



COUNCIL

IMPORTANT:

Please stay at home if you are unwell, take a test if you have COVID-19 symptoms and if you test positive stay at home and avoid contact with other people.

Recording is allowed at Council, committee and sub-committee meetings which are open to the public, subject to: (i) the recording being conducted with the full knowledge of the Chairman of the meeting; and (ii) compliance with the Council's protocol on the filming and recording of Ryedale District Council meeting, a copy of which is available on request or at ryedale.gov.uk. Anyone wishing to record must contact Democratic Services using the details above, three days prior to the meeting. Any recording must be conducted openly and not in secret.

Please note that proceedings at this meeting will be filmed for subsequent broadcast via the Council's website. If you choose to attend, you will be deemed to have consented to being recorded and/or filmed and to the use of those images and sound recordings on the broadcast.

Council Summons and Agenda

You are hereby summoned to attend an **Extraordinary Meeting of Ryedale District Council** to be held in the **Council Chamber, Ryedale House, Malton** on **Thursday, 16 March 2023** at **6.30 pm** in the evening for the transaction of the following business:

Agenda

1 **Emergency Evacuation Procedure**

The Chair to inform members of the public of the emergency evacuation procedure.

2 **Apologies for absence**

3 **Urgent Business**

To receive notice of any urgent business which the Chair 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.

4 **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.

5 Announcements

To receive any announcements from the Chair, the Leader and/or the Head of Paid Service.

6 Recommendations of the Grants Working Party (CIL) held on 2 March 2023 (Pages 3 - 6)

7 Annual Governance Statement 2022/23 (Pages 7 - 28)

8 Transfer of Shares in Council Owned Companies as part of LGR (Pages 29 - 32)

9 Exempt information

Certain information in this report is considered to be exempt as defined in paragraph(s) 1, 4 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

The information relates to an individual (paragraph 1) and relates to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority (paragraph 4) and is in respect of which a claim to legal privilege could be maintained in legal proceedings (paragraph 5).

The public interest test has been considered and, in all the circumstances of the case, the public interest in maintaining the exemption is considered to outweigh the public interest in disclosing the information. This report contains sensitive information which is strictly confidential and gives legal advice as well as reporting the content of previous legal advice.

10 Employment Arrangements for Head of Paid Service/Chief Executive after 31 March 2023 (Pages 33 - 38)

11 Any other business that the Chair decides is urgent



Stacey Burlet
Chief Executive

Grants Working Party

Held at Meeting Room 1, Ryedale House, Malton
on Thursday 2 March 2023

Present

Councillors Joy Andrews, Arnold (Chair), Docwra, Keal, Riby and Thackray

In Attendance

Alan Bardet, Cllr Burr, Faye Snowden, Amy Thomas and Margaret Wallace

Minutes

27 **Apologies for Absence**

No apologies were received.

28 **Minutes**

The minutes from the meeting held on 15 December 2022 were approved.

29 **Urgent Business**

There was no urgent business.

30 **Declarations of Interest**

Cllr Keal declared a personal, non-pecuniary interest as a member of the Circular Malton CIC board.

Cllr Joy Andrews declared a personal, non-pecuniary interest as a member of Ryedale Environment Group.

31 **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.

32 **CIL Grant Applications**

Recommendation
That the recommendations contained in the Minute Annex (CIL Grant Applications) be presented to Council for approval.

Annex - CIL Grant Applications

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

There being no other business, the meeting closed at 5:45pm

Reference	Applicant	Project Title	Funds Allocated
CIL01	Norton School	3G pitch	*£158,000.00
CIL03	Kirkham Henry Performing Arts CIC	Building and changing room refurbishment	£238,794.00
CIL04	Circular Malton & Norton Community Interest Company	Ryedale Community Anaerobic Digester	**£0.00
CIL05	Malton Town Council	Rainbow Lane Pump Track Project	£58,000.00
CIL06	Ryedale Learning Trust	Ryedale School 3G	£125,000.00
CIL08	Slingsby Sports and Social Club	Slingsby Sport For All	£166,848.59
CIL010	Ryedale Special Families (RSF)	Get a Move On	£940,954.00
CIL012	Malton Community Sports Centre (Malton School)	Malton & Norton Health, Fitness and Wellbeing Centre	£498,626.00
CIL015	Pickering Beck Isle Museum	Improving Infrastructure and Sustainability at Beck Isle Museum	£0.00
CIL016	Helmsley Open Air Swimming Pool	Pool Pavilion Rebuild	£307,172.00
CIL018	Ryedale Environment Group	Broughton Bank Safer Path	£54,750.00
CIL019	Kirkbymoorside Town Council	Redevelopment of Kirkbymoorside Cricket and Football Club premises	£159,064.00
CIL022	Pickering Ground Committee	Refurbishment of Pickering Recreation Club	£179,718.00

