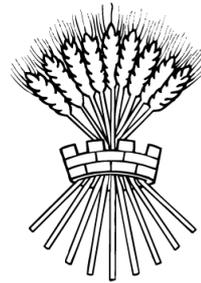


RYEDALE  
DISTRICT  
COUNCIL



# **FINANCIAL STRATEGY**

**2018 - 2023**

# **REVENUE BUDGET**

**2018 - 2019**

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RYEDALE DISTRICT COUNCIL

To:

Members of Ryedale District Council

Meeting:

Thursday, 22 February 2018

**BUDGET REVIEW 2018-19**

The Financial Strategy 2018-2023, Revenue Budget for 2018-19, the Capital Programme, the Prudential Indicators, the Pay Policy, Special Expenses and the Commercialisation Policy 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, Resources & Enabling Services Lead (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 2018/19 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 £1.75m already undertaken for the Brambling Fields project.
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept within the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and use of resources.

The Summary Position is as follows:

- A revenue budget for 2018/19 of **£6,066,945**.
- A 2.56% increase in Council tax for the Ryedale District Council Tax, increasing the Band D charge from **£186.05 to £190.82** (note the total Council Tax, including County Council, Fire, Police and Special Levy is covered within the separate Council Tax setting report)
- Savings / additional income of **£436,000**
- Application of **£188,000** New Home Bonus to the Capital Programme
- Unused New Homes Bonus of **£776,000**.
- A capital programme totalling **£6,729,000** over the period 2018-2022
- The Treasury Management Statement and Annual Investment Strategy 2018/19
- The Prudential Indicators
- The Pay Policy 2018/19
- Special Expenses for Street Lighting of **£55,350**.

The following table summarises the changes:

	<b>£000s</b>
<b>2017/18 Base Budget Brought forward</b>	<b>6,157</b>
<b>Add:</b>	
Base Budget Adjustments	138
Growth items (appendix A)	151
Additional Transfer to NHB Reserve	113
<b>Subtotal</b>	<b>6,559</b>
<b>Less:</b>	
Efficiencies/Savings/Cuts/Additional Income (appendix A)	436
Increase in Rural Services Delivery Grant	113
<b>Subtotal</b>	<b>6,010</b>
<b>Add:</b>	
Reduction in Transition Grant	25
Reduction in New Homes Bonus	32
<b>2018/2019 Net Revenue Budget</b>	<b>6,067</b>

## **Section 25 Report (Report of the Chief Finance Officer – Resources & Enabling services Lead (s151))**

In setting the Revenue budget for 2018/2019 I consider that the proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.

The total saving proposals are £436k. This level is significant in relation to the Authority's overall budget, considering the level of savings identified in previous years 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.

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, Building Control, Recycling, Trade Waste, Green Waste, Car Parking, Planning and Ryecare to enable action to be taken in year where necessary.

RYEDALE  
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# **FINANCIAL STRATEGY**

**2018-2023**

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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 2018 - 2023
6. Development of the Financial Strategy
7. The Capital Plans 2018 - 2022
8. Balances and Reserves
9. Impact/Risk Assessment
10. Pay Policy 2018/2019
11. Conclusion

**Appendix A:** 2018/19 Revenue Budget Pressures and Savings

**Appendix B:** Medium Term Revenue Forecast

**Appendix C:** Prudential Indicators

**Appendix D:** Reserves and Balances

**Appendix E:** Capital Programme 2018/19 – 2021/22

**Appendix F:** Pay Policy 2018/19

**Appendix G:** Commercialisation and Income Generation Policy

## **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 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 2017/18 totals £6.157m and is allocated to services as shown:

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	3,707	3,552	155
Cultural & Related Services	920	27	893
Environmental & Regulatory Services	4,410	2,157	2,253
Highways & Transport Services	350	904	(554)
Housing Services	13,954	12,896	1,058
Planning Services	1,692	664	1,028
	25,033	20,200	4,833
Other Financial Adjustments			1,324
<b>Net Revenue Budget</b>			<b>6,157</b>
Financed By:			
Government Grant and Retained Business Rates			2,153
Collection Fund Surplus – Council Tax			45
Ryedale District Council Precept			3,959
<b>Total</b>			<b>6,157</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 2018/19 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, Rural Services Delivery Grant and Retained Business Rates** – In February 2018 the council received the final finance settlement for 2018/19, the figures were generally in line with the 4 year funding settlement accepted by the Council with the exception of Rural Services Delivery Grant which was £219k better than expected.

Revenue Support Grant will see continued 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.

### **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 always 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%.

The revised NHB Scheme will continue in 2018/19 with a further reduction in funding as transitional arrangements end. The 4 year scheme will continue to operate with a 'deadweight' below which NHB will not be paid, the threshold has been set at 0.4% of the increase in the Council Tax Base. 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 (received)	1,676	327	188	604
2017/18 (received)	1,420	32	188	1,200
2018/19 (due)	964	0	188	776
2019/20 (illustrative)	900	426	188	286
2020/21 (illustrative)	900	586	188	126
2021/22 (Illustrative)	900	642	188	70

The table highlights the indicative reduction in NHB through to 2021/22. It's forecast that by 2022/23 the whole of NHB will be required to support revenue and capital. There is a risk that the illustrative NHB figures for 2018/19 onwards could reduce further dependent on the level of house building throughout the district.

### ***External Funding***

The Audit Commission sees the achievement of external funding as a key part in the demonstration of Value for Money. 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 of the fund took place in 2016/17 and the overall contribution rates have increased, however by less than expected based on the interim valuations. The next review will be in 2019/20 and an 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
- Veritau North Yorkshire

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

## **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 2018 - 2023**

The medium term revenue plan 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.

The Council has accepted the Governments offer of a 4 year funding settlement, although the settlement delivers very significant funding cuts it does offer a degree of certainty for financial planning. The medium term predictions incorporate the estimates based on these details. The 2018/19 Provisional Finance Settlement was announced in December 2017 and the grant funding figures for the council were better than the 4 year offer. There is uncertainty around the level of Government support in the next Parliament. The Government intends to undertake a fair funding review which will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, the result of the review is due to be implemented in 2020/21 and consultation with Local Government is underway

### ***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 2018/19 based on the NNDR1 information and assumes no growth in business rates base over the plan period, with the intention of realigning the councils estimated business rates income with its baseline funding level before the expected baseline reset in 2020/21. The Government has also announced that 75% of business rates income will be retained locally from 2020/21, an increase of 25% on the current scheme, however the move will be fiscally neutral and therefore the revenue plan currently does not anticipate an increase in income as a result.

