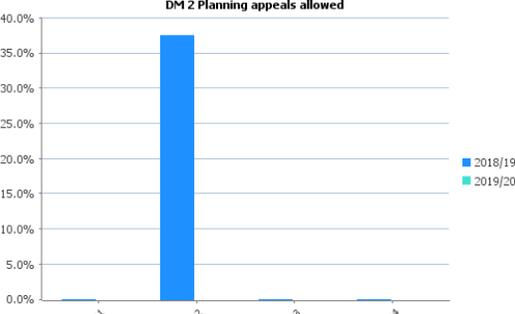
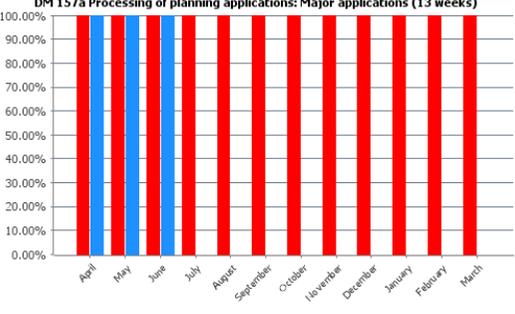
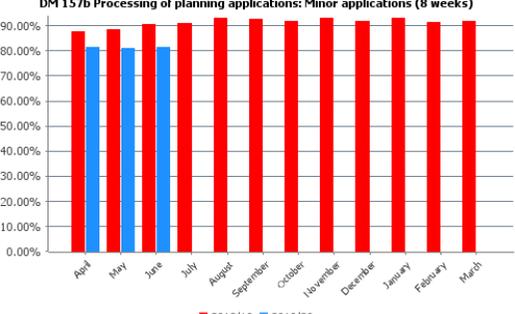
Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart																																							
🟢	Speed of processing new Housing Benefit claims	Performance continues to be operating below the 21-day processing target. To maintain and improve performance, staff continue to encourage citizens to provide all the required information as soon as possible so it can be worked on as soon as it is received.	20.09 days	21 days	Average result for April-June 2019 Aim to minimise	<p>CS RB 2a Speed of processing new Housing Benefit claims</p> <table border="1"> <caption>CS RB 2a Speed of processing new Housing Benefit claims</caption> <thead> <tr> <th>Month</th> <th>2018/19 (Days)</th> <th>2019/20 (Days)</th> </tr> </thead> <tbody> <tr><td>April</td><td>14.5</td><td>12.5</td></tr> <tr><td>May</td><td>19.5</td><td>20.5</td></tr> <tr><td>June</td><td>22.5</td><td>25.5</td></tr> <tr><td>July</td><td>18.5</td><td>-</td></tr> <tr><td>August</td><td>18.5</td><td>-</td></tr> <tr><td>September</td><td>23.5</td><td>-</td></tr> <tr><td>October</td><td>20.5</td><td>-</td></tr> <tr><td>November</td><td>18.5</td><td>-</td></tr> <tr><td>December</td><td>12.5</td><td>-</td></tr> <tr><td>January</td><td>15.5</td><td>-</td></tr> <tr><td>February</td><td>10.5</td><td>-</td></tr> <tr><td>March</td><td>13.5</td><td>-</td></tr> </tbody> </table>	Month	2018/19 (Days)	2019/20 (Days)	April	14.5	12.5	May	19.5	20.5	June	22.5	25.5	July	18.5	-	August	18.5	-	September	23.5	-	October	20.5	-	November	18.5	-	December	12.5	-	January	15.5	-	February	10.5	-	March	13.5	-
Month	2018/19 (Days)	2019/20 (Days)																																											
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🟢	Speed of processing new claims for Council Tax Support (Non-Universal Credit)	This indicator has been added following a report by the Benefits Manager to O&S in February 2019. The processing of non-Universal Credit new claims is undertaken by RDC staff.	22 days	25 days	Average result for April-June 2019 Aim to minimise	<table border="1"> <caption>Speed of processing new claims for Council Tax Support (Non-Universal Credit)</caption> <thead> <tr> <th>Quarter</th> <th>Actual (Days)</th> <th>Target (Days)</th> </tr> </thead> <tbody> <tr> <td>Q1 2019/20</td> <td>22.0</td> <td>25.0</td> </tr> </tbody> </table>	Quarter	Actual (Days)	Target (Days)	Q1 2019/20	22.0	25.0																																	
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Q1 2019/20	22.0	25.0																																											
🔴	Speed of processing new claims for Council Tax Support (Universal Credit)	This performance indicator has been added following a report by the Benefits Manager to O&S in February 2019. The processing of new claims for council tax support under Universal Credit by DWP, which can take 35 days, is out of our control, but was impacting on our overall processing times, leading to the request by the committee for the breakdown into UC and non-UC processing times.	32.9 days	25 days	Average result for April-June 2019 Aim to minimise	<table border="1"> <caption>Speed of processing new claims for Council Tax Support (Universal Credit)</caption> <thead> <tr> <th>Quarter</th> <th>Actual (Days)</th> <th>Target (Days)</th> </tr> </thead> <tbody> <tr> <td>Q1 2019/20</td> <td>32.9</td> <td>25.0</td> </tr> </tbody> </table>	Quarter	Actual (Days)	Target (Days)	Q1 2019/20	32.9	25.0																																	
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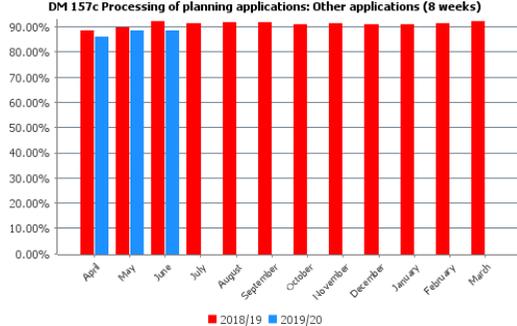
Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart
	Speed of processing Housing Benefit change events	Performance continues to be well under the 12 day target. To maintain and improve performance, staff continue to encourage citizens to provide all the required information as soon as possible so it can be worked on as soon as it is received.	5.47 days	12 days	Average result for April-June 2019 Aim to minimise	
	Speed of processing Council Tax Support change events	Performance continues to be under target. To maintain and improve performance, system processes have been changed and staff continue to encourage citizens to provide all the required information as soon as possible so it can be worked on as soon as it is received.	2.62 days	12 days	Average result for April-June 2019 Aim to minimise	