Total Funds Available	£ 3,179,495.68
Total Funds Allocated	£ 2,886,926.59
Funds Remaining	£ 292,569.09

*Included for information, previously approved

**Application withdrawn

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REPORT TO:	COUNCIL
DATE:	16 MARCH 2023
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	DRAFT ANNUAL GOVERNANCE STATEMENT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report presents an early draft of the Annual Governance Statement (AGS). The Council is asked to approve the draft Statement and to comment on it ahead of any changes before inclusion in the draft accounts.
- 1.2 In previous years, the consideration of the draft Statement has been undertaken by Overview and Scrutiny Committee (acting in its role as Audit Committee). However, to ensure that Members see the statement as close to Vesting Day as practicable, this document is being considered by Full Council.
- 1.3 The 2022/23 statement of final accounts (SoFA) for Ryedale, including the AGS, will be certified by the Corporate Director – Resources (s151 Officer) of NYC before 31 July 2023.

2.0 RECOMMENDATION(S)

- 2.1 It is recommended that the Council approves the draft Annual Governance Statement as presented and feeds back any comments for consideration in the final statement to the s151 Officer.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 To include feedback from the Council ahead of production of the final Statement.

4.0 SIGNIFICANT RISKS

- 4.1 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, a number

of issues were identified last year that have been addressed to ensure continuous improvement in the Governance Framework. Although the Council will cease to exist on 31 March 2023, the issues below will assist the new Council in agreeing any action plan for improving the governance framework and system of internal control.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 The Council is required by regulations to prepare and publish an Annual Governance Statement.

6.0 REPORT CONTENTS

6.1 The draft Annual Governance Statement is attached to this report as Appendix 1.

6.2 This sets out the framework within which financial control and corporate governance is managed and reviewed by the Council. It also reports on key issues identified and an update on proposed actions.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
Failure to manage risk can result in legal action and costs.
- b) Legal
Failure to manage risk can result in legal action and costs.
- c) Other (Climate Change, Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
Failure to manage risk can result in legal action and costs.

Name of Head of Service **Anton Hodge**
Job Title **Chief Finance Officer (s151)**

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

Background Papers: N/A

Appendix 1: Ryedale District Council: Draft Annual Governance Statement 2022/23

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.

This statement is prepared with consideration to the CIPFA Application of the Good Governance Framework 2020/21 (CIPFA Bulletin 06). That statement notes that:

“The preparation and publication of an annual governance statement in accordance with Delivering Good Governance in Local Government: Framework (2016) would fulfil the statutory requirements across the UK for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its statement of accounts. In England the Accounts and Audit Regulations 2015 stipulate that the annual governance statement must be “prepared in accordance with proper practices in relation to accounts”. Therefore, a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016) and this section of the Code”.

Ryedale’s Annual Governance Statement has been prepared alongside consideration of the core principles and sub-principles of good governance as set out in that Framework.

Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the Council directs and controls its activities, and how it leads, engages with and is accountable 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 will have been in place at Ryedale District Council for the year ended 31 March 2023.

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 Council has built on the Health Checks commissioned in 2018 and 2019 by implementing action plans and strengthening capacity in areas described below. Further reviews - such as by the Society for Innovation, Technology and Modernisation SOCITM - have been undertaken in a spirit of continuous improvement and a Council Plan 2020-24 is in place.

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

Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This is led by the Chief Executive and Section 151 Officer, both appointed in 2018, in conjunction with the Council's Programme Directors, Monitoring Officer/Head of Governance and the Head of HR. Through their Strategic Management Board meetings, they have commissioned and taken action to address governance related issues, and briefed relevant Committees for consideration. Overview and Scrutiny have also pursued a robust approach to strengthening governance arrangements in key areas such as risk management. A review of capacity in Corporate Governance has also taken place, with additional resources invested to ensure that necessary levels of resourcing are in place.

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

The key elements of the Council's Governance Framework are as follows:

- The Council's key priorities during 2022/23 were reflected in its Council Plan 2020-24, which was approved by Full Council in September 2020. This sets out the following key aims:
 - Support strong, inclusive and attractive communities
 - Harness Ryedale's unique economy to deliver growth, homes and jobs
 - Create an environment that is sustainable, safe and clean
 - Develop our organisation as an innovative, enterprising Council
- The Constitution sets out how the Council operates, how decisions are made, and the procedures that are followed to ensure that these are lawful, efficient, transparent and accountable to local people. This incorporates the Members' Code of Conduct and a number of other locally agreed codes and protocols.
- The Council's budget and policy framework is set by the full Council. The Policy and Resources Committee has delegated authority to operate and make decisions within the framework. Some powers are delegated to senior officers.
- In addition to the Policy and Resources Committee there are two specific regulatory committees for Licensing and Planning. These have independent powers within their legislative framework. Each of these acts within defined terms of reference agreed by the full Council.

