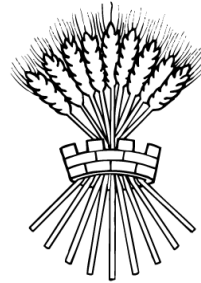


RYEDALE  
DISTRICT  
COUNCIL



# **FINANCIAL STRATEGY**

**2016 - 2021**

# **REVENUE BUDGET**

**2016 – 2017**

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RYEDALE DISTRICT COUNCIL

To:

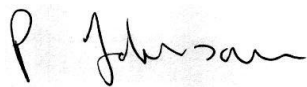
Members of Ryedale District Council

Meeting:

Thursday, 25 February 2016

**BUDGET REVIEW 2016-17**

The Financial Strategy 2016-2021, Revenue Budget for 2016-17, the Capital Programme, the Prudential Indicators, the Pay Policy and Special Expenses recommended for approval by the Policy and Resources Committee, are submitted for approval by the Council. The appropriate draft resolution has been circulated to all Members of the Council.

A handwritten signature in black ink, appearing to read 'P. Johnson', is positioned above the typed name.

P Johnson, Finance Manager (s151)

## **EXECUTIVE SUMMARY**

Financial Management is essential in achieving good corporate governance and underpins service quality, improvement and accountability. It supports effective performance and the achievement of the organisations aims. Financial Planning is integral to an organisations strategic planning process.

The Council has put in place a fully integrated Financial Strategy that seeks to ensure Long-term financial stability, the achievement of Value for Money and funding for priorities.

The focus of the Financial Strategy is on long term planning and decision making for the future. Whilst the Strategy includes specific proposals for the 2016/17 Revenue Budget there should not be an over concentration on just one years budget. This Strategy seeks to avoid year on year budget setting and use of short term/one off measures to balance the budget. It is a strategy for the future, to ensure effective resource planning and the delivery of Corporate Objectives.

To achieve the delivery of this Financial Strategy will require an understanding within the senior levels of the organisation of the collective responsibilities for stewardship and use of resources.

The Financial Strategy seeks to achieve the following objectives: -

1. Budgets are Prudent and Sustainable in the Long Term,
2. Financial plans recognise corporate Priorities and Objectives,
3. Significant risks are identified, and mitigation factors identified,
4. The Capital Programme is planned over a 4 year period with no further borrowing planned beyond the £2.07m for the Brambling Fields project.
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and use of resources.

The Summary Position is as follows:

- A revenue budget for 2016/2017 of **£6,381,609**.
- A 1.99% increase in Council Tax for the Ryedale District Council Tax, increasing the Band D charge from **£176.72 to £180.23** (note the total Council Tax, including County Council, Fire and Police is covered within the separate Council Tax setting report)
- Savings / additional income of **£584,000**
- Application of **£811,000** New Homes Bonus to the Revenue Budget.
- Application of **£188,000** New Home Bonus to the Capital Programme
- Unused New Homes Bonus of **£678,000**.
- A capital programme totalling **£5,540,000** over the period 2016 - 2020
- The Treasury Management Statement and Annual Investment Strategy 2016/17
- The Prudential Indicators
- The Pay Policy 2016/17
- Special Expenses for Street Lighting of £35,100

The following table summarises the changes:

	<b>£000s</b>
2015/2016 Base Budget Brought forward	6,823
Add:	
Base Budget Adjustments	125
Growth items (appendix A)	410
Total	7,358
Less:	
Efficiencies/Savings/Cuts/Additional Income (appendix A)	584
Rural Services Delivery Grant	141
Movement in New Homes Bonus	251
<b>2016/2017 Net Revenue Budget</b>	<b>6,382</b>

### **Section 25 Report (Report of the Chief Finance Officer – Finance Manager (s151))**

In setting the Revenue budget for 2016/2017 I consider that the **proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.**

The total savings and additional income proposals are £584k. This level is significant in relation to the Authority's overall budget and therefore inherently carries a risk. The achievement of these savings will be crucial in managing within the budget. The risk of this has been mitigated in part by thoroughly reviewing all savings proposals for their robustness and effective budget monitoring procedures are in place. There inevitably remains a risk in delivering on this level of savings and there is always potential for delay in achieving savings or failure to

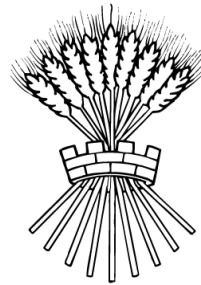
achieve income targets. Where this occurs, compensating savings will need to be identified. Assumptions are within the 2016/2017 budget that the 3 month moratorium £21k will be delivered.

The overall level of reserves is considered in detail within the Financial Strategy. I consider that the overall level of reserves is adequate.

The Capital Plan and Capital Programme have been regularly reviewed during the year. The unapplied capital resources will need to be considered in knowledge of the ongoing expectations of low interest rates and limited capital receipts generated by the Authority. It is important that proper project management disciplines are followed for schemes within the programme together with regular monitoring to minimise the potential for unexpected overspends.

Within the current economic climate it will be important that close budget monitoring of services which generate income and partnerships takes place. In particular Land Charges, Ryecare, Building Control, Recycling, Trade Waste, Green Waste, Car Parking and Planning to enable action to be taken in year where necessary.

RYEDALE  
DISTRICT  
COUNCIL



# **FINANCIAL STRATEGY**

**2016-2021**

# FINANCIAL STRATEGY

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### **Main Report**

1. Purpose and Scope
2. Objectives of the Financial Strategy
3. The Current Financial Position
4. The Financial Strategy Objectives
5. The Revenue Plan 2016 - 2021
6. Development of the Financial Strategy
7. The Capital Plans 2016 - 2020
8. Balances and Reserves
9. Impact/Risk Assessment
10. Pay Policy 2016/2017
11. Conclusion

**Appendix A:** 2016/2017 Revenue Budget Pressures and Savings

**Appendix B:** Medium Term Revenue Forecast 2016/17 - 2020/21

**Appendix C:** Prudential Indicators

**Appendix D:** Reserves and Balances

**Appendix E:** Capital Programme 2016 - 2020

**Appendix F:** Pay Policy 2016/2017



## **1.INTRODUCTION – THE PURPOSE AND SCOPE OF THE FINANCIAL STRATEGY**

The Financial Strategy sets out the overall shape of the Council's budget by establishing how available resources will be allocated between services, reflecting Council and community priorities, and therefore providing a framework for the preparation of annual budgets.

The Strategy is linked with and supports service priorities and the Council's other strategies and plans, including but not limited to:

- The Community Plan – Imagine Ryedale
- The Council's Corporate Plan
- The Asset Management Plan
- The IT Strategy
- The Procurement Strategy
- The Treasury Management Strategy
- The Risk Management Strategy
- The HR Strategy

The focus of the Financial Strategy is on medium and long term planning, and decision making for the future. Whilst the Strategy includes specific proposals for a particular financial year, there should not be an over concentration on just one years budget. This Strategy seeks to avoid year on year budget setting, and use of short term/one off measures to balance the budget. It is a Strategy for the future, to ensure effective resource planning and the delivery of Corporate Objectives.

In particular it:

- sets out the Council's medium term financial aims and the measures to be taken to ensure they will be achieved;
- sets out the Council's approach to delivering improved services and value for money over the next few years;
- describes the Council's arrangements for developing the financial strategy, including:
  - The identification and prioritisation of spending needs;
  - The key financial influences on the medium term financial planning and the assumptions made in developing the plan;
  - The challenges and risks associated with the plan and how the Council will deal with them.
- sets out the Council's policy on reserves and balances.
- identifies the resource issues and principles, which will shape the Council's Financial Strategy and annual budgets.

The Financial Strategy covers all revenue and capital spending plans of the Authority.

## **2. OBJECTIVES OF THE FINANCIAL STRATEGY**

The Financial Strategy seeks to achieve the following **Objectives**: -

1. Budgets are Prudent and Sustainable in the Long Term,
2. Financial plans recognise corporate Priorities and Objectives,
3. Significant risks are identified, and mitigation factors identified,
4. The Capital Programme is planned over a 4 year period. Borrowing will only take place where there is a clear financial business case to borrow and it meets the requirements of the Prudential Code,
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and use of resources.

### 3. THE CURRENT FINANCIAL POSITION

The Council's net budget for 2015/16 totals £6.823m and is allocated to services as shown:

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	4,660	3,932	728
Cultural & Related Services	1,345	47	1,298
Environmental & Regulatory Services	4,492	2,134	2,358
Highways & Transport Services	357	860	(503)
Housing Services	13,814	12,659	1,155
Planning Services	1,952	728	1,224
	26,620	20,360	6,260
Other Financial Adjustments			563
<b>Net Revenue Budget</b>			<b>6,823</b>
Financed By:			
Revenue Support Grant and Retained Business Rates			3,090
Collection Fund Surplus – Council Tax			104
Ryedale District Council Precept			3,629
<b>Total</b>			<b>6,823</b>

Overall Ryedale continues to have a strong financial discipline, which is exemplified by the size and diversity of its balances and its year-on-year budgetary performance. However, revenue spending demands are increasing in several areas.

These spending demands have a fundamental impact on the way in which the Council operates. It has to continually deliver real efficiencies to balance year-on-year financial resources with the high quality services which residents and visitors expect.

Appendix A details the budget pressures and savings/additional income proposals for the 2016/2017 budget.

The financial strategy is to some extent shaped by factors outside the Council's immediate control. However, there are many facets to an effective financial strategy, and the Council must ensure it proactively manages its resources with a view to ensuring robust financial planning that delivers Council priorities.

#### External Factors:

**Revenue Support Grant and Retained Business Rates** – In December 2015 the council received the provisional finance settlement for 2016/17, as well as indicative figures for a further 3 years through to the end of the current Parliament. There still remains significant uncertainties particularly around

New Homes Bonus, where figures are classed as illustrative and are subject to consultation.

The Revenue Support Grant will see substantial reductions in future years reducing to zero followed by ongoing reductions to the Business Rates Tariff. Under the Business Rate Retention Scheme RDC keeps a proportion of business rates collected, but must pay a fixed tariff from its share. The retained share is 40% and any income above target performance will increase the retained share for Ryedale (after paying a levy of 50% of any growth). The down side risk is that any reductions in collected business rates lead to a 40% reduction in RDC income. Careful monitoring of business rates collection and appeals will be required. The financial impact of any significant appeal costs will need to be managed through reserves.