### ***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 2018/19 is the higher of £5 (which equates to 2.7% for Ryedale) or 3% on the band D equivalent including the Special levy. With a District wide referendum likely to cost in excess of £70k, the authority must look to manage increases

below the threshold and future forecasts assume the referendum limit will be £5.

A £5 increase in Council Tax has been included within this strategy for 2018/19 in line with the decision of Council. Future years Council Tax rises are provisionally predicted at £5. An increase in Council Tax of 3% would generate an additional £11k pa for the Authority.

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

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

*Inflation:* a rate of up to 3% has been used for non-salary expenditure budgets where more accurate information is unavailable.

*Pay awards:* the approved budget strategy allowed for a 1% increase in pay. Since the strategy was approved a 2 year offer has been made by employers as follows;

- In year one, all staff on SCPs 6-19 inclusive would see their pay increase by between 3.7% and 9.1%. All staff on SCP20 and above would receive an increase of 2.0%.
- In year two, the Employers have proposed that a new pay spine be introduced that would see staff on current SCPs 6-28 inclusive receiving pay increases of between 2.3% and 7.3%. All staff on current SCP 29 and above would receive an increase of 2.0%.
- The new pay spine has been proposed because the current spine cannot absorb the impact of the National Living Wage.

The MTFP and the 18/19 budget have been amended to reflect this offer.

### ***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:-

2019/20 - £364,000

2020/21 - £220,000

2021/22 - £150,000

### ***Efficiency savings***

The 2018/19 budget has identified £436k of efficiency savings to deliver a balanced budget, the largest contribution being from the T2020 programme which is set to deliver £225k of savings. The revised MTFs identifies a further savings requirement of £535k through to 2022/23.

Use of Assets, subject to Member approval, will be a major project over the life of the MTFS but is unlikely to deliver any significant savings/additional income until 2022 at the earliest.

Identification of savings over the next 12 months will focus on further detailed analysis of budget headings, service reviews and income maximisation.

The District Council continues to face reductions in government funding. Revenue Support Grant will cease from April 2019, there is uncertainty around the level of Government Funding beyond 2020 and the impact of changes to the Business Rates retention and the base reset.

To meet future financial challenges, it is imperative for the council to adopt a more commercial approach to service delivery.

The identification and delivery of commercial opportunities, will enable us to maximise available returns on investment to deliver against our financial requirements.

The Council needs to use income through charging to support the delivery of its agreed priorities.

Powers to charge and trade have been in place and available to this Council for a number of years, the Council can take steps to improve the levels of income generated through charging.

In line with the Budget Strategy, agreed by Members, the Council needs to agree any decisions on charging and wider commercial activities outside of the set parameters.

An income generation and commercialisation policy is included at Appendix F for approval as recommended.

### ***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 and Service Reviews 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 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 timely and accurate budget monitoring information to Budget Managers.

The process requires budget holders to explain the reasons for any significant variances and Leads 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 2018 - 2022**

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 accept 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. 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 B.

### ***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 Chief Financial Officer 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 D. 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 Resources and Enabling Services Lead (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 Chief Finance Officer 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 Chief Finance Officer 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 2018/19 and beyond being very tough, and the scale and risk of achieving cost reduction being high, any reserves identified as being surplus should be prioritised to invest to save schemes and, if required, to smooth the curve of cost reduction in the light of timescales needed to drive costs out.

Appendix C details the position on the Councils Key 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 2018/19 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. 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	Unplanned use of reserves with potential to impact on	Very Likely	Major	Ensure regular monitoring Review trends	Likely	Medium

fees and charges	future Council Tax levels or requiring cuts to services or service levels			Take appropriate action Ensure base income budgets are realistic.		
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 objectives. 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 proper consideration/consultation	Council fails to meet community needs, adverse impact on Corporate and Community Plan. Adverse external inspection	Likely	Major	Develop a long-term financial strategy. Set out a clear budget timetable. Regular updates to Members. Effective ongoing consultation processes.	Not Likely	Minor

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 2018/19**

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 2018/19 is incorporated within this Financial Strategy at Appendix E.

## **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.

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 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

### 2018/19 Budget Pressures

		£'000
<b>Additional Costs</b>		
- Cesspool Emptying	Unavoidable discontinuation of service	15
- Waste Transfer Station	Contribution to cost of WTS based at Kirbymisperton – part year only	38
- Additional HR Resource	To address identified shortfall	15
- Marketing Resource	To address identified shortfall	20
- Salaries	Revisions to T2020 structure (net)	19
- Benefits Admin Resource	To accommodate new burdens placed on the Council	20
- Travellers Site	Forecast net increase in the operating costs	11
- Other Growth items		13
<b>Total</b>		<b>151</b>

### 2018/19 Efficiencies/Savings/Additional Income

Proposal	Savings £'000	Risk L/M/H
- T2020 Streetscene Review	175	M
- Root & Branch Review net efficiencies	132	L
- Additional Income	11	L
- Realignment of LCTS Administration Grant	16	L
- Savings identified in 2017/18 Financial Strategy	75	L
- Pension Contributions	8	L
- Reduction in Capital Borrowing	19	L
<b>Total of Savings</b>	<b>436</b>	

## Revised Medium Term Revenue Forecast 2018/19 - 2022/23

	2018/19 Estimate £'000	2019/20 Projection £'000	2020/21 Projection £'000	2021/22 Projection £'000	2022/23 Projection £'000	
<b>Base Budget and Inflation</b>						
Base Budget	6,157	6,067	5,955	6,474	6,618	
Pay Increase & General Inflation	138	150	150	150	150	
	6,295	6,217	6,105	6,624	6,768	
<b>Add Future Cost Increases:</b>						
Budget Pressures	139	364	220	150	150	
<b>Deduct Future Savings:</b>						
Efficiencies/Service Cuts/Additional Income	-424	-200	-150	-100	-85	
Movement in NHB Applied to Revenue	32	-426	-160	-56	-70	
Movement in Rural Service Delivery Grant	-113	113	459	0	0	
Movement in Transition Grant	25	0	0	0	0	
<b>Increase in Transfer to Reserves</b>	113	-113				
<b>Net Revenue Budget</b>	6,067	5,955	6,474	6,618	6,763	
<b>Financing</b>						
Revenue Support Grant	143	-120	0	0	0	
Business Rates	1,775	1,775	2,015	1,997	1,978	
Collection Fund Surplus	31	25	25	25	25	
Council Taxpayers	4,061	4,227	4,385	4,546	4,709	
CT Base Growth	57	48	49	50	51	
<b>Budget Requirement</b>	6,067	5,955	6,474	6,618	6,763	
NHB Earned	964	900	900	900	900	
Applied to Revenue cumulative	0	426	586	642	712	
Applied to Capital	188	188	188	188	188	
To be allocated	776	286	126	70	0	1,258