- Throughout 2022/23 Council committee meetings were held physically with officers and other participants (such as External Auditors) able to join through MS Teams. They have been broadcast to be able to be viewed by members of the public.
- 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.
- Council decisions are subject to review by the Council's Scrutiny function, which has the ability to call-in and review decisions and also to contribute to the development of policy.
- The committee management system (modern.gov) enables the recording, tracking and monitoring of committee agenda, minutes, reports and decision records.
- Council meetings are accessible for the public except when exempt or confidential matters are being disclosed.
- A number of areas are delegated to officers for the purposes of decision-making; however, limits on the exercise of delegation are laid down in the Council's Constitution. The Council also has a specific delegation scheme for Planning which is published on the website.
- The Council has adopted a Local Code of Corporate Governance.
- The Council has a Counter Fraud and Corruption Strategy, covering 2020-24 and a Counter Fraud and Corruption Policy, which are reviewed annually. A revised strategy and policy were approved by Overview and Scrutiny (acting as Audit) Committee in January 2021. The Council also has separate Speak Out and Anti Money Laundering Policies. The Council employs Veritau to provide a counter fraud service.
- The Chief Executive post is also an Assistant Chief Executive at North Yorkshire County Council (NYCC). The two councils are working together to support efficiencies and deliver improved services through effective partnership working and in preparation for Local Government Reorganisation (LGR).
- For 2022/23 the Council has ensured that it has had a designated Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989. This has included the appointment of a temporary post-holder to cover the period 6 – 31 March. It is the function of the Monitoring Officer to report to Members upon any contravention of any enactment or rule of law or any maladministration by the Authority. The Monitoring Officer also has responsibilities relating to the Members' Code of Conduct.

- The Chief Finance Officer (s151) (a joint role employed by NYCC where the postholder is an Assistant Director for Strategic Resources) is the officer with statutory responsibility for the proper administration of the Council’s financial affairs, in accordance with Section 151 of the Local Government Act 1972. In compliance with CIPFA’s “Statement on the Role of the Chief Financial Officer in Local Government”, Ryedale is in full compliance as the Chief Finance Officer (s151) is a member of the Strategic Management Board.
- Both the Statutory Officers referred to above have unfettered access to information, to the Chief Executive and to Members of the Council in order that they can discharge their responsibilities effectively. The functions of these Officers and their roles are clearly set out in the Council’s Constitution.
- Financial sustainability is a key risk for the Council and a robust financial management framework is fundamental to managing and mitigating that risk. It comprises:
 - Financial and Contract Procedure Rules as part of the Constitution
 - A Financial Strategy which provides the framework for financial planning - projecting high level resources and spending over 10 years, it identifies the short, medium and long term financial issues the Council is dealing with and its approach to managing reserves
 - Medium-term financial planning using a three-year cycle, updated annually, to align resources to corporate priorities. Due to the impact of Covid-19 a revised budget and medium term financial strategy was approved by the Council in September 2020.
 - Service and financial planning integrated within the corporate performance management cycle and linked to the Council’s corporate objectives
 - Annual budget process involving scrutiny and challenge
 - Quarterly monitoring by management of revenue and capital budgets - with regular reports to Policy and Resources Committee
 - Production annually of a Statement of Accounts compliant with the requirements of local authority accounting practice
 - Compliance with requirements established by CIPFA
- Corporate programme, which is produced with explicit goals and associated performance targets related to the delivery of the Council Plan 2020-2024 in order to ensure that achievement of performance is measurable.
- The Council’s staff performance approach links personal objectives directly to the corporate programme and ultimately to the Council Plan 2020-2024.
- Regular reports to the Overview and Scrutiny Committee on complaints and compliments.
- The Council maintains a professional relationship with Grant Thornton, the body responsible for the external audit of the Council. Regular review meetings are held with the Chief Executive and s151 Officer and reports presented to Overview and Scrutiny in its role as Audit Committee.
- Recruitment and selection procedures are based on recognised good practice and all staff posts have a formal job description and competency-based person specification. Services are delivered and managed by staff with the necessary knowledge and expertise with training needs identified via the formal appraisal process.
- Pay is governed by a Pay Policy considered and approved annually by Council.

- A revised approach to managing risk has been adopted in recent years.
 - This has led to an overhaul of the Corporate Risk Register and the development of Service Risk Registers. Advice and guidance has been provided by Veritau and in some cases by North Yorkshire County Council. This work has been recognised and endorsed by Members who see it as an important part of the Council’s improvement strategy. As part of that, an update on Risk Management, including the Corporate Risk Register, is presented to Audit Committee twice a year.
 - A Risk Management guidance document has been developed for key staff along with risk management training
 - The maintenance of the Corporate Risk Register comprising risks for the Council as a whole, assigned to designated officers, with appropriate counter-measures and an action plan established for each key risk
 - As well as presentation of this to Committee, Strategic Management Board also keeps the corporate risk management arrangements under review and examine and challenge this and service risk registers
 - Management and Internal Audit of a risk-based approach in the preparation and delivery of the audit plan
 - Officers of the Council are required to consider risk management issues when submitting reports to Committees and Council for consideration by Members. This includes managing risks around equalities, safeguarding and health and safety.