In order to reduce levies payable the Council has formed a business rates pool with North Yorkshire County Council (NYCC), Hambleton District Council, Craven District Council, Richmondshire District Council and Scarborough Borough Council. This should generate additional retained business rates, however this will dependent not only on Ryedale's business rate income but that of the other partners (excluding NYCC).

***Public Spending Plans and National Priorities*** - It is clear from the Spending Review and the subsequent Provisional Local Government finance settlement that the Authority will see several years of reducing Government financial support. Public services are however under increased pressure from their customers for improved service provision. In addition new legislation proposals may create burdens as well as opportunities for the Council. This financial strategy seeks to ensure national priorities are considered alongside local priorities.

### ***Efficiencies***

The requirement to formally record and report efficiencies has now been removed however the achievement of efficiencies will be essential to balancing the Council's budget with minimal impact to front line services with the likely levels of government Grant support.

These efficiencies have to be achieved through a greater focus on Value for Money (VFM) and through a culture of innovation. Responsibility for identifying opportunities for efficiency gains are left to individual Councils and it will be up to them to put in place the processes that they need to plan VFM projects, track delivery, measure achievement, and assure service quality. The Council's Corporate Efficiency Programme, which started with the One-11 programme for 2011/2012, Going for Gold for 2012/2013 and Round 3 for 2013/2014, has been an essential tool in delivering savings to meet the target and to finance other services within the Authority. Having completed the review of the whole organisation, the scope for significant savings without more radical approaches to service delivery are not there. Careful evaluation of more radical approaches and proper consideration of risk will be vital to deliver sustainable savings. Following the announcement of the 4 year Finance Settlement and the consequential savings requirement that this

places on the councils budget, the council is now implementing a more radical approach to transformation through the Towards 2020 programme. Following the previous efficiency programmes which involved a review of services, the level of savings required necessitates the council to invest resources in achieving the transformation.

### ***Additional Cost Pressures***

There has been a trend in local government in recent years for additional cost pressures (for example pay increases, impact of meeting national targets, new duties/legislation) to significantly outweigh increases in Government funding. In addition to this some of the pressures carry significant growth year on year, which is not reflected in Revenue Grant Settlements.

Looking ahead, it is likely that further pressures will be placed upon local authorities resulting in the requirement for authorities to achieve efficiencies/savings. These anticipated pressures are reflected within this financial strategy.

### ***New Homes Bonus***

This funding started in 2011/2012 and provided Authorities funding based on the number of new properties brought into use with an added element for affordable housing. The calculation provides that 80% of the funding is paid direct to District Councils with the County Council receiving the remaining 20%. This funding under the local government finance scheme is now provided through a top slice of aggregate external funding.

The Government is consulting on changes to the current NHB scheme, the outcome is likely to result in a reduction in the amount of NHB, the final result of the consultation will dictate the level of reduction. 2014/15 was the first year that NHB funding was used to support the revenue budget with the proposal to drip feed the money into the budget over a number of years to protect existing services. The following table sets out the received and predicted income from New Homes Bonus, the budgeted/ forecast allocation of NHB and the remaining balance available for RDC:

<b>Year</b>	<b>NHB £000</b>	<b>Revenue Support £000</b>	<b>Capital Support £000</b>	<b>Balance £000</b>
2014/2015 (received)	1,127	175	0	952
2015/2016 (received)	1,387	559	288	540
2016/2017 (due)	1,676	810	188	678
2017/18 (illustrative)	1,685	828	188	669
2018/19 (illustrative)	1,059	828	188	43
2019/20 (illustrative)	1,016	828	188	0

The table highlights the indicative reduction in NHB over the life of the current Parliament. It's forecast that by 2019/20 the whole of NHB will be required to support revenue and capital. There is a risk that the illustrative figures for 2017/18 onwards could reduce further following the outcome of the Governments consultation.

### ***External Funding***

The Audit Commission sees the achievement of external funding as a key part in the demonstration of Value for Money. It is likely that the Local Economic Partnerships (LEP) has a role in the distribution of external funding and RDC will need to ensure that it continues to have a voice and link to the LEPs.

The Council must carefully appraise the role that external grant resources can play in meeting its objectives. Decisions about bidding for external grants must be taken in the context of the priorities in the Corporate Plan.

### ***Pensions***

The Council's contribution rate for the North Yorkshire Pension Fund (NYPF) is set based upon the returns to the fund and the recovery period for the fund. These are affected by economic fluctuations and with the current economic turbulence increases in contribution rates may ensue. The contribution rates are established in consultation with the Council based on a triennial review by the actuary. Changes to the scheme benefits have been made which should reduce overall costs. A review took place in 2013/14 and reflecting good performance of the fund particularly in 2013/14 the contribution rates have increased, however by less than expected and based on the interim valuations. The next review will be in 2016/2017 and some estimation of the impact is included in the Financial Strategy.

### ***Significant Partnerships***

The following have been identified as the Council's significant partnerships:

- The Local Enterprise Partnership
- North Yorkshire Building Control Partnership
- White Rose Home Improvement Agency

Further partnerships and shared service may be sought to secure efficiency savings and/or service resilience in future years. Proper governance and security of Council finances will be an important consideration of any such proposals.

The above is meant to be indicative only as there are many other areas of increased customer expectation, Government priorities or Members' wishes for improved services. As stated these future revenue pressures are increasing amidst a heightened need for moderate Council Tax increases. In these circumstances the Council will have to consider further pro-active approaches to reallocation of resources with the attendant consequences for some existing local services as funding is switched to meeting new initiatives.

## **4. THE FINANCIAL STRATEGY OBJECTIVES**

The following are the objectives of the Council's financial strategy:

### **Objective 1 - Budgets are Prudent and Sustainable in the Long Term**

This seeks to ensure that budgets recognise real cost pressures.

This will be achieved by ensuring:-

- Adequate provision is made for inflation pressures, pay awards, and new legislation
- The revenue budget is not supported by significant one off savings, or any significant use of reserves
- Effective budget monitoring to ensure early identification of issues and action planning

## **Objective 2 – Financial Plans Recognise Corporate Priorities and Objectives**

This seeks to ensure that financial plans link in with corporate planning and priorities, and that there is provision within the Financial Strategy for growth/development funding on an ongoing basis.

This will be achieved by ensuring:-

- additional investment, and savings proposals make explicit reference to corporate priorities
- Local and national targets are considered
- Long term vision and objectives are considered within the report
- Provision within financial planning figures for growth and contingency amounts based upon perceived risk

## **Objective 3 - Significant risks are identified, and mitigation factors identified**

Risk Management is crucial in long term planning, and it is essential that the Financial Strategy clearly identifies the associated risks, and that this is supported by an embedded risk management culture within the organisation.

This will be achieved by:-

- Risk Management being embedded in corporate and service planning
- Financial risks being specifically considered on an ongoing basis, and specifically reflected within the Financial Strategy

## **Objective 4 - The Capital Programme is planned over a 4 year period, with no further borrowing planned.**

This seeks to ensure that the capital programme is prudent and sustainable, and does not lead to unaffordable revenue implications.

This will be achieved by ensuring: -

- the development of a 4 Year capital programme
- regular review of reserves and balances
- a Corporate approach to external funding opportunities
- that only includes fully evaluated schemes within the programme

**Objective 5 - Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account;**

It is important that the Financial Strategy is realistic and that there is a corporate awareness of the constraints on Council funding.

This will be achieved by ensuring:-

- specific reference within each financial strategy of constraints, and current issues
- regular reporting to members on local government finance issues
- awareness of the financial position within the organisation through effective communication

**Objective 6 - Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change.**

It is important in developing the financial plan that an assumed Council Tax increase is included, ensuring that financial plans do not place over-reliance upon excessive Council Tax increases.

This will be achieved by ensuring that financial plans take account of this level of Council Tax increase, Government expectations on Council Tax increases, and in particular that target efficiency gains reflect the likely levels of Council Tax. However, it has to be recognised that additional burdens and demands can be placed upon local authorities, and that it may not always be feasible to achieve an increase in Council Tax in line with the inflation rate.

**Objective 7 - Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council.**

It is important to strike a balance between maintaining adequate reserves and contingencies and delivering priorities and achievement of Value For Money.

This will be achieved by ensuring:-

- an annual review of reserves, linked to corporate priorities and treasury management implications
- that capital reserves are maintained at a level to fund the planned capital programme

**Objective 8 - Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy**

Value For Money should be at the heart of everything the Council does, and the pursuit of improved efficiency and performance needs to be established as an ongoing underlying principle



This is being achieved through an ongoing review of costs and service standards, challenge, and benchmarking with others.

### **Objective 9 - The Financial Strategy supports the achievement of Excellence in Financial Management and Use of Resources**

A Financial Plan in isolation will achieve little. It needs to be supported by:-

- Effective financial governance arrangements
- Financial Management that supports performance
- Effective Monitoring arrangements
- Effective Financial Reporting

This will be achieved by

- Implementation of the action plans following external inspection
- Developing the financial culture within the Council
- Financial reporting and documentation based upon stakeholder needs
- Maintaining the quality and performance of the Financial Systems
- Training and Development – finance/non finance
- Integration of financial and non financial performance measures

## **5. THE REVENUE PLAN 2016-2021**

The medium term revenue plan (Appendix B) is based on an analysis of the key influences on the Council's financial position and an assessment of the main financial risks facing the Council. The financial forecast is based on the following factors and assumptions:

### ***Local Government Finance Settlement***

The Council receives external support from Central Government through the distribution of resources within the Local Government Finance Settlement. The distribution is made in accordance to authorities' relative needs with a mechanism for protection against detrimental changes in grant allocations.

External funding has been announced for 2016/17 and the following three financial years, however the figures are subject to a number of uncertainties. Announcements indicate that further cuts to funding should be expected in the next parliament. The provisional settlement highlights that funding support will continue to be cut and the medium term predictions incorporate the estimates based on these details.

### ***Localised Business Rates***

As previously stated the Council retains a proportion of business rates out of which it must pay a fixed tariff (subject to RPI uplift). The revenue plan takes the estimated business rates income for 2016/17 based on the NNDR1 information and assumes no growth in business rates base over the plan period.

## **Council Tax**

In accordance with Objective 6 of this Financial Strategy, the plan makes a clear assumption that future Council Tax increases will be restricted to below Government upper limits. The Government has announced that the limit above which increases in Council Tax must be subject to referendum for 2016/17 is 2% or £5, whichever is higher. With a District wide referendum likely to cost in excess of £70k, the authority must look to manage increases below the thresholds and future forecasts assume the referendum limit will be 2%.