## Prudential Indicators

### Capital Expenditure

The actual capital expenditure that was incurred in 2016/17 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

Capital Expenditure	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Capital Programme	0.538	2.300	2.016	0.791	0.811

### 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 2016/17 are:

	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Non HRA	2.26%	3.32%	3.47%	2.88%	2.96%

### 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 2017 are:

	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Total CFR	2.227	2.172	1.960	1.897	2.144

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 Chief Finance Officer reports that the authority had no difficulty meeting this requirement in 2016/17, 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 Chief Finance Officer, 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.

	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'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 Chief Finance Officer 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 Chief Finance Officer 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 Chief Finance Officers 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 Chief Finance Officer. 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 Chief Finance Officer; 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.

	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	500	400	400	600
Operational Boundary	5,500	5,400	5,400	5,600

The Council's actual external debt at 31 March 2017 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 2018/19 (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	2018/19	2019/20	2020/21
	£0.07	£0.03	£0.04

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**

	<b>General Reserve</b>	<b>Capital Fund</b>	<b>Capital Receipts</b>	<b>Capital Grants &amp; Contrib's</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 April 2017</b>	<b>1,328</b>	<b>2,199</b>	<b>222</b>	<b>141</b>
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	382	-	-
Interest on Investment of Balances	-	60	-	-
Capital Receipts	-	-	260	-
Capital Grants & Contributions	-	259	-	546
	1,328	2,900	642	687
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-30	-513	-	-
Capital Expenditure	-	-1,353	-260	-687
<b>Estimated Balance 31 March 2018</b>	<b>1,298</b>	<b>1,034</b>	<b>222</b>	<b>-</b>
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	968	-	-
Interest on Investment of Balances	-	50	-	-
Capital Receipts	-	-	30	-
Capital Grants & Contributions	-	-	-	785
	1,298	2,052	252	408
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-365	-	-	-
Capital Expenditure	-	-688	-30	-785
<b>Estimated Balance 31 March 2019</b>	<b>933</b>	<b>1,364</b>	<b>222</b>	<b>-</b>
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	-	-	-
Interest on Investment of Balances	-	100	-	-
Capital Receipts	-	-	30	-
Capital Grants & Contributions	-	-	-	496
	933	1,464	252	408
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-	-	-	-
Capital Expenditure	-	-265	-30	-496
<b>Estimated Balance 31 March 2020</b>	<b>933</b>	<b>1,199</b>	<b>222</b>	<b>-</b>
<b>Add</b>				
Estimated Income During Year:				
Contribution from General Fund	-	-	-	-
Interest on Investment of Balances	-	100	-	-
Capital Receipts	-	-	30	-
Capital Grants & Contributions	-	-	-	496
	933	1,299	252	408
<b>Deduct</b>				
Estimated Expenditure During Year:				
Transfer to General Fund	-	-	-	-
Capital Expenditure	-	-285	-30	-496
<b>Estimated Balance 31 March 2021</b>	<b>933</b>	<b>1,014</b>	<b>222</b>	<b>-</b>

## APPENDIX E

### RYEDALE DISTRICT COUNCIL - PROPOSED CAPITAL PROGRAMME 2017/18 TO 2021/22

Category / Scheme	2017/18 Rev Est £'000	2017/18 Forecast £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	Total Cost £'000	External Funding £'000	Net RDC Cost £'000	Net Cumulative £'000	Comments	External Funding Assumptions	Revenue Implications					
												Comment	2017/18	2018/19	2019/20	2020/21	2021/22	Comments
													£'000	£'000	£'000	£'000	£'000	
<b>ASSET MANAGEMENT</b>																		
Vehicle Replacement Programme	166	166	20	20	40	40	286	0	286	286	Replacement for recycling, street cleansing and grass cutting services	0	0	0	0	0	0	
Ryedale Pool Major Repairs	33	33	0	0	0	0	33	0	33	319	Necessary works over the life of this capital programme	0	0	0	0	0	0	
Trade Waste Equipment	0	0	20	0	0	0	20	0	20	339	Replacement of trade waste bulk bins / roll out of glass recycling	0	0	0	0	0	0	
Property Condition Survey	467	467	125	110	110	110	922	0	922	1,261	Programme of minor capital works to property portfolio	0	0	0	0	0	0	
IT Infrastructure Strategy	152	152	0	0	0	0	152	0	152	1,413	Essential upgrade of IT Infrastructure	0	0	0	0	0	0	
Incab Technology	0	39	0	0	0	0	39	0	39	1,452	Hardware and software to be installed within refuse and recycling vehicles	0	0	0	6	0	0	
Replacement of Garage Inspection pit	50	50	0	0	0	0	50	0	50	1,502	Essential upgrade to accommodate new style of vehicle	0	0	0	0	0	0	
	<b>868</b>	<b>907</b>	<b>165</b>	<b>130</b>	<b>150</b>	<b>150</b>	<b>1,502</b>	<b>0</b>	<b>1,502</b>			<b>0</b>	<b>0</b>	<b>6</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	1,602	Contribution to RSL land acquisitions	0	0	0	0	0	0	
Aff Hsg Init - Property Improvement Loans	95	95	75	75	75	75	395	0	395	1,997	Recoverable Loans to ensure properties are to the decent home standard	0	0	0	0	0	0	
Aff Hsg Init - Landlord Improvement Loans/Grants	80	80	50	50	50	50	280	0	280	2,277	Recoverable Loans or Grants to Landlords	0	0	0	0	0	0	
Private Sector Energy Efficiency Grants	50	50	50	40	40	40	220	0	220	2,497	Provide insulation improvements	0	0	0	0	0	0	
Private Sector Renewal - Disabled Facilities Grants	674	812	496	496	496	496	2,796	2,671	125	2,622	Improve access to and within properties for people	2,671	0	0	0	0	0	
Community Housing Fund	0	0	289	0	0	0	289	289	0	2,622	Development of Community lead housing within the District	289	0	0	0	0	0	
Mortgage Rescue Scheme	21	21	0	0	0	0	21	0	21	2,643	Scheme in partnership with Registered Social Landlord	0	0	0	0	0	0	
	<b>1,020</b>	<b>1,158</b>	<b>960</b>	<b>661</b>	<b>661</b>	<b>661</b>	<b>4,101</b>	<b>2,960</b>	<b>1,141</b>			<b>2,960</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>PRIORITY AIMS - JOBS</b>																		
	0	0	0	0	0	0	0	0	0	2,643		0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0			0	0	0	0	0	0	
<b>MAJOR SCHEMES</b>																		
	0	0	0	0	0	0	0	0	0	2,643		0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0			0	0	0	0	0	0	
<b>OTHER SCHEMES</b>																		
Malton to Pickering Cycle track	0	30	45	0	0	0	75	0	75	2,718	Feasibility work to enable a full funding bid							
Helmsley CPO	506	0	506	0	0	0	506	0	506	3,224	To enable Housing Development in Helmsley							
Flood Relief Grant Scheme	0	50	0	0	0	0	50	0	50	3,274	Part of a package of flood prevention measures	0	0	0	0	0	0	
Milton Rooms development contribution	0	0	321	0	0	0	321	0	321	3,595	RDC contribution to Milton and Assembly Rooms development project							
Contribution to upgrade of CCTV	0	0	19	0	0	0	19	0	19	3,614								
Assembly and Milton Rooms - Preservation Works	155	155	0	0	0	0	155	0	155	3,769	Work required under terms of lease to prevent further deterioration of building	0	0	0	0	0	0	
	<b>661</b>	<b>235</b>	<b>891</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,126</b>	<b>0</b>	<b>1,126</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>2,549</b>	<b>2,300</b>	<b>2,016</b>	<b>791</b>	<b>811</b>	<b>811</b>	<b>6,729</b>	<b>2,960</b>	<b>3,769</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>2,960</b>	<b>TOTAL</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES

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**CAPITAL PROGRAMME 2017/18 TO 2021/22 - SUMMARY OF FUNDING**

Source of Funding	2017/18 Rev Est Funding £'000	2017/18	2018/19	2019/20	2020/21	2021/22	Total	Scheme
		Forecast Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	
<b>External Grants and Contributions</b>								
Department Communities & Local Government (DCLG)	408	687	785	496	496	496	2,960	Disabled Facilities Grant and Community Housing Fund Grant
Developers Contributions	0	0	0	0	0	0	0	
<b>Total External Grants and Contributions</b>	<b>408</b>	<b>687</b>	<b>785</b>	<b>496</b>	<b>496</b>	<b>496</b>	<b>2,960</b>	
<b>Ryedale DC Funding of Schemes</b>	<b>2,141</b>	<b>1,613</b>	<b>1,231</b>	<b>295</b>	<b>315</b>	<b>315</b>	<b>3,769</b>	
<b>TOTAL FUNDING OF CAPITAL PROGRAMME</b>	<b>2,549</b>	<b>2,300</b>	<b>2,016</b>	<b>791</b>	<b>811</b>	<b>811</b>	<b>6,729</b>	



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## **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.

## **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:
  - Deputy Chief Executive
  - External Partnerships Lead (Economy & Partnerships Lead)
  - Head of Planning
5. Deputy Chief Officers (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
  - Delivery and Frontline Services Lead
  - Customer Service Lead

## **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 Deputy Chief Executive'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 Deputy Chief Executive are the only employees appointed by Elected Members.

## **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 Grade L (was Scale 1) point 6 which equates to an annual salary of £15,014 (i.e. £7.7822 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 and 7 inclusive.

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

The highest paid salary in this authority from 1 April 2017 to 17 September 2017 is £106,560 which is paid to the Chief Executive (based on 1 FTE). From 18 September 2017 the highest paid salary in the authority is £85,700 which is paid to the Chief Executive – Interim (based on 1 FTE).

The average median salary in this authority as at 18 September 2017 is £20,138. The ratio between the two salaries, the 'pay multiple' is 4.26:1.

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 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 Deputy Chief Executive.

## **9 AMENDMENTS TO THE POLICY**

It is anticipated that this policy will not need to be amended during the period it covers (1 April 2018 to 31 March 2019), 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.

## 11 ANNEX A

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.

12 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.

13 ANNEX C

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive (vacant)	£80,000 - £95,000  (Pro rata from April 17 to September 17 when the post holder left: £49,432)	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 2018/19.
Deputy Chief Executive	£70,700	Paid through normal authority procedures	None	None	None	From September 17 to March 18 honoraria payment of £15,000 per annum, pro rata (£1,250 gross per month) awarded for Chief Executive Interim role.	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 2018/19
Resources & Enabling Lead (s151)	£51,273	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 2018/2019
External Partnerships Lead	£57,448									
Delivery & Frontline Services Lead	£53,659									
Customer Services Lead										
Head of Planning	£48,993									
Council Solicitor/ Monitoring Officer	£57,448									
	£57,448									

### Commercialisation and Income Generation Policy

#### Council Vision:

- The vision for Ryedale District Council is to continue doing what matters for Ryedale...

#### Council Priority:

- Developing business opportunities for the Council and optimising income

#### Council Policy:

That to maximise business opportunities and income generation the Council will:

- Support investment opportunities including in major projects to deliver a return on investment to support the revenue budget
- Provide chargeable services that meet the needs of the customer and, as a minimum, full costs are recovered by the Council.
- Ensure good customer relationship management to maintain customer loyalty
- Develop new opportunities for chargeable services, which are competitive within the local market
- Develop our brand as a trusted provider of services
- Ensure maintenance of standards in line with the Councils existing policy framework
- Once established any charge for a service will be set in line with the annual budget strategy
- Council will agree any new chargeable services

**REVENUE**

**BUDGET**

**2018-19**

**COUNCILLOR LUKE IVES**

Chairman of the Policy & Resources Committee

**P C JOHNSON**

Resources & Enabling Services Lead (s151)