- The Council has established a Corporate Information Governance Group (CIGG) in order to address the requirements of the General Data Protection Regulation (GDPR) which came into effect on 25 May 2018. The Council’s Senior Information Risk Owner (SIRO) is the Head of Corporate Governance. The CIGG includes representatives from Veritau, who have been engaged as the Council’s Data Protection Officer (DPO), a requirement of the GDPR. Veritau provide regular updates to the Audit Committee.

- The maintenance of an adequate and effective system of Internal Audit is a requirement of the Accounts & Audit Regulations. Internal Audit is provided by Veritau North Yorkshire Ltd. (VNY), which is part of the Veritau group. The work of Internal Audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards. In accordance with these standards Internal Audit is required to prepare an audit plan on at least an annual basis.

- Internal Audit examines and evaluates the adequacy of the Council’s system of internal controls as a contribution to ensuring that resources are used in an economical, efficient and effective manner. Internal Audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control.

- The audit plan is informed by the Council’s main strategic risks. This is intended to ensure limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the Council’s priorities and objectives.

- The Council seeks to ensure resources are utilised in the most economic, effective and efficient manner whilst delivering continuous improvement. It aims to achieve this by a variety of means including the following:
 - Service/process transformation and efficiency reviews
 - Working with partners
 - External and Internal Audit feedback

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
- the Auditor's Annual Report on the Council's VFM arrangements
- 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 2021/22.

The Overview and Scrutiny (O&S) Committee process has provided challenge and has monitored the Council's policies and performance on an ongoing basis. 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.

The Overview and Scrutiny Committee received reports on:

- External Audit Plan
- Internal Audit and Counter Fraud Annual Report
- Equalities Action Plan
- Customer Complaints and Compliments Quarterly Reports
- Treasury Management Annual Report
- CIPFA Financial Management Code
- Local Government and Social Care Ombudsmen Annual Review Letter
- Review of the Council's Procedures for Waste Collection from Holiday Lets
- Report of Everyone Active on the 2021/2022 Delivery of the Leisure Contract for Ryedale District Council
- Health and Safety Annual Review 2021/22
- Corporate Risk Register Update
- Delivering the Council Plan Updates
- Standards Complaints Overview and Annual Report
- Update on the use of Regulation of Investigatory Powers Act 2000 (RIPA)

The Council is dedicated to ensuring that its resources are utilised in the most effective and efficient manner whilst delivering continuous improvement. Although LGR has meant that the Council has not had to prepare its own budget for the period after the current financial year, Members continued to receive regular budget monitoring reports which set out the impact of the Council as a going concern on the financial position of the new North Yorkshire Council

The financial monitoring arrangements introduced part way through 2018/19 have continued to operate, giving outturn estimates to Members on a quarterly basis which can now be seen as being consistent with the final actual outturn position. These include information and projections on costs arising from the pandemic and impact on reserves.

To improve the Council's effectiveness of this, capacity and additional support is now in place in services such as Health and Safety, Corporate Governance and Finance, IT, Communications, Transformation, Legal and Procurement. Additional support for Strategy and Performance was implemented in 2021/22 and this has enabled greater scrutiny of the Council's Performance with regular reports now coming to Council.

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 and also recognised that the Council has made good progress in the last few years to improve its governance arrangements.

Key systems were audited in 2022/23 and a number of audit reports and other pieces of work were provided to management and the O&S Committee.

In December 2022 the Council's external auditors (Grant Thornton) provided the Council with an unqualified opinion on the Council's accounts within their Audit Findings (ISA260) Report. The Auditor's Annual Report on the Council's VFM arrangements was presented to O&S Committee in February 2023.

A new Council Plan was adopted in September 2020; the corporate programme to deliver this, and its underpinning performance framework is ongoing. The Council's People and Culture Plan and Council Plan, details key milestones and measures for success relating to organisational development.

Coronavirus

There has continued to be some impact on Council services of the coronavirus pandemic in 2021/22. Despite the challenges, the Council has maintained consistent essential services for residents, whilst adapting to provide alternative virtual services wherever appropriate and possible.

Meetings follow government guidance on making these Covid secure and comply with relevant legislation.

Returns to MHCLG/DLUHC and DHSC and a financial tracker were maintained throughout this period and the financial impact has been reported to Member continuously.