A 1.99% increase in Council Tax has been included within this strategy for 2016/17 in line with the recommendation from the Policy and Resources Committee. Future years Council Tax rises are provisionally predicted at 1.99%.

## ***Inflation rates and pay increases***

The medium term plan makes provision for inflation and pay awards as follows:

*Inflation:* a composite rate of approximately 3% has been used for non-salary expenditure budgets

*Pay awards:* in line with the budget strategy an increase of 1% has been included for 2016/17, in addition a small further provision has been made in line with the current Employers offer to the Unions. Future years are based on a 1% increase.

## ***The ongoing effect of existing policies and priorities***

The ongoing effect of current policies is included in the plan. These additional costs include planned changes in the contribution rate to the Pension Fund, salary increments and revenue implications of capital projects.

## ***Spending Pressures Contingency***

The plan assumes provision to meet spending pressures as follows:-

2017/18 - £340,000

2018/19 - £150,000

2019/20 - £150,000

2019/21 - £150,000

Provision is included for years 2017 onwards to recognise the likelihood of additional burdens/pressures upon the Council. 2017/18 includes provision for the next pension fund revaluation which also will need to consider national pension changes as well as additional replacement vehicles previously funded via grant.

### ***Efficiency savings***

The Council no longer has efficiency targets set by Government. Following review of all services over the years 2011/12, 2012/13 and 2013/14, further efficiencies will be sought, however significant sums are not expected without a radical change in the way services are delivered.

The Budget for 2016/17 includes estimated efficiency savings of £584k. These have been delivered through the Voluntary Redundancy and Budget Review Processes.

### ***Risks, contingencies and balances***

There are significant risks inherent in the Medium Term Plan for the reasons summarised above and exemplified in the section below. A number of key items in the plan cannot be estimated with accuracy and the figures in the plan assume that significant savings will be made. In this situation it is essential to maintain sufficient balances, not only to deal with unforeseen events but also to cover the potential risk of not achieving the savings required.

## **6. DEVELOPMENT OF THE FINANCIAL STRATEGY**

As noted above, the development of the budget and medium term financial plan is driven by the Council's priorities.

The Council already has in place a comprehensive Financial Strategy, and this document represents an update to the existing Strategy. The objectives are to:

- help Members to determine priorities;
- forecast the changes in demand for services;
- identify the likely financial implications of changes in legislation;
- demonstrate the future cost of policies or proposals;
- match the demand for spending with the resources likely to be available; and
- provide a financial framework within which services and individual managers can plan their services.

### **The budget process**

The Financial Strategy comprises a 5-year revenue plan and a 4-year capital plan.

The plans will be reviewed annually and rolled forward by a year. The process, from the start of the review of the financial plans through to the approval and allocation of budgets, spans the whole year.

One of the key features of the budget processes is the linkage between the corporate financial requirements and the operational needs and demands of the Council. This will be done through the Service Delivery Plans that identify funding requirements for the revenue and capital budget, performance outcome expectations and risk assessments.

### **Consultation and Communication**

There is a need for this Strategy to be effectively communicated to staff and key stakeholders. In addition, it is important that in the development of the Strategy, allocations of resources, and the setting of Council Tax that there are effective consultation mechanisms in place.

Looking ahead the following broad actions are planned to ensure effective communication and consultation:-

- Budget Consultation.
- Regular communication with staff at all levels and with Unions

### **Budget Monitoring arrangements**

It is essential that the financial plan is regularly monitored, with the progress being reported to Members. This will be done through the issuing of monthly revenue and capital monitoring reports to Corporate Management Team, and financial and performance monitoring reports to the Resources Working Party and the Policy and Resources Committee.

The monitoring process focuses on high risk budgets and involves:

- Regular dialogue between finance staff and service managers with timely and accurate budget monitoring information
- Quarterly service level performance review boards incorporating budgets and financial performance.

The process requires budget holders to explain the reasons for any significant variances and Heads of Service to identify ways in which such variances can be managed within their total resources available. This is one of the key principles underlying this strategy – that growth items are wherever possible accommodated from existing resources. To achieve this requires a culture of financial awareness within the authority and this is seen as a key priority.

## **7. THE CAPITAL PLANS 2016 - 2020**

The capital strategy is the key vehicle for developing long term change to deliver the key priorities and corporate objectives.

### ***a) Prioritisation methodology***

New schemes are reviewed against the Council priorities plus a detailed assessment of deliverability prior to consideration by Council. This

methodology will be applied to all proposals, regardless of the source of funding, prior to any decision being made to apply for external capital support such as grant funding, so that the Council can ensure that they form part of an overall capital investment strategy.

### ***b) Engagement with partners of the community***

The Council is committed to seeking out innovative partnership and funding opportunities in order to deliver the capital strategy and achieve best value.

The Council has worked closely with funding partners (recently with the HCA). Future projects will continue to be developed through partnership working more likely with the Local Enterprise Partnership (LEP). The Council also recognises the importance of increased community engagement and participation as fundamental to the quality of public services and the health of community life. The Council will therefore seek to develop major projects with the full involvement of local communities and ensure appropriate consultation prior to scheme approval.

### ***c) Affordability of funding***

#### **Financing the Capital Programme for the Future**

Resources to fund capital spending are provided from central government grants, with other external grants and contributions sought. Council funding in the form of capital receipts, use of reserves, borrowing and from revenue sources make up the balance of resources. However, grants provided by central government and resources from other external agencies are often specific to an individual scheme and cannot be used for any other purpose by the Council. The Council has limited scope to generate significant capital receipts other than through the sale of major underutilised assets.

### ***(d) Integration of Capital and Revenue Decision-Making***

#### ***The Prudential Code***

Under the Prudential Regime, which has operated since April 2004, the Council has the responsibility to demonstrate that its capital investment programme is affordable, prudent and sustainable. The Prudential Code requires that this is done by calculating specific indicators for capital expenditure and financing and by setting borrowing limits. The indicators and borrowing limits for the current and next two years are set out at Appendix C.

#### ***Revenue Implications***

The revenue implications of funding the capital programme are built into the medium term financial forecasts.

### ***(e) Framework for Managing and Monitoring the Capital Programme***

The Finance Manager (s151) has overall responsibility for the preparation and monitoring of the Council's capital programme and for reporting the outcome to Members. The process involves:

- Reviewing the capital programme annually.
- Reviewing the current and estimated future availability of external earmarked funding and other opportunities for obtaining or bidding for additional capital resources.
- Prioritising and appraising any new proposals against agreed corporate criteria.
- Preparing the Council's capital programme and strategy.
- Monitoring progress in achieving the capital programme objectives.
- Ensuring that the outcomes of investment are reported to members.
- Ensuring there are effective arrangements for project planning and project evaluation.
- Issuing corporate guidance to ensure that there is a consistent approach across all service areas.
- Reviewing and monitoring the Council's capital resources and asset disposal programme.

Full details of the programme together with funding streams are attached at Appendix E. The programme is split into five sections:

- Asset Management
- Priority Aims
- Major Schemes
- Externally Funded Schemes
- Other

Schemes relating to Asset Management comprise all those that will result in the Council's assets being improved. These can include works to land and buildings or IT upgrades of either hardware or software.

Schemes under Priority Aims are those where the Council has taken a deliberate decision that these will help satisfy its corporate objectives/key priorities.

## **8. BALANCES AND RESERVES**

The Local Government Act 2003 places a specific duty on the Chief Finance Officer, i.e. the Finance Manager (s151), to make a report to the authority when it is considering its budget and the level of the Council Tax. This report must deal with the robustness of the estimates and the adequacy of reserves allowed for in the budget proposals. The Council must have regard to this report in making their decisions.

The Council also has a fiduciary duty to local taxpayers and the Finance Manager (s151) must be satisfied that the decisions taken on the level of balances and reserves represent the proper stewardship of funds.

In assessing the adequacy of the contingencies, balances and reserves, the Finance Manager (s151) takes account of the key financial assumptions underpinning the budget, together with an assessment of the Council's financial management arrangements. This assessment will include a review of past performance and external influences on the financial plan, and full consideration of the risks and uncertainties associated with the plan, their likelihood and potential impact.

The Council's policy is to maintain its contingencies, balances and reserves at levels that are prudent but not excessive. With the outlook for 2016/17 and beyond being very tough, and the scale and risk of achieving cost reduction being high, any reserves identified as being surplus should be prioritised for invest to save schemes and, if required, to smooth the curve of cost reduction in the light of timescales needed to drive costs out.

Appendix D details the position on the Councils Reserves.

## **9. IMPACT/RISK ASSESSMENT**

This section recognises the challenges and risks that have implications for the Council's financial position in the medium term. This assessment of risk is an essential element of the budget process; it is used to inform decisions about the appropriate levels of contingencies and reserves that may be required and to indicate priorities for financial monitoring.

Managing Risk is an important part of the Financial Strategy. In addition to the Corporate Risk Register each service maintains its own risk register. The Corporate Risk Register will be reported to the Overview and Scrutiny Committee during the forthcoming year.