## **REVENUE BUDGET 2018-19**

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# **GENERAL FUND SUMMARY**

**GENERAL FUND SUMMARY**

<b>2016/17 Actual £</b>	<b>2017/18 Original Estimate £</b>	<b>2017/18 Revised Estimate £</b>	<b>Service</b>	<b>2018/19 Original Estimate £</b>
			<b>CENTRAL SERVICES</b>	
710,349	757,230	757,230	Central Services to the Public	760,440
1,260,926	1,151,500	1,151,500	Corporate & Democratic Core	1,076,290
323,658	3,749	3,749	Non Distributed Costs	-8,391
-3,005,238	-1,757,507	-1,757,507	Other Operating Income & Expenditure	-1,442,259
<b>-710,305</b>	<b>154,972</b>	<b>154,972</b>	<b>Total</b>	<b>386,080</b>
932,803	893,270	893,270	<b>CULTURAL &amp; RELATED SERVICES</b>	1,255,940
2,558,441	2,348,930	2,278,930	<b>ENVIRONMENTAL &amp; REGULATORY SERVICES</b>	2,241,790
1,032,008	1,027,620	742,620	<b>PLANNING SERVICES</b>	991,330
-514,351	-553,760	-558,760	<b>HIGHWAYS &amp; TRANSPORT SERVICES</b>	-550,790
317,648	1,057,715	1,100,645	<b>HOUSING SERVICES</b>	1,357,665
<b>3,616,244</b>	<b>4,928,747</b>	<b>4,611,677</b>		<b>5,682,015</b>
2,879,453	1,228,047	1,545,117	<b>CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES</b>	384,930
<b>6,495,697</b>	<b>6,156,794</b>	<b>6,156,794</b>	<b>TOTAL NET EXPENDITURE</b>	<b>6,066,945</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>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>Division / Subdivision of Service</b>	<b>2018/19 Original Estimate</b>	<b>Line Ref</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	
			<b>CENTRAL SERVICES TO THE PUBLIC</b>		
102,527	116,080	116,080	<b>General Grants, Bequests &amp; Donations</b>	116,210	1
38,626	47,360	47,360	<b>Emergency Planning</b>	47,770	2
			<b>Local Tax Collection</b>		
165,156	165,140	165,140	Local Council Tax Support Scheme	151,830	3
-5,072	-	-	Council Tax Benefits	-	4
262,911	267,280	267,280	Council Tax Collection	278,080	5
-5,029	-27,810	-27,810	Non-Domestic Rates Collection	-26,240	6
<b>417,966</b>	<b>404,610</b>	<b>404,610</b>	<b>Sub Total</b>	<b>403,670</b>	
			<b>Elections</b>		
75,285	61,520	61,520	Conducting Elections	62,000	7
72,775	118,410	118,410	Registration of Electors	120,610	8
<b>148,060</b>	<b>179,930</b>	<b>179,930</b>	<b>Sub Total</b>	<b>182,610</b>	
3,170	9,250	9,250	<b>Local Land Charges</b>	10,180	9
<b>710,349</b>	<b>757,230</b>	<b>757,230</b>	<b>Total Central Services to the Public</b>	<b>760,440</b>	
			<b>CORPORATE &amp; DEMOCRATIC CORE</b>		
661,154	580,420	580,420	<b>Corporate Management</b>	493,780	10
599,772	571,080	571,080	<b>Democratic Representation &amp; Management</b>	582,510	11
<b>1,260,926</b>	<b>1,151,500</b>	<b>1,151,500</b>	<b>Total Corporate &amp; Democratic Core</b>	<b>1,076,290</b>	
			<b>NON DISTRIBUTED COSTS</b>		
			<b>Non Distributed Costs</b>		
325,346	-	-	Retirement Benefits	-	12
-1,688	3,749	3,749	Costs of Unused Shares of Assets	-8,391	13
<b>323,658</b>	<b>3,749</b>	<b>3,749</b>	<b>Sub Total</b>	<b>-8,391</b>	
<b>323,658</b>	<b>3,749</b>	<b>3,749</b>	<b>Total Non Distributed Costs</b>	<b>-8,391</b>	
			<b>OTHER OPERATING INCOME &amp; EXPENDITURE</b>		
78,994	102,080	82,080	<b>External Interest Payable</b>	85,210	14
			<b>Interest &amp; Investment Income</b>		
-89,762	-65,000	-65,000	Interest & Investment Income	-55,000	15
-3,849	-23,450	-38,450	Investment Property	-33,860	16
<b>-93,611</b>	<b>-88,450</b>	<b>-103,450</b>	<b>Sub Total</b>	<b>-88,860</b>	
617,000	650,000	650,000	<b>Pensions Interest Cost &amp; Expected Return on Assets</b>	620,000	17
899,000	-	-	<b>Pensions Actuarial Gains &amp; Losses</b>	-	18
-1,325,332	-	-	<b>Surplus or Deficit on Revaluation of PP&amp;E Assets</b>	-	19
63,999	-	-	<b>Surplus or Deficit on Revaluation of AFS Financial Assets</b>	-	20
			<b>Other Corporate Costs &amp; Operating Expenditure</b>		
13,166	155,743	190,743	General Financial Provisions	161,611	21
-19,277	-	-	Capital Receipts Unattached to Non Current Assets	-	22
<b>-6,111</b>	<b>155,743</b>	<b>190,743</b>	<b>Sub Total</b>	<b>161,611</b>	
<b>-2,318,908</b>	<b>-1,904,720</b>	<b>-1,904,720</b>	<b>Non Ringfenced Government Grants</b>	<b>-1,536,410</b>	23
<b>-920,269</b>	<b>-672,160</b>	<b>-672,160</b>	<b>Adjs between Accounting &amp; Funding under Regulations</b>	<b>-683,810</b>	24
<b>-3,005,238</b>	<b>-1,757,507</b>	<b>-1,757,507</b>	<b>Total Other Operating Income &amp; Expenditure</b>	<b>-1,442,259</b>	