Key Issues

No system of governance or internal control can provide absolute assurance against material misstatement or loss. This Statement is intended to provide reasonable assurance. In concluding this overview of the Council's governance arrangements, a number of issues were identified that need to be addressed to ensure continuous improvement in the Governance Framework. The aim is to address these issues during the 2022/23 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.

The most significant issues that the Council highlighted it would need to address during 2022/23 were those resulting from the residual impacts of the pandemic, Local Government Reorganisation (LGR), the invasion of Ukraine and escalating costs of living.

On 21 July 2021, the Government announced that the county, district and borough councils in North Yorkshire would be replaced by a new unitary council. The new North Yorkshire Council will begin to operate on 1 April 2023. As such all services, assets and liabilities held by Ryedale District Council will transfer to the new authority on that date when this Council will cease to exist. This therefore meant that the 2022/23 budget for Ryedale District Council will be its last.

The process of future planning and budgeting is now one for the new council but the pressures facing this Council are relevant to the new single council from 1 April 2023. This clearly has implications for the period covered by the existing Financial Strategy and removed the need for a budget beyond the next financial year. However the Council is obligated to hand over its affairs to the new organisation in the best state it can and this has meant continuing to tackle known budgetary issues, such as those in Streetscene. The risks and pressures being faced in the medium term were identified in the Financial Strategy agreed by Council in February 2022, which covers those issues beyond the termination of Ryedale District Council.

The financial implications of LGR became clearer during 2022/23, including the use of local-agreed protocols on spending and sharing financial information. Considerable work and resources have been dedicated to ensuring that the new single council is safe and legal by vesting day on 1 April 2023. This meant that there has been additional pressure on resources to deliver in the final year of Ryedale District Council. Costs are associated with resourcing this additional work and £500k was set aside for this in 2022/23. In this period prior to vesting day the accounts for Ryedale District Council will continue to be constructed on a 'going concern' basis - with any services, assets and liabilities transferring to the successor authority.

Key Issues

In the 2021/22 Annual Governance Statement, seven key issues were identified. An update on these is shown below.

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, a number of issues were identified that have been addressed to ensure continuous improvement in the Governance Framework. Although the Council will cease to exist on 31 March 2023, the issues below will assist the new Council in agreeing any action plan for improving the governance framework and system of internal control.

1. Financial Sustainability

Accountable Officer:	s151 Officer.
Challenge	<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>This Challenge was revised in 2020/21 to include dealing with the ongoing impact of the Coronavirus Pandemic.</p>
Actions	<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 for the new North Yorkshire Council.</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 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.</p> <p>The MTFS also took into account the ongoing impact of the Coronavirus pandemic and LGR.</p>

Actions continued	The financial impact of LGR was a major feature in 2022/23. The LGR decision and other agreements did not affect the requirement on Ryedale District Council to set a legal budget for 2022/23 that addresses the Council's aims and objectives. There will also be a direct cost to the Council related to the implementation of LGR and some funding has been set aside to cover this. Staff were also expected to contribute to the transformation to the new council and therefore this could impact on capacity.
Progress Report	<p>This is a Key Issue which has formed part of the AGS for a number of years, and it is expected that this will continue to be the case.</p> <p>A revised Financial Strategy was approved by Council in February 2022 and members were consulted during the preparation of the budget through reports and briefings.</p> <p>Financial monitoring is now fully in place and has explicitly included the impact of LGR.</p> <p>Reviews on additional services are undertaken to ensure that required capacity is funded and resources managed effectively.</p> <p>A budget for Local Government Reorganisation was agreed by Full Council so that Ryedale can play its part in shaping the new Council for North Yorkshire. Costs are being monitored and will be reported as part of budgeting processes.</p> <p>The financial impact of Local Government Review has required careful consideration with regard to use of resources and financial impact as will ongoing monitoring of impact of supply chain disruption and inflationary risks.</p> <p>The revised MTFS has been monitored during 2022/23 to ensure that members of RDC and of the new North Yorkshire Council are aware of the existing financial pressures and opportunities in Ryedale.</p> <p>A Financial Protocol is in place to ensure that any decisions taken by Ryedale which impact on the new Council are transparent.</p> <p>Improved procurement support has led to the monitoring of a forward procurement plan and the correct governance around contract management. Again this is being aligned to the future operation of North Yorkshire Council.</p>