OPERATIONS - BECKIE BENNETT

Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart															
🟡	% of Household Waste Recycled	18.97% Estimate not verified by NYCC or DEFRA. This indicator has moved from green to amber status in this quarter.	18.97%	20.00%	Q1 2019/20 result Aim to maximise	<p>55 15 % of Household Waste Recycled</p> <table border="1"> <caption>% of Household Waste Recycled</caption> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>20.00%</td> <td>21.00%</td> <td>24.00%</td> <td>25.00%</td> </tr> <tr> <td>2019/20</td> <td>18.97%</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2018/19	20.00%	21.00%	24.00%	25.00%	2019/20	18.97%	-	-	-
Year	Q1	Q2	Q3	Q4																	
2018/19	20.00%	21.00%	24.00%	25.00%																	
2019/20	18.97%	-	-	-																	
🟢	% of Household Waste Composted	32.40 = % Accumulative April and May estimate, not verified by NYCC or DEFRA.	32.40%	23.00%	Q1 2019/20 result Aim to maximise	<p>55 16 % of Household Waste Composted</p> <table border="1"> <caption>% of Household Waste Composted</caption> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>30.00%</td> <td>27.50%</td> <td>22.50%</td> <td>12.50%</td> </tr> <tr> <td>2019/20</td> <td>32.40%</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2018/19	30.00%	27.50%	22.50%	12.50%	2019/20	32.40%	-	-	-
Year	Q1	Q2	Q3	Q4																	
2018/19	30.00%	27.50%	22.50%	12.50%																	
2019/20	32.40%	-	-	-																	
🟢	Residual household waste - kg per household	71.06 kg/hh April & May accumulative estimate, not verified by NYCC or DEFRA	71.06kg/hh	75.00kg/hh	Q1 2019/20 result Aim to maximise	<p>71.06 kg/hh</p> <table border="1"> <caption>Residual household waste - kg per household</caption> <thead> <tr> <th>Quarter</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Q1 2019/20</td> <td>71.06 kg/hh</td> <td>75.00 kg/hh</td> </tr> <tr> <td>Q2 2019/20</td> <td>-</td> <td>-</td> </tr> <tr> <td>Q3 2019/20</td> <td>-</td> <td>-</td> </tr> <tr> <td>Q4 2019/20</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Quarter	Actual	Target	Q1 2019/20	71.06 kg/hh	75.00 kg/hh	Q2 2019/20	-	-	Q3 2019/20	-	-	Q4 2019/20	-	-
Quarter	Actual	Target																			
Q1 2019/20	71.06 kg/hh	75.00 kg/hh																			
Q2 2019/20	-	-																			
Q3 2019/20	-	-																			
Q4 2019/20	-	-																			