**DETAIL OF NET EXPENDITURE (CONTINUED)**

<b>2016/17 Actual £</b>	<b>2017/18 Original Estimate £</b>	<b>2017/18 Revised Estimate £</b>	<b>Division / Subdivision of Service</b>	<b>2018/19 Original Estimate £</b>	<b>Line Ref</b>
			<b>CULTURAL &amp; RELATED SERVICES</b>		
			<b>Culture &amp; Heritage</b>		
42,406	39,210	39,210	Museums & Galleries	39,810	25
73,152	66,800	66,800	Arts Development & Support	67,410	26
115,558	106,010	106,010	<b>Sub Total</b>	107,220	
			<b>Open Spaces</b>		
95,544	102,510	102,510	Community Parks & Open Spaces	142,960	27
			<b>Recreation &amp; Sport</b>		
31,656	25,270	25,270	Community Centres & Public Halls	346,340	28
530,268	544,990	544,990	Indoor Sports & Recreation Facilities	542,750	29
14,040	8,500	8,500	Outdoor Sports & Recreation Facilities	8,740	30
21,913	8,100	8,100	Sports Development & Community Recreation	7,840	31
597,877	586,860	586,860	<b>Sub Total</b>	905,670	
			<b>Tourism</b>		
118,602	97,890	97,890	Tourism Policy, Marketing & Development	100,090	32
5,222	-	-	Visitors Centres	-	33
123,824	97,890	97,890	<b>Sub Total</b>	100,090	
<b>932,803</b>	<b>893,270</b>	<b>893,270</b>	<b>Total Cultural &amp; Related Services</b>	<b>1,255,940</b>	
			<b>ENVIRONMENTAL &amp; REGULATORY SERVICES</b>		
			<b>Cemetery, Cremation &amp; Mortuary Services</b>		
32,069	32,780	32,780	Closed Churchyards	32,780	34
-	-	-	<b>Community Safety (CCTV)</b>	19,000	35
59,101	58,970	58,970	<b>Community Safety (Crime Reduction)</b>	60,480	36
987	-	-	<b>Community Safety (Safety Services)</b>	-	37
			<b>Flood Defence &amp; Land Drainage</b>		
14,478	77,330	77,330	Defences Against Flooding	14,790	38
94,993	99,630	99,630	Land Drainage & Related Work	99,160	39
109,471	176,960	176,960	<b>Sub Total</b>	113,950	
			<b>Recycling</b>		
576,282	512,520	442,520	Recycling Collection	536,410	40
			<b>Regulatory Services</b>		
8,314	4,230	4,230	Alcohol & Entertainment Licensing	5,040	41
156,176	120,560	120,560	Animal & Public Health	106,870	42
90,560	66,200	66,200	Environmental Protection	75,040	43
153,094	118,110	118,110	Food Safety	125,650	44
48,004	33,880	33,880	Health & Safety	34,650	45
10,651	8,610	8,610	Infectious Disease Control	8,800	46
43,032	50,730	50,730	Pest Control	50,210	47
288,287	243,280	243,280	Public Conveniences	242,640	48
-574	3,780	3,780	Taxi Licensing	5,010	49
44,059	32,270	32,270	Water Safety	31,130	50
46,575	35,260	35,260	Noise & Nuisance	36,040	51
888,178	716,910	716,910	<b>Sub Total</b>	721,080	
365,849	355,560	355,560	<b>Street Cleansing</b>	286,710	52
			<b>Trade Waste</b>		
-18,832	-60,470	-60,470	Trade Waste Collection	-81,450	53
			<b>Waste Collection</b>		
545,336	555,700	555,700	Household Waste Collection	552,830	54
<b>2,558,441</b>	<b>2,348,930</b>	<b>2,278,930</b>	<b>Total Environmental &amp; Regulatory Services</b>	<b>2,241,790</b>	

**DETAIL OF NET EXPENDITURE (CONTINUED)**

<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>Division / Subdivision of Service</b>	<b>2018/19 Original Estimate</b>	<b>Line Ref</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	
			<b>PLANNING SERVICES</b>		
			<b>Building Control</b>		
-22,345	61,200	61,200	Building Regulations	63,650	55
-3,413	-4,060	-4,060	Other Building Control Work	-4,020	56
-25,758	57,140	57,140	<b>Sub Total</b>	59,630	
			<b>Business Support</b>		
4,000	30,000	10,000	Grants/Loans & Guarantees	20,000	57
3,000	65,000	25,000	Premises Development	40,000	58
50,006	39,000	39,000	Support to Business & Enterprise	40,010	59
57,006	134,000	74,000	<b>Sub Total</b>	100,010	
89,120	81,490	81,490	<b>Community Development</b>	83,000	60
			<b>Development Control</b>		
185,923	163,650	163,650	Advice	167,570	61
30,202	-62,390	-237,390	Dealing with Applications	-85,140	62
159,673	136,090	136,090	Enforcement	139,080	63
375,798	237,350	62,350	<b>Sub Total</b>	221,510	
			<b>Economic Development</b>		
-32,822	-50,570	-50,570	Market Undertakings	-50,800	64
178,994	151,410	151,410	Promotion & Marketing of the Area	154,380	65
146,172	100,840	100,840	<b>Sub Total</b>	103,580	
91,405	88,170	88,170	<b>Environmental Initiatives</b>	90,150	66
			Environmental Initiatives General		
			<b>Planning Policy</b>		
6,334	5,680	5,680	Conservation & Listed Buildings Policy	5,820	67
65,794	129,050	79,050	Local Development Framework	129,020	68
226,137	193,900	193,900	Local Plans General	198,610	69
298,265	328,630	278,630	<b>Sub Total</b>	333,450	
<b>1,032,008</b>	<b>1,027,620</b>	<b>742,620</b>	<b>Total Planning Services</b>	<b>991,330</b>	
			<b>HIGHWAYS &amp; TRANSPORT SERVICES</b>		
			<b>Parking Services</b>		
-569,786	-605,510	-610,510	Off-Street Parking	-602,880	70
			<b>Public Transport</b>		
55,435	51,750	51,750	Support to Operators	52,090	71
<b>-514,351</b>	<b>-553,760</b>	<b>-558,760</b>	<b>Total Highways &amp; Transport Services</b>	<b>-550,790</b>	