2. Waste and Recycling Review

Accountable Officer:	Head of Waste and Environmental Services.
Challenge	To ensure that RDC achieves efficient and effective waste and recycling collection.
Actions	<p>Implementation of new optimised household waste and recycling collections linked to new recycling vehicles and waste transfer station.</p> <p>A piece of work on route optimisation will be completed.</p> <p>Delivery programme of new recycling vehicles completed.</p>
Progress Report	<p>This was highlighted as a Key Issue in the 2018/19 AGS and continues to be an area of focus driven by organisational need and national policy change.</p> <p>Significant operational demands were faced during 2020/21 as residents were spending more time at home due to the Covid lockdown periods. This resulted in unprecedented variations in tonnages presented for collection and operational collections were changed to manage the completion of existing rounds with minimal disruption to household waste and recycling services.</p> <p>The new recycling vehicle became operational during 2021/22 following significant vehicle modifications.</p> <p>The implementation of the new optimised household waste and recycling collection rounds has been rescheduled later in 2021/22 (subject to Covid policy directives) now that this new vehicle is in service and given that the country is now emerging from restrictions.</p> <p>In July 2021 DEFRA consulted on a series of proposals on consistency of collections which included a proposal to introduce free garden waste collections by local authorities from 2023/24 and indicated that any increase costs will be covered by new burdens funding.</p> <p>The Environment Act 2021 received Royal Assent on the 9 November 2021 and will require all waste collection authorities in England to arrange for the separate collection of garden waste for recycling or composting. It is expected that the outcome of the DEFRA consultations on the consistency of collections will mandate free garden waste collections from 2023/24.</p> <p>These factors will all be taken into account when moving forward.</p>

**Progress Report
continued**

There has been ring-fenced investment in place to facilitate this including a new vehicle replacement programme, which was approved as part of the capital programme for the period 2021/22 to 2024/25, and a Streetscene transformation capacity funding which was agreed as part of the 2021/22 revenue budget. Therefore all three actions highlighted above have now been completed and the ongoing revenue budget is now back on track.

3. The Local Plan

Accountable Officer:	Programme Director for Place and Resources. Planning Services Manager.
Challenge	The Local Plan requires review and adoption given its age. This Project is ongoing, beginning in 2020/21. The review process has identified that Local Plan must be subjected to a full review, and this has resulted in a position whereby the review cannot be formally published prior to LGR taking place in April. A full plan review would not be completed until 2026. A new local plan for North Yorkshire is to be commenced in spring of 2023, and a decision will be made by North Yorkshire Council as to whether the review of the Ryedale Plan continues as a standalone plan alongside the new Local Plan for North Yorkshire, or it is subsumed into the new Local Plan. A decision on this is due May 2023.
Actions	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. It will also set out the approach to responding to climate change in terms of policies which will be applied to a range of new developments.
Progress Report	As set out above, a new local plan for North Yorkshire is to be commenced in spring of 2023, and a decision will be made by North Yorkshire Council as to whether the review of the Ryedale Plan continues as a standalone plan alongside the new Local Plan for North Yorkshire, or it is subsumed into the new Local Plan. A decision on this is due May 2023.

4. Resilience and Capacity

Accountable Officer:	Head of HR.
Challenge	<p>To ensure sufficient capacity to enable the Council to carry out strategic and/or operational objectives.</p> <p>This also includes HR policies and procedures - review and approval, including staffing aspects of Equality and Diversity.</p>
Actions	<p>Continuous review of the new arrangements now in place.</p> <p>HR policies should be fit for purpose. Documents should grow and adapt with an organisation. Policy review and revision is a crucial part of an effective policy and procedure management plan.</p> <p>Action plan towards developing level for the Equality Framework for Local Government with respect to staffing matters.</p>
Progress Report	<p>This was initially highlighted as a Key Issue in the 2018/19 AGS (for action in 2019/20). The Action was that actions from a comprehensive Health Check of HR were followed up and implemented.</p> <p>Capacity and additional support has been put in place in services such as Health and Safety, Enforcement, Planning & Regulatory Services, Corporate Governance, Finance, IT, Communications, Programme Management, Legal, Revenues and Benefits and Procurement. Additional support for Strategy and Performance was planned for implementation in 2020/21, but was delayed by the need to prioritise Covid-19. This is now in place (June 2021).</p> <p>15 HR policies have now been reviewed and either approved by Council or in the process of gaining approval. In its final year, it was agreed that any further reviews and changes would be restricted to any changes required by law.</p> <p>Additional resources were secured during the Covid-19 pandemic to support key areas of the business to function e.g. customer services advisors. However this is constantly under review and pressures in capacity are exacerbated by the work that has been undertaken and is likely to increase on LGR. These capacity pressures have continued to be reviewed during 2022/23 and brought to members' attention where additional capacity was required. This was highlighted in the Financial Strategy presented to Full Council in February 2022 and Council agreed to set aside funding in the budget to assist with this.</p>