PLANNING & REGULATION – GARY HOUSDEN

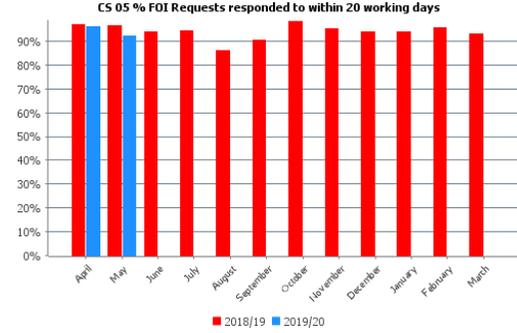
Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart
	Planning appeals allowed	<p>No appeal decisions received in this period.</p> <p>2018-19 - 3 out of 15 appeals allowed.</p>	0.0%	33.0%	<p>Q1 2019/20 result</p> <p>Aim to minimise</p>	
	Processing of planning applications: Major applications (13 weeks)	<p>We are currently performing at 100%, with the 4 major applications received in this quarter processed within the 13-week time period. Whilst this performance can be volatile due to small numbers, we are currently well above target level of 70%.</p>	100.00%	70.00%	<p>Latest result for 2019/20 as of June 2019</p> <p>Aim to maximise</p>	
	Processing of planning applications: Minor applications (8 weeks)	<p>In the light of the team still operating with a vacancy this is considered to be a remarkably high level of performance. 65 minor applications received during this quarter.</p>	81.50%	80.00%	<p>Latest result for 2019/20 as of June 2019</p> <p>Aim to maximise</p>	

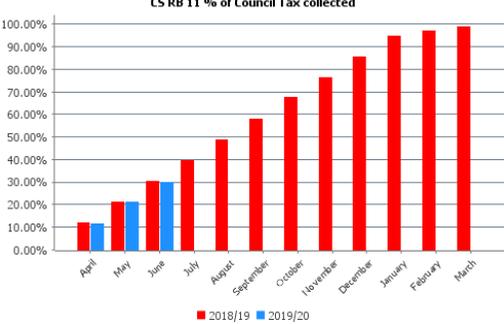
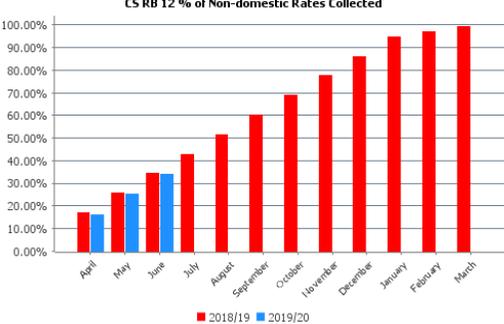
Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart
	Processing of planning applications: Other applications (8 weeks)	Performance data can be volatile due to small numbers of applications. There is currently a vacancy in the team and we are yet to fully launch the more streamlined work of working for 'other applications' that should also lead to and improvement in application turn around. 111 applications received in this quarter.	88.30%	90.00%	Latest result for 2019/20 as of June 2019 Aim to maximise	