**DETAIL OF NET EXPENDITURE (CONTINUED)**

<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>Division / Subdivision of Service</b>	<b>2018/19 Original Estimate</b>	<b>Line Ref</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	
			<b>HOUSING SERVICES</b>		
58,485	44,050	86,980	<b>Enabling</b>	433,090	72
			<b>Homelessness</b>		
141,100	138,160	138,160	Homelessness Administration	140,640	73
74,756	73,040	73,040	Hostels (Non-RHA Support)	65,370	74
-2,449	2,410	2,410	Leased Private Managed Accommodation	2,300	75
<b>213,407</b>	<b>213,610</b>	<b>213,610</b>	<b>Sub Total</b>	<b>208,310</b>	
71,450	64,200	64,200	<b>Housing Advice</b>	65,250	76
179,859	261,030	261,030	<b>Housing Benefits Administration</b>	287,760	77
			<b>Housing Benefits Payments</b>		
5,176	16,000	16,000	Non-HRA Rent Rebates	16,000	78
-6,592	47,000	47,000	Rent Allowances	47,000	79
<b>-1,416</b>	<b>63,000</b>	<b>63,000</b>	<b>Sub Total</b>	<b>63,000</b>	
-347,624	114,215	114,215	<b>Housing Strategy</b>	113,755	80
			<b>Other Council Property</b>		
16,512	19,030	19,030	Travellers Sites	29,830	81
-	-	-	Non-HRA Council Property	-10,280	82
<b>16,512</b>	<b>19,030</b>	<b>19,030</b>	<b>Sub Total</b>	<b>19,550</b>	
32,470	790	790	<b>Other Welfare Services</b>	12,810	83
			<b>Private Sector Housing Renewal</b>		
94,505	277,790	277,790	Administration of PSHR Grants	154,140	84
<b>317,648</b>	<b>1,057,715</b>	<b>1,100,645</b>	<b>Total Housing Services</b>	<b>1,357,665</b>	
<b>2,879,453</b>	<b>1,228,047</b>	<b>1,545,117</b>	<b>CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES</b>	<b>384,930</b>	85
<b>6,495,697</b>	<b>6,156,794</b>	<b>6,156,794</b>	<b>NET EXPENDITURE</b>	<b>6,066,945</b>	

# **BUDGET VARIATIONS**

**BUDGET VARIATIONS**

PAGE 48-51 LINE REF	DETAIL	£'000	£'000	£'000	NOTES
	<b>Original 2017/2018 to Probable Outturn 2017/2018</b>				
		£'000	£'000	£'000	
	<b>Original Estimate 2017/2018 Net Expenditure</b>			<b>6157</b>	
	Additional Costs:				
21	Cost of Transformation	150			1
21	Cost of Voluntary Redundancy	35			2
72	Community Housing Fund	43			3
			228		
	Cost Reductions, Savings and Additional Income:				
16,40,62,70	Increase in Income	-265			4
21	Net Salary Savings	-150			5
14	Cost of Borrowing	-20			
57,58	Ryedale Development Fund	-60			11
68	LDF Inspection Fees	-50			11
			-545		
	Financial Adjustments:				
	Contribution to / (from) Balances:				
85	Increased Contribution to General Fund	435			11
85	Reduced Contribution from Ryedale Development Fund	60			11
85	Reduced Contribution from LDF Reserve	50			11
85	Increased Contribution from ICE Fund	-150			1,11
85	Increased Contribution from Restructure Reserve	-35			2,11
85	Increased Contribution from Operational Reserve	-43			3,11
			317		
	Net Movement of Expenditure			0	
	<b>Revised Estimate 2017/2018 Net Expenditure</b>			<b><u>6157</u></b>	

## BUDGET VARIATIONS

PAGE 48-51 LINE REF	DETAIL				NOTES
	<b>Original 2017/2018 to Original 2018/2019</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
	<b>Original Estimate 2017/18 Net Expenditure</b>			<b>6157</b>	
	Inflation:				
	Provision for Pay Increase & General Inflation (net)		138		
	Additional Costs:				
	Budget Pressures:				
See Financial (	Net Movement in Resources	74			6
Strategy (	Waste Transfer Station	38			6
Appendix A (	Travellers Site	11			6
(	Cesspool Emptying	15			6
(	Other Budget Pressures	13			6
		<u>13</u>			
			151		
	Cost Reductions and Savings:				
See Financial (	Towards 2020 Streetscene Review	-175			7
Strategy (	Root and Branch Review Net Efficiencies	-132			7
Appendix A (	Additional Savings Identified through T2020 Phase 1	-75			7
(	Additional Income	-11			7
(	Realignment of Grant Income	-16			7
(	Pension Contributions	-8			7
(	Reduction in Capital Borrowing	-19			7
		<u>-19</u>			
			-436		
23	Increase in Rural Services Delivery Grant		-113		8
23	Reduction in Transition Grant		25		
	Other Movements in Costs and Savings		43		
23	Reduction in New Homes Bonus Grant		456		9
	Capital Financing Adjustments:				
All	Capital Charges	22			10
24	Capital Charges – Recharge	-22			10
All	Revenue Exp Funded from Capital Under Statute (net)	499			3,10
24	Capital Adjustment Account - REFCUS (net)	-499			3,10
24	Revenue Contributions to Capital Outlay	489			10
		<u>489</u>			
			489		
	Financial Adjustments:				
85	Increased Contribution to Capital Investment	-489			11
85	Reduced Contribution to Capital Fund	-60			11
85	NHB Contribution from Reserves	-249			9,11
85	Increased Contribution from Operational Reserve	-87			11
85	Reduced Contribution from Ryedale Development Fund	35			11
85	Reduced Contribution from IT Fund	7			11
		<u>7</u>			
			-843		
	Net Movement in Expenditure			-90	
	<b>Original Estimate 2018/19 Net Expenditure</b>			<b>6067</b>	

## BUDGET VARIATION NOTES

1. Costs associated with transforming the Council have been met from the Improvement, Contingency and Emergency Fund.
2. Residual redundancy and pension strain costs incurred by the Council have been funded from the Restructure Reserve.
3. To account for the capital and revenue impact of the decisions made by the Council relating to the Government's Community Housing funding.
4. To recognise the increase in income streams above the budget particularly in relation to Development Control fees.
5. Forecast net salary savings as a result of vacant posts and the progression of staff through the spinal column points within each grade.
6. New Budget Pressures identified within the 2018/19 budget are highlighted in detail within Appendix A of the Financial Strategy.
7. Further details relating to cost reductions and savings can be found within Appendix A of the Financial Strategy.
8. Rural Services Delivery funding has increased in line with the 2018/19 final Local Government Finance Settlement.
9. Income and expenditure relating to New Homes Bonus is base lined into the revenue budget and is being used, in part, to fund the capital programme. The remaining balance of funding (£776k) has been transferred into the New Home Bonus Reserve.
10. 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 24).
11. The heading Contributions to/(from) Earmarked Reserves (line 85) shows movements on the Council's funds and reserves. Details on the movement in the Council's key reserves are shown in Appendix D of the Financial Strategy.