5. Economic Recovery and Growth

Accountable Officers	Programme Director - Place and Resources Programme Director - People and Resources
Challenge	Economic Recovery and Growth.
Actions	<p>Delivering a strong, sustainable economy will need to now take account of the recovery required post-Covid to address the long-term, sustainable economic success of the district. This includes addressing the needs of those who are experiencing poverty and severely reduced income as a consequence of the pandemic.</p> <p>Submission of York/North Yorkshire devolution asks to Government were agreed by Elected Members. Submission has occurred and councils across York and North Yorkshire are continuing to ask for a negotiation process with Government to begin.</p> <p>A plan for leaving the European Union is also critical given the impact this may have on many businesses. Component parts of the proposed devolution deal relating to thriving businesses, strong job opportunities, robust infrastructure, and strong culture, tourism and low carbon sectors, are aiming to be progressed through bids into new Government funding tranches (e.g. Community Renewal Funding, Levelling Up) that are replacing EU funding tranches.</p> <p>Inclusive growth is also key to mitigate the increasing levels of poverty that are arising from the consequences of Covid-19. This includes a focus on partnership initiatives with other key bodies including Town and Parish Councils, NYCC and the voluntary and community sector.</p>
Progress Report	<p>This has been highlighted as a Key Issue since 2018/19 but was revised in 2021 to take account of the recovery required post-Covid.</p> <p>A key focus has been on providing immediate support to businesses. This included handling increased service demands and direct action to enable businesses to trade safely (e.g. environmental health, community officer roles in Covid secure management, increased benefits claims and housing applications). Grants to business and individuals have been made as quickly and effectively as possible to ease distress and protect lives and livelihoods (e.g. self-isolation, a variety of business grants).</p> <p>The Council's actions to support economic recovery are aligned to the Council Plan and have also been progressed as part of the regional Local Resilience Forum arrangements.</p> <p>Ryedale is also playing a key role in the management of poverty across York and North Yorkshire.</p> <p>Examples of Economic Development work carried out in 2022/23 included:</p>

- Secured approval for the provision of new light industrial Starter Units in Pickering
- Continued project development work for the relocation of Malton Livestock Market
- Completed implementation of Malton – Pickering Cycle route, funded with £628,000 from the Rural Development Programme for England (with funding from the European Agricultural Fund for Rural Development)

In addition to the above and all other work undertaken by the team, the Local Government Reorganisation process has latterly become a more significant aspect of work, with Officers regularly participating across two major work streams - Economic Development and Culture, Leisure and Sport.

Discussions on devolution have now begun and the AGS will be updated to cover these as appropriate.

6. Climate Change

Accountable Officers	Programme Director – Place and Resources
Challenge	Delivering the Climate Change Action Plan to ensure that Ryedale District Council can contribute towards the reduction in global temperature rise.
Actions	Progressing Action Plan delivery through numerous projects which include operations, partnerships with public, private, voluntary sectors and Ryedale Environmental sectors and residents, building and assets, transport and vehicles.
Progress Report	<p>This continues to be highlighted as a Key Issue and specifically to review and enact the Action Plan. This has been done and taken into account in the update below.</p> <p>Agreed three-year revenue budget in place to support delivery. Climate Change Officer in place from November 2021. Since the baseline year (2018/19), RDC has achieved a 19.5% reduction in its Carbon Dioxide equivalent emissions. This is 4.5% higher than the 15% reduction target for the financial year 2021/22.</p> <p>RDC holds quarterly climate change working group meetings to ensure the climate change action plan is kept up-to-date, progress is being achieved against listed actions, and that new opportunities are incorporated. A range of projects have been delivered, including:</p> <ul style="list-style-type: none"> • delivery of LED street lighting across Malton and Norton (364 lamps, equating to a CO2 saving of 36 tonnes per year) • delivery of 20 fast-charging units (at car parks) and 10 RDC workplace units. • delivery of 11.4 mile Malton - Pickering cycle route enhancements. • secured £80,250 from the UK Government’s Heat Network Delivery Unit for feasibility studies into Geothermal energy. • delivery of first round of the community environmental grant to 6 community groups across Ryedale. Energy efficiency projects with a community focus, ranging from roof insulation to an EV charge point. • delivery of BEIS Local Authority Delivery Grant 2 (LAD2) funding, 73 measured ranging from Solar, EWI, ASHA and SMHC. • replacement of vehicle fleet to ensure Euro 6 compliant. <p>Carbon impact assessments are required for all projects. RDC’s Procurement Plan 2021 – 2023 “Theme 3” outlines that climate change impacts should be considered within the council’s supply chain.</p> <p>RDC works collaboratively with local authorities across York and North Yorkshire to develop and deliver climate change projects, including through LGR, in developing the new authority’s climate strategy.</p>