The key risks identified for 2016/17 and in the medium term are listed below, together with comments on how they will be managed:

<b>Issue/Risk</b>	<b>Consequences if allowed to happen</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>	<b>Mitigated Likelihood</b>	<b>Mitigated Impact</b>
Fluctuations in inflation, Government grants, business rate receipts and changes in Government legislation	Council unable to set a balanced budget without significant cuts to services and service quality, adverse external inspection, excessive call on Council reserves	Very Likely	Major	Keep under review through the financial strategy. Consider fully any changes in legislation. Ensure adequate reserves are maintained to mitigate the risk. Ensure authorities interests are represented through the LGA/other groups. Memberships of business rate pool to retain increased business rates. Prioritise work on receipt of NHB. Ensure Longer Term plans for significant variations are in place.	Likely	Medium
Budgets are overspent	Unplanned use of reserves which may impact on future year Council Tax, adverse external inspection	Not Likely	Major	Robust budget setting, challenging budget provision. Regular monitoring with corrective actions. Develop a culture of financial awareness. Effective project planning and management. Ensure sufficient contingency sums. Review of any material overspends.	Not Likely	Minor
Savings are not achieved	If compensating savings not identified unplanned use of reserves, potential for cuts to services or service levels	Likely	Major	Regular budget monitoring to identify issues at an early stage. Detailed scrutiny and review of all savings proposals prior to approval.	Not Likely	Minor



Changes in demand/usage levels affecting income from fees and charges	Unplanned use of reserves with potential to impact on future Council Tax levels or requiring cuts to services or service levels	Very Likely	Major	Ensure regular monitoring Review trends Take appropriate action Ensure base income budgets are realistic.	Likely	Medium
Business Rate Pool does not generate savings through significant appeals success across the pool area.	NNDR deficit to be carried forward to future years, possibly leading to service reductions elsewhere being required/use of NHB.	Likely	Medium	Significant risk management work undertaken before pool formed reviewing pool membership and rates risk. Prudent assumptions on business rates income taken into revenue forecasts.	Not Likely	Medium
Budget does not reflect corporate priorities	Council fails to achieve Corporate plan with consequent impact on Community Plan. Adverse external inspection.	Not Likely	Major	Ensure corporate involvement in the process. Early consideration of budget pressures and legislation changes. Regular reporting to members. Up to date Service Delivery plans in place linked to corporate plan.	Not Likely	Minor
The capital programme is not affordable	Council may need to remove existing planned schemes from the programme or use reserves earmarked for other purposes. Adverse external inspection.	Likely	Major	Schemes are monitored and reported on a regular basis. Financing profile based on realistic assumptions. Ensure only fully evaluated schemes are included within the programme with sufficient contingency sums.	Not Likely	Medium
Poor budget planning with decisions being made without	Council fails to meet community needs, adverse	Likely	Major	Develop a long-term financial strategy. Set out a clear budget	Not Likely	Minor

proper consideration/consultation	impact on Corporate and Community Plan. Adverse external inspection			timetable. Regular updates to Members. Effective ongoing consultation processes.		
Council Tax Support scheme –above expected demand or collection rates not achieved	Collection fund into deficit which may require savings/cuts in future years. Impact on other major preceptors	Likely	Major	Proper assessment of likely take up based on historic trends, comparison with other authorities, in year monitoring of spend and collection. Regular reporting to members and s(151). Annual approval of the scheme.	Not Likely	Major
Decision on Pension fund contribution rates create future significant cost pressure	Additional savings/cuts to services required in future years	Likely	Major	Market interest rates and investment returns are expected to improve. Monitor interim valuations and make provision in financial forecasts.	Likely	Medium

## **10. PAY POLICY 2016/17**

The Localism Act 2011 requires that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. The Pay Policy for 2016/17 is incorporated within this Financial Strategy at Appendix F.

## **11. CONCLUSION**

This Financial Strategy sets out a range of proposals regarding the future management of resources and delivery of priorities.

The Strategy is underpinned by nine key Objectives, which are set out within section 2.

The process of developing the Financial Strategy is ongoing. Although there is a considerable amount of work to be done, and further improvements to be made, the Council has put in place the framework for ensuring a strong financial base that delivers priorities. This strong financial base has been previously commented upon within External Audit reports, with the Council receiving high scores for its financial management and reporting.

As far as possible, the plan anticipates future needs and recognises the financial uncertainties, risks and challenges faced by the Council. The Council has in place rigorous financial monitoring and aims to ensure it holds balances and reserves that are considered adequate without being excessive.

Consequently, Ryedale now has in place a sound Financial Strategy and a robust financial plan that is designed to support the delivery of the targets in the Corporate Plan and meet the Council's Objectives.

## APPENDIX A

### 2016/17 Budget Pressures

		£'000
<b>Additional Costs</b>		
- Insurance Premiums	Increased costs	17
- Dry Recycling	Reduced Income from Dry Recycling contract	65
- Pension Contributions	Annual increase	11
- Contributions to outside organisations	LEP and Ecological data centre	26
- Court costs	Reduction in income	21
- Increase in Employers NI Contributions	Statutory increase	109
- Other Growth items		48
<b>Specific Grants</b>		
- 15/16 CT Freeze Grant	Base lined into 2016/17 Revenue Support Grant	39
- IER Grant	Fall out of grant	11
- LCTS New Burden Grant	Cut to grant	10
- 15/16 NHB adjustment grant	Fall out of grant in 2015/16	5
- Benefits Admin Subsidy	Cut to grant	48
<b>Total</b>		<b>410</b>

### 2016/17 Efficiencies/Savings/Additional Income Proposals

Proposal	Savings £'000	Risk L/M/H
- Budget Review Efficiencies	67	L
- Additional Income	20	L
- Reduction in Grant Expenditure	22	L
- District Election	40	L
- Net Salary Savings	435	L
<b>Total of Savings</b>	<b>584</b>	

**APPENDIX B**

**Medium Term Revenue Forecast 2016/17 - 2020/21**

	2016/17 Projection £'000	2017/18 Projection £'000	2018/19 Projection £'000	2019/20 Projection £'000	2020/21 Projection £'000	
Base Budget and Inflation						
Base Budget	6,823	6,382	6,135	6,090	6,026	
Pay Increase & General Inflation	126	150	150	150	150	
	6,949	6,532	6,285	6,240	6,176	
Add Future Cost Increases						
Budget Pressures	409	340	150	150	150	
Capital Programme Borrowing	0	0	0	0	0	
Deduct Future Savings:						
Efficiencies/Service Cuts/Additional Income	-584	-613	-239	-258	-249	
NHB Applied to Revenue (Additional)	-251	-18	0	0	0	
Increase in Rural Service Delivery Grant	-141	-106	-106	-106	-106	
Net Revenue Budget	6,382	6,135	6,090	6,026	5,971	
<b>Financing</b>						
RSG	763	379	143	-120	-380	
Business Rates	1,775	1,810	1,846	1,883	1,921	
Collection Fund Surplus	69	25	25	25	25	
Council Taxpayers	3,703	3,851	3,999	4,157	4,322	
CT Base Growth	72	70	77	80	83	
Budget Requirement	6,382	6,135	6,090	6,026	5,971	
NHB Earned	1,676	1,685	1,059	1,016	1,016	
Applied to Revenue cumulative	810	828	828	828	828	
Applied to Capital	188	188	188	188	188	
To be allocated	678	669	43	0	0	1,390

**Prudential Indicators****Capital Expenditure**

The actual capital expenditure that was incurred in 2014/15 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2014/15 Actual £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Capital Programme	1.331	2.206	1.295	0.749	0.695

**Ratio of Financing Costs to Net Revenue Stream**

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2014/15 are:

	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Non HRA	1.47%	3.05%	3.85%	3.04%	2.51%

**Capital Financing Requirement**

Estimates of the Capital Financing Requirement for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2015 are:

	2014/15 Actual £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Total CFR	1.526	2.336	2.747	2.523	2.292

The Capital Financing Requirement (CFR) measures the authority's underlying need to borrow for a capital purpose.

CIPFA's' Prudential Code for Capital Finance in Local Authorities' includes the following as a key indicator of prudence:

*“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years.”*

The Finance Manager (s151) reports that the authority had no difficulty meeting this requirement in 2014/15, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### **Authorised Limit for External Debt**

In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt gross of investments for the next three financial years, and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. These limits separately identify borrowing from other long-term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to the Finance Manager (s151), within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000
Borrowing	10,000	10,000	10,000	10,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000
Authorised Limit	11,000	11,000	11,000	11,000

The Finance Manager (s151) reports that these authorised limits are consistent with the Authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Finance Manager (s151) confirms that they are based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

## **Operational Boundary for external debt**

The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Finance Manager's (s151) estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the Finance Manager (s151). Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also asked to delegate authority to the Finance Manager (s151); within the total operational boundary for any individual year; to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	700	800	600	400
Operational Boundary	5,700	5,800	5,600	5,400

The Council's actual external debt at 31 March 2015 was £1.75m. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.

In taking its decisions on this budget report, the Council is asked to note that the Authorised Limit determined for 2016/17 (see above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

## **Estimate of Incremental Impact of Capital Investment**

The estimate of the incremental impact of capital investment decisions proposed in this budget report, over and above capital investment decisions that have previously been taken by the Council are:

For the Band D Council Tax	2016/17 £0.59	2017/18 £0.94	2018/19 £1.35
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These forward estimates are not fixed and do not commit the Council.



## Consideration of options for the capital programme

In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax
- prudence and sustainability, e.g. implications for external borrowing
- value for money, e.g. option appraisal
- stewardship of assets, e.g. asset management planning
- service objectives, e.g. strategic planning for the authority
- practicality, e.g. achievability of the forward plan.

A key measure of affordability is the incremental impact on the Council Tax, and the Council could consider different options for its capital investment programme in relation to their differential impact on the Council Tax.

APPENDIX D

**Key Reserves and Balances**

	General Reserve	Capital Fund	Capital Receipts	Capital Grants & Conts	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2015</b>	<b>547</b>	<b>1,413</b>	<b>187</b>	<b>0</b>	<b>2,147</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	680	-	-	680
Interest on Investment of Balances	-	65	-	-	65
Capital Receipts	-	-	443	-	443
Capital Grants & Contributions	-	-	-	245	245
	<b>547</b>	<b>2,158</b>	<b>630</b>	<b>245</b>	<b>3,580</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-823	-443	-245	-1511
<b>Estimated Balance 31 March 2016</b>	<b>547</b>	<b>1,335</b>	<b>187</b>	<b>-</b>	<b>2,069</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	263	-	-	263
Interest on Investment of Balances	-	60	-	-	60
Capital Receipts	-	-	30	-	30
Capital Grants & Contributions	-	-	-	200	200
	<b>547</b>	<b>1,658</b>	<b>217</b>	<b>200</b>	<b>2,622</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-745	-30	-200	-975
<b>Estimated Balance 31 March 2017</b>	<b>547</b>	<b>913</b>	<b>187</b>	<b>-</b>	<b>1,647</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	126	-	-	126
Capital Receipts	-	-	30	-	30
Capital Grants & Contributions	-	-	-	200	200
	<b>547</b>	<b>1,114</b>	<b>217</b>	<b>200</b>	<b>2,078</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-519	-30	-200	-749
<b>Estimated Balance 31 March 2018</b>	<b>547</b>	<b>595</b>	<b>187</b>	<b>-</b>	<b>1,329</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	164	-	-	164
Capital Receipts	-	-	30	-	30
Capital Grants & Contributions	-	-	-	200	200
	<b>547</b>	<b>834</b>	<b>217</b>	<b>200</b>	<b>1,798</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-465	-30	-200	-695
<b>Estimated Balance 31 March 2019</b>	<b>547</b>	<b>369</b>	<b>187</b>	<b>-</b>	<b>1,103</b>