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

CUSTOMER SERVICES – ANGELA JONES

Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart
	% FOI Requests responded to within 20 working days	Performance remains consistently above the ICO target of 90%, with 144 requests already made from 1 April – 30 June 2019. As the FOIs received at the end of June have not had the 20 working days period to respond, the Q1 stat for 2019/20 is not yet available, but from the graph you can see the response rate for April (96.43%) and May (92.5%) was consistently above 90%.	93.2%	90%	Q4 2018/19 result Aim to maximise	

Traffic Light	Short Name	Latest Note	Latest Actual Result	Latest Target	Last Update	Trend Chart																																							
	% of Council Tax collected	<p>70 new dwellings were banded in the month of June. This has had the effect of increasing the Council Tax yield and therefore reducing the collection rate for this quarter.</p> <p>This indicator has gone from green to amber status in this quarter.</p>	29.91%	29.97%	<p>Latest result for 2019/20 as of June 2019</p> <p>Aim to maximise</p>	 <p>CS RB 11 % of Council Tax collected</p> <table border="1"> <caption>CS RB 11 % of Council Tax collected</caption> <thead> <tr> <th>Month</th> <th>2018/19 (%)</th> <th>2019/20 (%)</th> </tr> </thead> <tbody> <tr><td>April</td><td>12.00</td><td>12.00</td></tr> <tr><td>May</td><td>22.00</td><td>22.00</td></tr> <tr><td>June</td><td>30.00</td><td>29.91</td></tr> <tr><td>July</td><td>40.00</td><td></td></tr> <tr><td>August</td><td>50.00</td><td></td></tr> <tr><td>September</td><td>60.00</td><td></td></tr> <tr><td>October</td><td>70.00</td><td></td></tr> <tr><td>November</td><td>78.00</td><td></td></tr> <tr><td>December</td><td>85.00</td><td></td></tr> <tr><td>January</td><td>92.00</td><td></td></tr> <tr><td>February</td><td>95.00</td><td></td></tr> <tr><td>March</td><td>98.00</td><td></td></tr> </tbody> </table>	Month	2018/19 (%)	2019/20 (%)	April	12.00	12.00	May	22.00	22.00	June	30.00	29.91	July	40.00		August	50.00		September	60.00		October	70.00		November	78.00		December	85.00		January	92.00		February	95.00		March	98.00	
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	% of Non-domestic Rates Collected	<p>NNDR collection is subject to potential large-scale fluctuation due to the level of yield individual hereditaments can raise when the valuation office agency make an alteration.</p> <p>More detail on this PI is given in the covering report, as this indicator is showing an amber status for the second consecutive quarter.</p>	33.81%	34.21%	<p>Latest result for 2019/20 as of June 2019</p> <p>Aim to maximise</p>	 <p>CS RB 12 % of Non-domestic Rates Collected</p> <table border="1"> <caption>CS RB 12 % of Non-domestic Rates Collected</caption> <thead> <tr> <th>Month</th> <th>2018/19 (%)</th> <th>2019/20 (%)</th> </tr> </thead> <tbody> <tr><td>April</td><td>18.00</td><td>18.00</td></tr> <tr><td>May</td><td>28.00</td><td>28.00</td></tr> <tr><td>June</td><td>35.00</td><td>33.81</td></tr> <tr><td>July</td><td>45.00</td><td></td></tr> <tr><td>August</td><td>55.00</td><td></td></tr> <tr><td>September</td><td>65.00</td><td></td></tr> <tr><td>October</td><td>75.00</td><td></td></tr> <tr><td>November</td><td>80.00</td><td></td></tr> <tr><td>December</td><td>88.00</td><td></td></tr> <tr><td>January</td><td>95.00</td><td></td></tr> <tr><td>February</td><td>98.00</td><td></td></tr> <tr><td>March</td><td>100.00</td><td></td></tr> </tbody> </table>	Month	2018/19 (%)	2019/20 (%)	April	18.00	18.00	May	28.00	28.00	June	35.00	33.81	July	45.00		August	55.00		September	65.00		October	75.00		November	80.00		December	88.00		January	95.00		February	98.00		March	100.00	
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