7. Council Plan

Accountable Officers	Chief Executive.
Challenge	A Council Plan is a necessary strategic document for guiding the work programme for the organisation and its employees. The current Council Plan was adopted in September 2020.
Actions	Now the Council Plan is adopted, a corporate programme and underpinning performance framework is being developed. This will be subject to democratic decision-making in due course.
Progress Report	<p>This was highlighted as a Key Issue in the 2018/19 AGS (for action in 2019/20) and specifically noted that there would be a revision of the Plan and its priorities. This was achieved.</p> <p>A series of engagement sessions took place with Elected Members and officers to produce the new Council Plan, which was adopted by Council in September 2020. It highlights four main priorities as below:</p> <ol style="list-style-type: none"> 1. Our communities: strong, inclusive and attractive. 2. Our economy: harnessing Ryedale’s unique economy to deliver growth, homes and jobs. 3. Our environment: a sustainable, safe and clean place to live. 4. Our organisation: an innovative, enterprising council. <p>A corporate programme is being delivered to achieve the objectives set out in the Council Plan; the reporting mechanism for this is Policy and Resources. An annual report of performance for 2020/21 was presented to Policy and Resources in September and to Full Council in October 2021 with quarterly reporting thereafter.</p> <p>Members have also engaged in a prioritisation exercise which gives direction on the key areas of work to be completed. This and the agreement of RDC’s final budget is enabling officers to focus on delivering strategic goals.</p>

Approval of the Draft Annual Governance Statement

The Council is satisfied with the level of assurance with regards to its governance arrangements which enable stakeholders to recognise that proper arrangements are in place to govern spending and the safeguarding of assets.

Signed	Date 16 March 2023
Councillor D E Keal Chair of Policy and Resources Committee	

Signed	Date 16 March 2023
Margaret Wallace Acting Chief Executive Officer	



REPORT TO:	COUNCIL
DATE:	16 MARCH 2023
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	TRANSFER OF SHARES IN COUNCIL-OWNED COMPANIES
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report seeks authorisation from Members for various aspects of the transfer of Council owned companies as part of the process of local government reorganisation.
- 1.2 There are a number of companies owned by the District and Borough Councils across North Yorkshire. As part of Local Government Reorganisation the District and Borough Councils will automatically transfer to the new authority, being the North Yorkshire Council. However, the ownership of the companies (including ownership of shares) requires steps to be taken to transfer to the new authority. More particularly, shares will need to be transferred in accordance with company law procedure to ensure the companies can continue to operate and provide their services to the Council and public.

2.0 RECOMMENDATIONS

- 2.1 To seek approval of the transfer of shares in Veritau North Yorkshire Limited.
- 2.2 To delegate authority to the Monitoring Officer to take the necessary steps required to transfer the companies including entering into any documents on behalf of the Council that may be required to transfer the companies to the new authority.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The decision will enable the transfer of functions, property, rights and liabilities to the new unitary authority in accordance with the terms of the North Yorkshire (Structural Changes) Order 2022.

4.0 SIGNIFICANT RISKS

- 4.1 There are no major risks associated with this report.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The work of internal audit supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.

6.0 REPORT DETAILS

- 6.1 There are a number of companies owned by the District and Borough Councils across North Yorkshire. As part of Local Government Reorganisation the District and Borough Councils will automatically transfer to the new authority, being the North Yorkshire Council. However, the ownership of the companies (including ownership of shares) requires steps to be taken to transfer to the new authority. More particularly, shares will need to be transferred in accordance with company law procedure to ensure the companies can continue to operate and provide their services to the Council and public.
- 6.2 Ryedale District Council owns shares in Veritau North Yorkshire (Company Number 7931990) ("Veritau NY") – 10% shares (jointly owned with Veritau Limited (50%) Selby District Council (10%), Richmondshire District Council (10%) Hambleton District Council (10%) and Scarborough Borough Council (10%)).
- 6.3 Action is required by the Council to execute the necessary documents to transfer the company prior to 1 April 2023.
- 6.4 Agreeing to the transfer of ownership of Veritau NY is not a decision which the board of directors can agree to but rather is a decision of the shareholder. Members are therefore being asked to approve the transfer on behalf of the Council as shareholder and delegate authority to the Monitoring Officer to take the necessary steps required to transfer the company including the approval of the Council entering into any documents required to implement the transfer.
- 6.5 Ryedale District Council also owns shares in 82 Castlegate Malton Limited. This company is in the process of being struck off and will cease to exist from 7 April 2023. There are no actions required in relation to this company.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
There are no immediate financial implications for Ryedale in taking this decision.
 - b) Legal
All property, rights and liabilities of the seven District and Borough Councils shall on the 1 April 2023 vest in and transfer to the new authority in accordance with Regulation 7 of The Local Government (Structural Changes) (Transfer of Functions, Property, Rights and Liabilities) Regulations 2008 (2008 Regulations). Whilst the 2008 Regulations transfer the rights and obligations to the new Authority, this does not negate the need to comply with the Companies Act 2006 in transferring the shares and membership interest from the District and Borough Councils to the new authority.
 - c) Other
None to report.

Anton Hodge
Chief Finance Officer (s151)

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Background Papers:

Report to P&R 29 September 2011
Report to Full Council 3 November 2011

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By virtue of paragraph(s) 1, 4, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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