## APPENDIX E

### RYEDALE DISTRICT COUNCIL - PROPOSED CAPITAL PROGRAMME 2015/16 TO 2019/20

Category / Scheme	2015/16 Rev Est £'000	2015/16 Forecast £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	Total Cost £'000	External Funding £'000	Net RDC Cost £'000	Net Cumulative £'000	Comments	External Funding Assumptions		Revenue Implications															
												£'000	Comments	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Comments										
<b>ASSET MANAGEMENT</b>																													
Car Parks Major Repairs	11	11	0	0	0	0	11	0	11	11	In accordance with Asset Mgt Plan. Hth & Safety risk	0		0	0	0	0	0	0	0									
Vehicle Replacement Programme	79	79	50	50	20	20	219	0	219	230	Replacement for recycling, street cleansing and grass cutting services	0		0	0	0	0	0	0										
Public Conveniences Refurbishment	8	8	0	0	0	0	8	0	8	238	Refurbishment of sites	0		0	0	0	0	0	0										
Wall Repairs Land Castlegate Malton	18	18	0	0	0	0	18	0	18	256	Repairs to boundary walls	0		0	0	0	0	0	0										
Ryedale Pool Major Repairs	33	33	0	0	0	0	33	0	33	289	Necessary works over the life of this capital programme	0		0	0	0	0	0	0										
Trade Waste Equipment	15	15	0	0	0	0	15	0	15	304	Replacement of trade waste bulk bins	0		0	0	0	0	0	0										
Property Condition Survey	243	243	125	125	125	110	728	0	728	1,032	Programme of minor capital works to property portfolio	0		0	0	0	0	0	0										
IT Infrastructure Strategy	234	234	57	24	0	0	315	0	315	1,347	Essential upgrade of IT Infrastructure	0		0	0	0	0	0	0										
Replacement of Garage Inspection pit	50	50	0	0	0	0	50	0	50	1,397	Essential upgrade to accommodate new style of vehicle	0		0	0	0	0	0	0										
	<b>691</b>	<b>691</b>	<b>232</b>	<b>199</b>	<b>145</b>	<b>130</b>	<b>1,397</b>	<b>0</b>	<b>1,397</b>			<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>										
<b>PRIORITY AIMS - HOUSING</b>																													
Aff Hsg Init - Exception Sites Land Purchase	100	100	0	0	0	0	100	0	100	1,497	Contribution to RSL land acquisitions	0		0	0	0	0	0	0										
Aff Hsg Init - Property Improvement Loans	145	145	95	95	95	75	505	0	505	2,002	Recoverable Loans to ensure properties are to the decent home standard	0		0	0	0	0	0	0										
Aff Hsg Init - Landlord Improvement Loans/Grants	130	130	80	80	80	60	430	0	430	2,432	Recoverable Loans or Grants to Landlords	0		0	0	0	0	0	0										
Private Sector Energy Efficiency Grants	71	71	50	50	50	40	261	0	261	2,693	Provide insulation improvements	0		0	0	0	0	0	0										
Private Sector Renewal - Disabled Facilities Grants	437	437	325	325	325	290	1,702	1,045	657	3,350	Improve access to and within properties for people	1,045	DCLG	0	0	0	0	0	0										
Mortgage Rescue Scheme	21	21	0	0	0	0	21	0	21	3,371	Scheme in partnership with Registered Social Landlord	0		0	0	0	0	0	0										
	<b>904</b>	<b>904</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>465</b>	<b>3,019</b>	<b>1,045</b>	<b>1,974</b>			<b>1,045</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>										
<b>PRIORITY AIMS - JOBS</b>																													
Expansion of Derwent Training	30	30	0	0	0	0	30	0	30	3,401	Provision for contribution to external scheme	0		0	0	0	0	0	0										
	<b>30</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>30</b>			<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>										
<b>MAJOR SCHEMES</b>																													
A64 Brambling Fields Junction Upgrade	82	199	0	0	0	0	199	317	-118	3,283	Contribute to upgrade for improvement to traffic management in Malton	317	Developer Contributions	122	117	117	117	117											
	<b>82</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>199</b>	<b>317</b>	<b>-118</b>			<b>317</b>		<b>122</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>											
<b>OTHER SCHEMES</b>																													
Helmsley CPO	0	0	513	0	0	0	513	0	513	3,796																			
Pickering Flood Defence	200	200	0	0	0	0	200	0	200	3,996	Major grant contribution to Environment Agency Scheme	0		0	0	0	0	0	0										
Assembly and Milton Rooms - Preservation Works	182	182	0	0	0	0	182	0	182	4,178	Work required under terms of lease to prevent further deterioration of building	0		0	0	0	0	0	0										
	<b>382</b>	<b>382</b>	<b>513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>895</b>	<b>0</b>	<b>895</b>			<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>										
<b>TOTAL OF PROPOSED CAPITAL PROGRAMME</b>	<b>2,089</b>	<b>2,206</b>	<b>1,295</b>	<b>749</b>	<b>695</b>	<b>595</b>	<b>5,540</b>	<b>1,362</b>	<b>4,178</b>			<b>TOTAL</b>	<b>1,362</b>	<b>TOTAL</b>	<b>122</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>										

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES

£238k

### CAPITAL PROGRAMME 2015/16 TO 2019/20 - SUMMARY OF FUNDING

Source of Funding	2015/16 Rev Est Funding £'000	2015/16 Forecast Funding £'000	2016/17 Estimate Funding £'000	2017/18 Estimate Funding £'000	2018/19 Estimate Funding £'000	2019/20 Estimate Funding £'000	Total Estimate Funding £'000	Scheme
<b>External Grants and Contributions</b>								
Department Communities & Local Government (DCLG)	245	245	200	200	200	200	1,045	Private Sector Renewal - Disabled Facilities Grant A64 Brambling Fields
Developers Contributions	200	317	0	0	0	0	317	
<b>Total External Grants and Contributions</b>	<b>445</b>	<b>562</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1,362</b>	
<b>Ryedale DC Funding of Schemes</b>	<b>1,644</b>	<b>1,644</b>	<b>1,095</b>	<b>549</b>	<b>495</b>	<b>395</b>	<b>4,178</b>	
<b>TOTAL FUNDING OF CAPITAL PROGRAMME</b>	<b>2,089</b>	<b>2,206</b>	<b>1,295</b>	<b>749</b>	<b>695</b>	<b>595</b>	<b>5,540</b>	

#### CAPITAL INVESTMENT PLAN - RESERVE LIST

	Estimated Year	Max Cost £'000	Net Cost RDC £'000	
Targetted A64 Improvements	2018-2021	50,000	3,300	
Livestock Market Relocation	2016/17	2,500	500	Proposed Loan Arrangement
Malton & Norton Transport Improvements Package	2016-2019	1,900	650	Possible funding from Community Infrastructure Levy (£500k)
Milton Rooms Redevelopment	2017	4,500	1,000	
Redevelopment of Malton Public Transport Interchange	2017-2019	1,000	200	Possible funding from Community Infrastructure Levy (£200k)
High speed broadband to Ryedale Business Parks	2016/17	200	n/k	
Replacement of Derwent Pool	2018+	4,000	2,000	
Flood prevention/alleviation Schemes	2016-17	2,600		

**PAY POLICY STATEMENT 2016 - 2017****CONTENTS**


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## **1. INTRODUCTION**

In accordance with Sections 38 – 43 of the Localism Act 2011 the authority is required to produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement sets out the arrangements and meets the requirements of the Localism Act. It also complies with the guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. This policy also correlates with the data on pay and reward for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011). It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex A to this policy statement.

## **2. DEFINITION OF OFFICERS COVERED BY THE POLICY STATEMENT**

This policy statement covers the following posts:

1. Head of the Paid Service, which in this authority is the post of Chief Executive
2. Chief Financial Officer (s151)
3. Monitoring Officer
4. Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service) which in this authority are the posts of:
  - Corporate Director
  - Head of Economy
  - Head of Corporate Services
5. Deputy Chief Officers (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
  - Head of Planning and Housing
  - Head of Environment, Streetscene and Facilities

## **3. POLICY ON REMUNERATING CHIEF OFFICERS**

The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Annex B. The Chief Executive's and Corporate Director's remuneration packages are set by Elected Members. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skill level, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time. The Chief Executive and the Corporate Director are the only employees appointed by Elected Members.

#### **4. POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE**

The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Council decisions. These are then incorporated into contracts of employment. The lowest pay point in this authority is Scale 1 point 6 which equates to an annual salary of £13,614 (i.e. £7.0565 per hour). This Council adopted the payment of a 'Living Wage' of £7.85 per hour with effect from 1 November 2015, which is paid as a supplement to the nationally agreed rate for all employees on spinal column points 6 to 10 inclusive.

#### **5. POLICY ON THE RELATIONSHIP BETWEEN CHIEF OFFICER REMUNERATION AND THAT OF OTHER STAFF**

The highest paid salary in this authority is £104,460 (2014/2015 £104,460) which is paid to the Chief Executive.

The average median salary in this authority is £19,742. The ratio between the two salaries, the 'pay multiple' is 5.29:1.

This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

#### **6 POLICY ON OTHER ASPECTS OF CHIEF OFFICER REMUNERATION**

Other aspects of Chief Officer remuneration are covered by this policy statement. These other aspects are defined as these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, termination payments, transparency and re-employment when in receipt of an LGPS pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Annex C.

#### **7 APPROVAL OF SALARY PACKAGES IN EXCESS OF £100K**

The authority will ensure that, prior to an offer being made, any salary package for any post that is in excess of £100k will be considered by Full Council. The salary package will be defined as base salary, fees, routinely payable allowances and benefits in kind that are due under the contract.

#### **8 FLEXIBILITY TO ADDRESS RECRUITMENT ISSUES FOR VACANT POSTS**

In the vast majority of circumstances the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a

departure from this policy can be implemented except for the appointment of the Chief Executive or Corporate Director.

## **9 AMENDMENTS TO THE POLICY**

It is anticipated that this policy will not need to be amended during the period it covers (1 April 2016 to 31 March 2017), however if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft policy will be presented to Full Council for consideration.

## **10 POLICY FOR FUTURE YEARS**

This policy statement will be reviewed each year and will be presented to Full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.