# **SERVICE UNITS**

## SERVICE UNITS HOLDING ACCOUNTS

### SUMMARY OF NET EXPENDITURE

Service Units	Employees £	Running Expenses £	Support Services £	Income £	2018/19 Original Estimate £
<b>SUPPORT SERVICE UNITS</b>					
Management Team & Support	657,086	123,870	23,610	-	804,566
Resources & Enabling Services	722,044	107,630	36,720	-9,710	856,684
Legal & Human Resources	283,219	108,450	52,420	-14,520	429,569
Customer Services	1,348,422	315,450	179,040	-8,530	1,834,382
<b>Total</b>	<b>3,010,771</b>	<b>655,400</b>	<b>291,790</b>	<b>-32,760</b>	<b>3,925,201</b>
<b>DIRECT SERVICE UNITS</b>					
Delivery & Frontline Services - People	428,872	98,840	56,320	-	584,032
Specialist Services - Place	457,342	86,650	99,290	-1,330	641,952
Delivery & Frontline Services - Environment	250,209	56,650	60,530	-	367,389
Delivery & Frontline Services - Operations	1,424,105	135,380	73,410	-	1,632,895
Resources & Enabling Services - Business Development	459,590	116,040	71,790	-	647,420
<b>Total</b>	<b>3,020,118</b>	<b>493,560</b>	<b>361,340</b>	<b>-1,330</b>	<b>3,873,688</b>
<b>NET EXPENDITURE</b>	<b>6,030,889</b>	<b>1,148,960</b>	<b>653,130</b>	<b>-34,090</b>	<b>7,798,889</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).

**PARISH & TOWN  
COUNCILS  
PRECEPT REQUIREMENTS**

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2018/19**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Acklam	71.28	2,000	28.06
Aislaby, Middleton & Wrelton	320.22	2,400	7.49
Allerston & Wilton	197.66	5,000	25.30
Amotherby	146.65	4,935	33.65
Ampleforth	397.71	16,000	40.23
Appleton-le-Moors	96.15	1,020	10.61
Appleton-le-Street	56.24	-	-
Barton-le-Street	85.13	500	5.87
Barton-le-Willows	90.26	1,150	12.74
Barughs Ambo	91.01	256	2.81
Beadlam	95.80	2,240	23.38
Birdsall	76.98	140	1.82
Bransdale	28.03	-	-
Brawby	65.75	-	-
Broughton	83.46	1,500	17.97
Bulmer	94.22	2,300	24.41
Burythorpe	109.88	1,700	15.47
Buttercrambe	42.76	-	-
Byland with Wass & Oldstead	115.74	810	7.00
Cawton, Coulton & Grimstone	103.55	735	7.10
Claxton & Sand Hutton	205.78	4,909	23.86
Cold Kirby	53.94	-	-
Coneysthorpe	42.92	-	-
Cropton	121.93	800	6.56
Ebberston & Yedingham	256.80	6,000	23.36
Edstone	66.20	-	-
Fadmoor	57.10	-	-
Farndale East	50.32	-	-
Farndale West	54.65	-	-
Flaxton	150.19	3,132	20.85
Foston & Thornton-le-Clay	130.94	2,500	19.09
Foxholes with Butterwick	95.81	3,240	33.82
Ganton with Potter Brompton	87.12	1,000	11.48
Gate Helmsley & Upper Helmsley	145.59	1,900	13.05
Gillamoor	68.85	450	6.54
Gilling East	106.63	2,425	22.74
Habton	130.82	550	4.20
Harome	130.23	6,100	46.84
Hartoft	36.41	-	-
Harton	42.06	-	-
Hawnby	92.53	800	9.51
Helmsley	762.07	92,500	121.38

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2018/19 (CONTINUED)**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Henderskelfe	24.82	-	-
Heslerton	145.05	3,488	24.05
Hovingham & Scackleton	252.59	6,017	23.82
Howsham	60.81	-	-
Hutton-le-Hole	102.67	5,250	51.13
Huttons Ambo	130.40	2,800	21.47
Kirbygrindalythe	119.08	1,500	12.60
Kirby Misperton	118.46	1,750	14.77
Kirkbymoorside	1,167.37	73,500	62.96
Langton	39.30	-	-
Lastingham	71.21	1,770	24.86
Leavening	137.07	1,600	11.67
Levisham	50.58	-	-
Lillings Ambo	82.26	250	3.04
Lockton	136.36	3,500	25.67
Luttons	159.40	5,250	32.94
Malton	2,053.89	173,500	84.47
Marishes	57.37	-	-
Marton	102.16	420	4.11
Nawton	277.92	5,393	19.40
Newton-on-Rawcliffe & Stape	131.33	2,200	16.75
Normanby	70.46	1,800	25.55
Norton	2,547.62	148,000	58.09
Nunnington	125.05	2,150	17.19
Old Byland & Scawton	76.28	-	-
Oswaldkirk	126.04	2,040	16.19
Pickering	2,768.01	205,000	74.06
Pockley	44.30	-	-
Rievaulx	39.96	-	-
Rillington	388.78	18,300	47.07
Rosedale East & West	198.63	6,500	32.72
Salton	37.62	-	-
Scagglethorpe	94.34	2,601	27.57
Scampston with East & West Knapton	126.85	2,250	17.74
Scrayingham with Leppington	92.77	800	8.62
Settrington	139.48	3,740	26.81
Sherburn	284.02	24,900	87.67
Sheriff Hutton with Cornborough	474.55	16,290	34.33
Sinnington	145.03	3,000	20.69

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2018/19 (CONTINUED)**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Slingsby	259.54	6,693	25.79
Southolme & Fryton	39.36	701	17.81
Spaunton	34.98	-	-
Sproxton	56.36	180	3.19
Stonegrave	50.77	-	-
Swinton	210.87	3,762	17.84
Terrington	247.19	3,085	12.48
Thixendale	80.93	1,000	12.36
Thornton-le-Dale	857.68	28,000	32.65
Thorpe Bassett	48.78	600	12.30
Warthill	114.89	1,250	10.88
Weaverthorpe	119.40	3,500	29.31
Welburn (Kirkbymoorside)	32.47	-	-
Welburn (Malton)	215.94	4,000	18.52
Westow	146.59	2,300	15.69
Wharram	44.87	-	-
Whitwell-on-the-Hill & Crambe	96.47	825	8.55
Willerby & Staxton	234.72	8,600	36.64
Wintringham	79.98	2,250	28.13
Wombledon	152.32	4,400	28.89
Council Tax Base	21,581.37		
Aggregate of Parish Requirements		965,777	