The Secretary of State for CLG Code of Recommended Practice for Local Authorities on Data Transparency indicates that local authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and numbers of staff for all staff in receipt of a salary of more than £58,200
- An organisational chart of the staff structure of the authority including salary bands and details of currently vacant posts
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole authority workforce

The Accounts and Audit (England) Regulations (2011) require that the following data is included in the authority's accounts:

- Numbers of employees with a salary above £50k per annum (pro-rata for part time staff) in multiples of £5k
- Job title, remuneration and employer pension contributions for senior officers. Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act
- Names of employees paid over £150k per annum

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year
- Bonuses paid or receivable for the current and previous year
- Expenses paid in the previous year
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment
- Total estimated value of non-cash benefits that are emoluments of the person

For the above pension contributions to include:

- The amount driven by the authority's set employer contribution rate
- Employer costs incurred relating to any increased membership or award of additional pension.

## ANNEX B

<b>Aspect of Chief Officer Remuneration</b>	<b>RDC Policy</b>
Recruitment	The post will be advertised and appointed to at the appropriate approved salary for the post in question unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the Council's policy and any variation will be approved through the appropriate decision making process.
Pay Increases	The Council will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The Council will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts subject to approval by the appropriate decision making process.
Additions To Pay	The Council would not make additional payments beyond those specified in the contract of employment.
Performance Related Pay	The Council does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed in accordance with Council Policy.
Earn-Back ( Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Termination Payments	The Council applies its normal redundancy payment arrangements to senior officers and does not have separate provisions for senior officers. The Council also applies the appropriate Pensions regulations when they apply. The Council has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred regarding senior officers are published in the Council's accounts as required under the Accounts and Audit (England) Regulations 2011.
Transparency	The Council meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.

Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment	The Council is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The Council will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.
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**ANNEX C**

<b>Post</b>	<b>Base Salary</b>	<b>Expenses</b>	<b>Bonuses</b>	<b>PRP</b>	<b>Earn-Back</b>	<b>Honoraria</b>	<b>Ex-Gratia Payments</b>	<b>Election Fees</b>	<b>Joint Authority Duties</b>	<b>Severance Arrangements</b>
Chief Executive	£104,460	Paid through normal authority procedures	None	None	None	None	None	Election duty fees are paid in accordance with normal authority and national procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2016/17.
Corporate Director	£71,400	Paid through normal authority procedures	None	None	None	None	None	Election duty fees are paid in accordance with normal authority procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2016/17.

<b>Post</b>	<b>Base Salary</b>	<b>Expenses</b>	<b>Bonuses</b>	<b>PRP</b>	<b>Earn-Back</b>	<b>Honoraria</b>	<b>Ex-Gratia Payments</b>	<b>Election Fees</b>	<b>Joint Authority Duties</b>	<b>Severance Arrangements</b>
Head of Planning and Housing	£56,316	Paid through normal authority procedures	None	None	None	Paid through normal authority procedures, none planned.	Paid through normal authority procedures, none planned.	Election duty fees paid in accordance with normal authority and national procedures	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments are anticipated for 2016/2017
Head of Corporate Services	£56,316									
Head of Economy & LEP	£56,316									
Head of Environment, Streetscene and Facilities.	£50,263									
Council Solicitor/Monitoring Officer	£56,316									
Finance Manager (s151)	£43,853					£3,000				

# **REVENUE BUDGET**

**2016-17**

**COUNCILLOR LINDA COWLING**  
Chairman of the Policy & Resources Committee

**P C JOHNSON**  
Finance Manager (s151)

# REVENUE BUDGET 2016-17

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# **GENERAL FUND SUMMARY**



**GENERAL FUND SUMMARY**

<b>2014/15 Actual £</b>	<b>2015/16 Original Estimate £</b>	<b>2015/16 Revised Estimate £</b>	<b>Service</b>	<b>2016/17 Original Estimate £</b>
			<b>CENTRAL SERVICES</b>	
832,015	988,870	973,870	Central Services to the Public	844,110
1,207,435	1,214,730	1,214,730	Corporate & Democratic Core	1,207,270
-201,450	11,900	11,900	Non Distributed Costs	8,410
-2,344,740	-1,487,480	-1,600,480	Other Operating Income & Expenditure	-1,026,767
-506,740	728,020	600,020	<b>Total</b>	<b>1,033,023</b>
1,250,809	1,297,750	1,297,750	<b>CULTURAL &amp; RELATED SERVICES</b>	1,015,090
2,907,328	2,450,890	2,535,890	<b>ENVIRONMENTAL &amp; REGULATORY SERVICES</b>	2,401,890
1,148,691	1,223,890	1,343,890	<b>PLANNING SERVICES</b>	1,113,270
-424,501	-503,450	-503,450	<b>HIGHWAYS &amp; TRANSPORT SERVICES</b>	-538,440
1,398,612	1,155,410	1,155,410	<b>HOUSING SERVICES</b>	1,067,150
<b>5,774,199</b>	<b>6,352,510</b>	<b>6,429,510</b>		<b>6,091,983</b>
1,451,063	470,750	393,750	<b>CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES</b>	289,626
<b>7,225,262</b>	<b>6,823,260</b>	<b>6,823,260</b>	<b>TOTAL NET EXPENDITURE</b>	<b>6,381,609</b>

**NOTES**

The preparation of this budget is in compliance with the Service Reporting Code of Practice and it is presented using the mandatory division of service headings stipulated in the Code.

A further subdivision of the expenditure is analysed under discretionary headings and is shown on pages 48 to 51.

**DETAIL OF  
NET EXPENDITURE**

**DETAIL OF NET EXPENDITURE**

<b>2014/15 Actual</b>	<b>2015/16 Original Estimate</b>	<b>2015/16 Revised Estimate</b>	<b>Division / Subdivision of Service</b>	<b>2016/17 Original Estimate</b>	<b>Line Ref</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	
			<b>CENTRAL SERVICES TO THE PUBLIC</b>		
139,254	134,210	134,210	<b>General Grants, Bequests &amp; Donations</b>	133,740	1
36,987	48,480	48,480	<b>Emergency Planning</b>	49,590	2
			<b>Local Tax Collection</b>		
190,761	192,560	192,560	Local Council Tax Support Scheme	185,270	3
-25,552	-	-	Council Tax Benefits	-	4
303,535	315,950	315,950	Council Tax Collection	290,810	5
-1,441	13,000	13,000	Non-Domestic Rates Collection	-19,220	6
<b>467,303</b>	<b>521,510</b>	<b>521,510</b>	<b>Sub Total</b>	<b>456,860</b>	
			<b>Elections</b>		
94,690	171,620	171,620	Conducting Elections	72,690	7
120,298	126,240	126,240	Registration of Electors	126,790	8
<b>214,988</b>	<b>297,860</b>	<b>297,860</b>	<b>Sub Total</b>	<b>199,480</b>	
-26,517	-13,190	-28,190	<b>Local Land Charges</b>	4,440	9
<b>832,015</b>	<b>988,870</b>	<b>973,870</b>	<b>Total Central Services to the Public</b>	<b>844,110</b>	
			<b>CORPORATE &amp; DEMOCRATIC CORE</b>		
545,299	550,170	550,170	<b>Corporate Management</b>	561,580	10
662,136	664,560	664,560	<b>Democratic Representation &amp; Management</b>	645,690	11
<b>1,207,435</b>	<b>1,214,730</b>	<b>1,214,730</b>	<b>Total Corporate &amp; Democratic Core</b>	<b>1,207,270</b>	
			<b>NON DISTRIBUTED COSTS</b>		
			<b>Non Distributed Costs</b>		
-33,076	-	-	Retirement Benefits	-	12
-168,374	11,900	11,900	Costs of Unused Shares of Assets	8,410	13
<b>-201,450</b>	<b>11,900</b>	<b>11,900</b>	<b>Sub Total</b>	<b>8,410</b>	
<b>-201,450</b>	<b>11,900</b>	<b>11,900</b>	<b>Total Non Distributed Costs</b>	<b>8,410</b>	
			<b>OTHER OPERATING INCOME &amp; EXPENDITURE</b>		
31,920	103,540	65,540	<b>External Interest Payable</b>	101,260	14
			<b>Interest &amp; Investment Income</b>		
-70,835	-59,000	-79,000	Interest & Investment Income	-65,000	15
349,230	-26,750	-21,750	Investment Property	-18,480	16
<b>278,395</b>	<b>-85,750</b>	<b>-100,750</b>	<b>Sub Total</b>	<b>-83,480</b>	
678,000	1,120,000	1,120,000	<b>Pensions Interest Cost &amp; Expected Return on Assets</b>	680,000	17
4,436,000	-	-	<b>Pensions Actuarial Gains &amp; Losses</b>	-	18
-957,410	-	-	<b>Surplus or Deficit on Revaluation of PP&amp;E Assets</b>	-	19
			<b>Other Corporate Costs &amp; Operating Expenditure</b>		
19,365	94,610	34,610	General Financial Provisions	72,353	20
-19,906	-	-	Capital Receipts Unattached to Non Current Assets	-	21
<b>-541</b>	<b>94,610</b>	<b>34,610</b>	<b>Sub Total</b>	<b>72,353</b>	
-1,278,373	-1,443,910	-1,443,910	<b>Non Ringfenced Government Grants</b>	-1,820,190	22
-5,532,731	-1,275,970	-1,275,970	<b>Adjs between Accounting &amp; Funding under Regulations</b>	23,290	23
<b>-2,344,740</b>	<b>-1,487,480</b>	<b>-1,600,480</b>	<b>Total Other Operating Income &amp; Expenditure</b>	<b>-1,026,767</b>	

**DETAIL OF NET EXPENDITURE (CONTINUED)**

<b>2014/15 Actual £</b>	<b>2015/16 Original Estimate £</b>	<b>2015/16 Revised Estimate £</b>	<b>Division / Subdivision of Service</b>	<b>2016/17 Original Estimate £</b>	<b>Line Ref</b>
			<b>CULTURAL &amp; RELATED SERVICES</b>		
			<b>Culture &amp; Heritage</b>		
39,210	48,440	48,440	Museums & Galleries	45,230	24
73,783	73,720	73,720	Arts Development & Support	72,930	25
112,993	122,160	122,160	<b>Sub Total</b>	118,160	
			<b>Open Spaces</b>		
183,668	112,280	112,280	Community Parks & Open Spaces	101,390	26
			<b>Recreation &amp; Sport</b>		
25,188	243,390	243,390	Community Centres & Public Halls	26,860	27
653,373	631,110	631,110	Indoor Sports & Recreation Facilities	639,270	28
8,251	8,760	8,760	Outdoor Sports & Recreation Facilities	8,960	29
53,532	10,210	10,210	Sports Development & Community Recreation	8,560	30
740,344	893,470	893,470	<b>Sub Total</b>	683,650	
			<b>Tourism</b>		
130,941	127,750	127,750	Tourism Policy, Marketing & Development	111,890	31
82,863	42,090	42,090	Visitors Centres	-	32
213,804	169,840	169,840	<b>Sub Total</b>	111,890	
<b>1,250,809</b>	<b>1,297,750</b>	<b>1,297,750</b>	<b>Total Cultural &amp; Related Services</b>	<b>1,015,090</b>	
			<b>ENVIRONMENTAL &amp; REGULATORY SERVICES</b>		
			<b>Cemetery, Cremation &amp; Mortuary Services</b>		
1,128	31,830	31,830	Closed Churchyards	32,780	33
17,783	-	-	<b>Community Safety (CCTV)</b>	-	34
48,235	60,570	60,570	<b>Community Safety (Crime Reduction)</b>	57,030	35
			<b>Flood Defence &amp; Land Drainage</b>		
364,154	16,510	16,510	Defences Against Flooding	16,220	36
86,540	89,600	89,600	Land Drainage & Related Work	95,630	37
450,694	106,110	106,110	<b>Sub Total</b>	111,850	
			<b>Recycling</b>		
662,042	556,670	621,670	Recycling Collection	580,470	38
			<b>Regulatory Services</b>		
444	16,850	16,850	Alcohol & Entertainment Licensing	19,230	39
119,761	140,950	140,950	Animal & Public Health	140,540	40
91,019	93,580	93,580	Environmental Protection	83,390	41
162,502	138,810	138,810	Food Safety	142,130	42
42,179	41,280	41,280	Health & Safety	42,260	43
10,114	10,420	10,420	Infectious Disease Control	10,660	44
43,556	36,680	36,680	Pest Control	39,090	45
308,136	277,410	277,410	Public Conveniences	259,120	46
-1,924	-770	-770	Taxi Licensing	-1,330	47
44,334	68,110	68,110	Water Safety	40,840	48
50,645	50,000	50,000	Noise & Nuisance	43,910	49
870,766	873,320	873,320	<b>Sub Total</b>	819,840	
341,443	318,660	318,660	<b>Street Cleansing</b>	326,270	50
			<b>Trade Waste</b>		
-54,978	-49,250	-29,250	Trade Waste Collection	-64,260	51
			<b>Waste Collection</b>		
570,215	552,980	552,980	Household Waste Collection	537,910	52
<b>2,907,328</b>	<b>2,450,890</b>	<b>2,535,890</b>	<b>Total Environmental &amp; Regulatory Services</b>	<b>2,401,890</b>	

**DETAIL OF NET EXPENDITURE (CONTINUED)**

<b>2014/15 Actual</b>	<b>2015/16 Original Estimate</b>	<b>2015/16 Revised Estimate</b>	<b>Division / Subdivision of Service</b>	<b>2016/17 Original Estimate</b>	<b>Line Ref</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	
			<b>PLANNING SERVICES</b>		
			<b>Building Control</b>		
-27,692	59,580	59,580	Building Regulations	60,000	53
-3,298	-2,960	-2,960	Other Building Control Work	-3,200	54
-30,990	56,620	56,620	<b>Sub Total</b>	56,800	
			<b>Business Support</b>		
30,167	61,000	61,000	Grants/Loans & Guarantees	12,000	55
1,500	27,000	27,000	Premises Development	25,000	56
-	50,010	50,010	Support to Business & Enterprise	49,450	57
31,667	138,010	138,010	<b>Sub Total</b>	86,450	
86,973	84,760	84,760	<b>Community Development</b>	84,800	58
			<b>Development Control</b>		
212,102	211,030	211,030	Advice	204,320	59
-52,049	-66,300	53,700	Dealing with Applications	-61,630	60
136,568	170,330	170,330	Enforcement	167,610	61
296,621	315,060	435,060	<b>Sub Total</b>	310,300	
			<b>Economic Development</b>		
-36,002	-50,770	-50,770	Market Undertakings	-50,260	62
84,133	31,000	31,000	Training & Employment	-	63
224,393	154,050	154,050	Promotion & Marketing of the Area	181,890	64
272,524	134,280	134,280	<b>Sub Total</b>	131,630	
144,758	152,630	152,630	<b>Environmental Initiatives</b>	108,040	65
			Environmental Initiatives General		
			<b>Planning Policy</b>		
11,643	9,310	9,310	Conservation & Listed Buildings Policy	7,200	66
97,788	84,300	84,300	Local Development Framework	83,900	67
237,707	248,920	248,920	Local Plans General	244,150	68
347,138	342,530	342,530	<b>Sub Total</b>	335,250	
<b>1,148,691</b>	<b>1,223,890</b>	<b>1,343,890</b>	<b>Total Planning Services</b>	<b>1,113,270</b>	
			<b>HIGHWAYS &amp; TRANSPORT SERVICES</b>		
			<b>Parking Services</b>		
-484,793	-559,010	-559,010	Off-Street Parking	-593,690	69
			<b>Public Transport</b>		
60,292	55,560	55,560	Support to Operators	55,250	70
<b>-424,501</b>	<b>-503,450</b>	<b>-503,450</b>	<b>Total Highways &amp; Transport Services</b>	<b>-538,440</b>	

**DETAIL OF NET EXPENDITURE (CONTINUED)**

<b>2014/15 Actual</b>	<b>2015/16 Original Estimate</b>	<b>2015/16 Revised Estimate</b>	<b>Division / Subdivision of Service</b>	<b>2016/17 Original Estimate</b>	<b>Line Ref</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	
			<b>HOUSING SERVICES</b>		
23,847	26,370	26,370	<b>Enabling</b>	53,380	71
			<b>Homelessness</b>		
216,418	207,140	207,140	Homelessness Administration	159,330	72
261,217	85,580	85,580	Hostels (Non-RHA Support)	72,580	73
3,434	4,110	4,110	Leased Private Managed Accommodation	4,420	74
481,069	296,830	296,830	<b>Sub Total</b>	236,330	
51,656	55,900	55,900	<b>Housing Advice</b>	75,530	75
203,615	295,320	295,320	<b>Housing Benefits Administration</b>	274,190	76
			<b>Housing Benefits Payments</b>		
7,326	16,000	16,000	Non-HRA Rent Rebates	16,000	77
-29,200	7,000	7,000	Rent Allowances	7,000	78
-21,874	23,000	23,000	<b>Sub Total</b>	23,000	
87,521	102,440	102,440	<b>Housing Strategy</b>	90,380	79
			<b>Other Council Property</b>		
346,340	39,780	39,780	Travellers Sites	12,400	80
10,754	34,820	34,820	<b>Other Welfare Services</b>	19,560	81
			<b>Private Sector Housing Renewal</b>		
215,684	280,950	280,950	Administration of PSHR Grants	282,380	82
<b>1,398,612</b>	<b>1,155,410</b>	<b>1,155,410</b>	<b>Total Housing Services</b>	<b>1,067,150</b>	
<b>1,451,063</b>	<b>470,750</b>	<b>393,750</b>	<b>CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES</b>	<b>289,626</b>	83
<b>7,225,262</b>	<b>6,823,260</b>	<b>6,823,260</b>	<b>NET EXPENDITURE</b>	<b>6,381,609</b>	

# **BUDGET VARIATIONS**

## BUDGET VARIATIONS

PAGE 48-51 LINE REF	DETAIL				NOTES
	<b>Original 2015/2016 to Probable Outturn 2015/2016</b>				
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
	<b>Original Estimate 2015/2016 Net Expenditure</b>			<b>6823</b>	
	Additional Costs:				
38	Reduction in Recycling Income	65			1
51	Reduction in Trade Waste Income	20			2
16	Investment Property	5			
60	Legal Fees/ Other Professional Fees	120			3
20	Cost of redundancy	<u>190</u>			4
			400		
	Cost Reductions, Savings and Additional Income:				
9	Land Charges	-15			
14	Interest on Borrowing/Minimum Revenue Provision	-38			5
20	Net Salary Savings	-250			6
15	Interest on Investments	<u>-20</u>			7
			-323		
	Financial Adjustments:				
	Contribution to / (from) Balances:				
67	Increased Contribution to General Reserve	93			8
67	Increased Contribution to Capital Fund	20			7,8
67	Reduced Contribution from Restructure Reserve	<u>-190</u>			4,8
			-77		
	Net Movement of Expenditure		<u>0</u>		
	<b>Revised Estimate 2015/2016 Net Expenditure</b>			<b><u>6823</u></b>	



## BUDGET VARIATIONS

PAGE 48-51 LINE REF	DETAIL				NOTES
	<b>Original 2015/16 to Original 2016/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
	<b>Original Estimate 2015/16 Net Expenditure</b>			<b>6823</b>	
	Inflation:				
	Provision for Pay Increase & General Inflation (net)		126		
	Additional Costs:				
	Budget Pressures:				
See Financial (	Reduced Income	86			9
Strategy (	Reduced Grant	113			9
Appendix A (	Employers NI Contributions	109			9
(	Service Investment	48			9
(	Insurance Premiums	17			9
(	Increased Contributions	<u>37</u>			9
			410		
	Cost Reductions and Savings:				
See Financial (	Net Budget Review Efficiencies	-67			10
Strategy (	Rental Income	-20			10
Appendix A(	District Election	-40			10
(	Reduction in Grant Payments	-22			10
(	Net Salary Savings	<u>-435</u>			10
			-584		
22	Rural Services Delivery Grant		-142		11
	Other Movements in Costs and Savings		-11		8
22	Increase in New Homes Bonus Grant Received		-289		12
	Capital Financing Adjustments:				
All	Capital Charges	-251			13
23	Capital Charges – Recharge	251			13
All	Revenue Exp Funded from Capital Under Statute (net)	-214			13
23	Capital Adjustment Account - REFCUS (net)	214			13
23	Revenue Contributions to Capital Outlay	<u>369</u>			13
			369		
	Financial Adjustments:				
83	Reduced Contribution to Capital Investment	-369			8
83	Reduced Contribution to Capital Fund	-89			8
83	NHB Contribution to Reserves	<u>138</u>			8,12
			-320		
	Net Movement in Expenditure			-441	
	<b>Original Estimate 2016/17 Net Expenditure</b>			<b><u>6382</u></b>	

## BUDGET VARIATION NOTES

1. Income from dry recycling is below budgeted levels in 2015/16. This is mainly due to reduced prices in the recycling market. This position is predicted to continue into 2016/17.
2. Income from Trade Waste is forecast to be below budget in the current year.
3. Expenditure relating to planning consultancy and associated legal costs is forecast to exceed budget, this is mainly as a result of a recent Judicial Review, officers have calculated an estimate of the associated costs.
4. Estimated redundancy costs incurred by the Council as a result of the recent voluntary redundancy process.
5. The delay in borrowing for the capital programme has led to savings in terms of interest payments and mrp contributions in 2015/16.
6. Forecast net salary savings as a result of vacant posts and the impact of the voluntary redundancy process.
7. Estimated increase in Investment Income during the year, used in full to support the capital programme.
8. The heading Contributions to / (from) Earmarked Reserves (line 67) shows movements on the Council's funds and reserves. Details of the movement in the Council's key reserves are shown in Appendix D of the Financial Strategy.
9. New Budget Pressures identified within the 2016/17 budget are highlighted in detail within Appendix A of the Financial Strategy.
10. Further details relating to cost reductions and savings can be found within Appendix A of the Financial Strategy.
11. Rural Services Delivery funding has been disaggregated from revenue support grant and will be awarded as section 31 grant in future
12. Income and expenditure relating to New Homes Bonus is now base lined into the revenue budget and is being used, in part, to fund both the revenue and capital budgets, the remaining balance of funding (£678k) has been transferred into the New Home Bonus Reserve.
13. The capital charges for the write-down of depreciation for fixed assets and the amortisation of intangible assets are notional. A contra entry is included under the heading Adjustments between Accounting and Funding under Regulations (line 23)

# **SERVICE UNITS**

## SERVICE UNITS HOLDING ACCOUNTS

### SUMMARY OF NET EXPENDITURE

Service Units	Employees £	Running Expenses £	Support Services £	Income £	2016/17 Original Estimate £
<b>SUPPORT SERVICE UNITS</b>					
Corporate Management Team & Support	294,730	119,290	21,740	-	435,760
Legal & Democratic Services	308,690	68,450	25,600	-11,840	390,900
ICT Services	214,830	-	-	-	214,830
Business Support	1,412,920	240,630	134,480	-10,950	1,777,080
Finance	314,390	52,680	25,260	-9,160	383,170
Corporate Services	227,390	32,670	21,970	-1,850	280,180
<b>Total</b>	<b>2,772,950</b>	<b>513,720</b>	<b>229,050</b>	<b>-33,800</b>	<b>3,481,920</b>
<b>DIRECT SERVICE UNITS</b>					
Facilities	93,370	81,990	46,380	-	221,740
Economy & Infrastructure	402,870	42,050	46,880	-	491,800
Housing	655,070	83,970	54,260	-	793,300
Development Management	370,830	47,350	51,910	-1,250	468,840
Forward Planning	329,520	40,630	38,620	-	408,770
Streetscene - Admin	571,100	104,690	72,170	-	747,960
Streetscene - Operational	1,324,580	63,860	14,550	-	1,402,990
Environmental Health	469,340	52,300	57,490	-	579,130
<b>Total</b>	<b>4,216,680</b>	<b>516,840</b>	<b>382,260</b>	<b>-1,250</b>	<b>5,114,530</b>
<b>NET EXPENDITURE</b>	<b>6,989,630</b>	<b>1,030,560</b>	<b>611,310</b>	<b>-35,050</b>	<b>8,596,450</b>

### NOTES

These estimates provide for the cost of employees, office equipment and accommodation and other technical and support service costs for all Service Units (SUs). Costs directly associated with Council Services are charged straight to the appropriate service head. SUs are categorised as either those that include a support service role (Support Service Units) or those that provide direct services only (Direct Service Units).

## SERVICE UNITS HOLDING ACCOUNTS

### SUMMARY OF CHARGES TO SERVICE USERS

Service Units	General Fund Services £	Holding Accounts £	Service Units £	Other Accounts £	2016/17 Total £
<b>SUPPORT SERVICE UNITS</b>					
Corporate Management Team & Support	323,260	-	112,500	-	435,760
Legal & Democratic Services	146,680	-	244,220	-	390,900
ICT Services	-	186,200	28,630	-	214,830
Business Support	1,472,220	72,460	230,340	2,060	1,777,080
Finance	195,680	14,020	173,470	-	383,170
Corporate Services	61,650	-	218,530	-	280,180
<b>Total</b>	<b>2,199,490</b>	<b>272,680</b>	<b>1,007,690</b>	<b>2,060</b>	<b>3,481,920</b>
<b>DIRECT SERVICE UNITS</b>					
Facilities	156,940	20,160	-	44,640	221,740
Economy & Infrastructure	485,570	-	-	6,230	491,800
Housing	793,300	-	-	-	793,300
Development Management	468,840	-	-	-	468,840
Forward Planning	408,770	-	-	-	408,770
Streetscene - Admin	552,900	195,060	-	-	747,960
Streetscene - Operational	1,295,740	107,250	-	-	1,402,990
Environmental Health	563,980	15,150	-	-	579,130
<b>Total</b>	<b>4,726,040</b>	<b>337,620</b>	<b>0</b>	<b>50,870</b>	<b>5,114,530</b>
<b>NET EXPENDITURE</b>	<b>6,925,530</b>	<b>610,300</b>	<b>1,007,690</b>	<b>52,930</b>	<b>8,596,450</b>

**PARISH & TOWN  
COUNCILS  
PRECEPT REQUIREMENTS**

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2016/17**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Acklam	70.37	2,000	28.42
Aislaby, Middleton & Wrelton	310.87	2,400	7.72
Allerston & Wilton	198.27	3,000	15.13
Amotherby	143.68	3,924	27.31
Ampleforth	382.48	16,000	41.83
Appleton-le-Moors	95.60	1,020	10.67
Appleton-le-Street	51.64	-	-
Barton-le-Street	81.38	500	6.14
Barton-le-Willows	89.46	1,050	11.74
Barughs Ambo	90.90	780	8.58
Beadlam	96.65	2,240	23.18
Birdsall	73.95	300	4.06
Bransdale	28.71	-	-
Brawby	66.08	-	-
Broughton	80.82	1,500	18.56
Bulmer	95.15	1,734	18.22
Burythorpe	107.87	1,800	16.69
Buttercrambe	41.42	-	-
Byland with Wass & Oldstead	120.79	810	6.71
Cawton, Coulton & Grimstone	102.30	650	6.35
Claxton & Sand Hutton	205.93	4,789	23.26
Cold Kirby	52.35	-	-
Coneythorpe	42.86	-	-
Cropton	118.14	800	6.77
Ebberston & Yedingham	258.32	5,425	21.00
Edstone	66.01	-	-
Fadmoor	58.05	-	-
Farndale East	51.32	340	6.63
Farndale West	53.57	620	11.57
Flaxton	144.85	2,868	19.80
Foston & Thornton-le-Clay	127.76	2,500	19.57
Foxholes with Butterwick	92.85	3,170	34.14
Ganton with Potter Brompton	85.98	2,000	23.26
Gate Helmsley & Upper Helmsley	139.81	1,900	13.59
Gillamoor	68.47	420	6.13
Gilling East	103.51	1,550	14.97
Habton	130.58	550	4.21
Harome	125.90	5,000	39.71
Hartoft	36.64	-	-
Harton	40.98	-	-
Hawnby	93.41	880	9.42
Helmsley	726.35	77,000	106.01

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2016/17 (CONTINUED)**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Henderskelfe	26.06	-	-
Heslerton	146.71	3,171	21.61
Hovingham & Scackleton	250.06	6,017	24.06
Howsham	60.35	-	-
Hutton-le-Hole	102.57	4,906	47.83
Huttons Ambo	128.10	2,750	21.47
Kirbygrindalythe	117.69	1,300	11.05
Kirby Misperton	127.74	1,550	12.13
Kirkbymoorside	1,148.44	73,500	64.00
Langton	40.40	-	-
Lastingham	71.62	1,770	24.71
Leavening	137.09	1,600	11.67
Levisham	52.44	-	-
Lillings Ambo	78.39	220	2.81
Lockton	130.74	3,055	23.37
Luttons	161.21	3,355	20.81
Malton	1,885.62	116,750	61.92
Marishes	59.05	-	-
Marton	98.83	420	4.25
Nawton	272.12	5,393	19.82
Newton-on-Rawcliffe & Stape	129.98	2,100	16.16
Normanby	70.46	1,800	25.55
Norton	2,487.83	135,000	54.26
Nunnington	125.77	2,150	17.09
Old Byland & Scawton	72.96	-	-
Oswaldkirk	119.22	2,040	17.11
Pickering	2,669.63	168,000	62.93
Pockley	45.61	-	-
Rievaulx	41.74	-	-
Rillington	381.14	12,300	32.27
Rosedale East & West	193.75	5,250	27.10
Salton	35.46	-	-
Scagglethorpe	91.51	1,616	17.66
Scampston with East & West Knapton	122.09	2,250	18.43
Scrayingham with Leppington	82.97	1,300	15.67
Settrington	133.69	3,650	27.30
Sherburn	261.85	20,000	76.38
Sheriff Hutton with Cornborough	450.80	15,810	35.07
Sinnington	142.21	1,500	10.55



**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2016/17 (CONTINUED)**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Slingsby	238.85	6,433	26.93
Southolme & Fryton	37.73	673	17.84
Spaunton	35.08	-	-
Sproxton	59.33	178	3.00
Stonegrave	50.81	-	-
Swinton	208.01	3,600	17.31
Terrington	244.97	3,085	12.59
Thixendale	80.32	1,000	12.45
Thornton-le-Dale	812.42	25,000	30.77
Thorpe Bassett	46.39	200	4.31
Warthill	111.11	1,250	11.25
Weaverthorpe	112.45	3,500	31.12
Welburn (Kirkbymoorside)	31.98	-	-
Welburn (Malton)	214.63	4,000	18.64
Westow	145.51	2,300	15.81
Wharram	43.23	-	-
Whitwell-on-the-Hill & Crambe	104.64	500	4.78
Willerby & Staxton	232.27	5,610	24.15
Wintringham	78.65	2,250	28.61
Wombledon	148.95	4,300	28.87
Council Tax Base	20,943.26		
Aggregate of Parish Requirements		813,922	