

18 July, 2007

The Report of the Executive

The Executive met at County Hall, Northallerton on Tuesday, 22 May, 2007.
Present:- County Councillor Chris Metcalfe in the Chair. County Councillors Carl Les, Caroline Patmore, Helen Swiers and Clare Wood.

Also in attendance: County Councillors Eric Broadbent, Geoffrey Cullern and Michael Knaggs.

The Executive met again at County Hall, Northallerton on Tuesday, 12 June, 2007.
Present:- County Councillor Chris Metcalfe in the Chair. County Councillors John Fort BEM, Carl Les, Caroline Patmore, Helen Swiers and Clare Wood.

Also in attendance: County Councillors Margaret Hulme and Michael Knaggs.

The Executive met again at County Hall, Northallerton on Tuesday, 26 June, 2007.
Present:- County Councillor John Weighell in the Chair. County Councillors John Fort BEM, Carl Les, Chris Metcalfe, Caroline Patmore, John Watson OBE and Clare Wood.

Also in attendance: County Councillors John Blackie, Eric Broadbent, Mrs M-A de Courcey-Bayley, Gareth Dadd, Heather Garnett, Michael Knaggs and Paul Richardson.

The Executive met again at County Hall, Northallerton on Tuesday, 3 July, 2007.
Present:- County Councillor John Weighell in the Chair. County Councillors Carl Les, Caroline Patmore, Helen Swiers, John Watson OBE and Clare Wood.

Also in attendance: County Councillors Tony Hall, Richard Hall, Bill Hoult, Michael Knaggs and Paul Richardson.

1. Revenue Outturn 2006/07: The accounts of the County Council for 2006/07 have now been closed and are being finalised for external audit. The figures are therefore still provisional at this stage and it is possible that some amendments may have to be made before the accounts are signed off by the External Auditor. However, it is not envisaged that any required amendments will be significant. The overall revenue outturn position of the County Council for 2006/07 is:

| Item | £000 |
|---|---------|
| Original Budget approved by County Council in February 2006 | 280,103 |
| + net underspendings in 2005/06 approved for carry forward to 2006/07 | 5,428 |
| = Revised Budget for 2006/07 | 285,531 |
| - Net expenditure outturn | 276,496 |
| = Total Underspend | 9,035 |

18 July, 2007

The summarised outturn position can be analysed over Directorates as follows:-

| Directorate | Final revised budget 2006/07 | 2006/07 actual outturn | Variation |
|---|------------------------------|------------------------|----------------|
| | £000 | £000 | £000 |
| Adult and Community Services | 110,628 | 109,142 | - 1,486 |
| Business and Environmental Services | 52,518 | 52,342 | - 176 |
| Chief Executive's Group | 9,564 | 9,444 | - 120 |
| Children and Young People's Services | 71,878 | 69,191 | - 2,687 |
| Finance & Central Services | 11,535 | 10,463 | - 1,072 |
| Corporate Miscellaneous | 29,408 | 25,914 | - 3,494 |
| Total | 285,531 | 276,496 | - 9,035 |

A brief commentary for each Directorate's final outturn variances follows:-

(i) **Adult and Community Services** - The bottom line year end underspend is £1,486k but this includes a managed underspend of £860k to make provision in 2007/08 for demand and cost pressures and develop preventative services with the voluntary and community sector. The remaining underspend of £626k (0.57% of budget) compares with a projected figure of £472k at Q3 and arises principally from management action to reverse the trend of overspending against budget. In particular this included:-

- application of the 'critical' threshold under the Fair Access to Care Services (FACS) criteria during the first part of 2006/07
- review of current services to ensure continuing cost effectiveness of care packages
- managing staffing levels and vacancies to achieve saving
- better than budgeted income levels were achieved
- some developmental projects were delayed or reviewed

Offsetting these were decisions taken, in the light of the confirmed trend of underspending, to target some additional resource at high priority areas, in particular:-

- improving the ICT infrastructure in the Directorate. This includes the replacement of the public network PCs in libraries to improve the service to the public. In addition, further investment has been made in IT equipment in the Directorate to assist in implementing the modernisation and change agenda
- improving performance in key aspects of the Directorate's work, particularly helping people to live at home and assistance to carers
- increasing investment in aids and equipment for people with disabilities

18 July, 2007

→ improving the care home environment for residential clients as part of the Dignity in Care agenda

(ii) **Business and Environmental Services** - The final outturn position is an underspend of £176k compared to a forecast overspend of £107K as at Quarter 3.

This underspend mainly arises from the delay of approximately £200k of various training and improvement initiatives which will now take place in 2007/08.

Although the final position is not yet determined, waste volumes appear to have remained broadly static compared to those experienced in 2005/06. The County Council also received higher than anticipated Government grant for the disposal of hazardous waste, electrical and electronic items (WEEE) in the final quarter. This, along with proactive contract management within the Waste Management Unit, has led to an underspend of £500k. This is offset by the funding of LATS (Landfill Allowance Trading Scheme) allowances being charged to the 2006/07 accounts, resulting in savings of £592k in the 2008/09 MTFS. The predictability of waste volumes continues to be problematic. However, if recent past trends continue, it is likely that expenditure can be contained within the 2007/08 budget.

Due to the temperature and weather conditions experienced in the financial year, expenditure on the highways winter service was approximately 20% lower than that for 2005/06; this represents net savings against the Directorate budget of £200k. From 2007/08 it is proposed, however, that the full budget and risk associated with the winter service will rest with the Business and Environmental Services Directorate. The net savings above have therefore been set aside in a reserve to help manage the risk in future years and hence minimise any potential adverse impact on services from a more severe winter.

Close management of the budgets throughout 2006/07 has enabled all other services within the Directorate to achieve a balanced financial position.

(iii) **Chief Executive's Group** - The year end position shows a net underspend of £120k, with major underspends in Access to Services (£145k), Employment Training Services (£141k) and Elections (£73k) offset by overspends on Job Evaluation (£100k), Youth Offending Team (£33k), Members (£58k) and Personnel (£41k).

The significant variance from the £16k forecast overspend reported at the end of Q3 is due to the treatment of the Employment Training Service (ETS) wind-up provision carried forward from 2006/07, which was included as notional expenditure at Quarter 3. The reassessed provision of £60k shows as a technical underspend in this report. Excluding this technical adjustment of £60k, which will be carried forward to 2007/08, the remaining underspend is £60k and is proposed to be dealt with as follows:-

Additional Carry Forwards to 2007/08 (£185k)

→ the Elections underspend of £73k to be carried forward to 2007/08

→ the Access to Services underspend of £145k to be carried forward to 2007/08

→ the Youth Offending Team (YOT) deficit of £33k to be carried forward. The YOT is managing this deficit in line with the agreed recovery programme

18 July, 2007

Write-offs (£125k)

- the write-off of £100k Job Evaluation costs.
- where possible overspends have been utilised in order to compensate for overspends elsewhere in the Directorate. However, there is a remaining net deficit of £25k which is requested to be written off at the year end

(iv) Children and Young People's Service

Local Authority Block - The overall net underspending on the Local Authority Block is £2,687k which compares with a figure of £1,372k at Q3. This underspending incorporates some significant technical features which require explanation in order to put the year-end position into context. There is a technical underspend of £744k which, in order to maximise the use of Early Years Grant, was charged against eligible directorate expenditure and is available in 2007/08 to support the Children's Centre and Integrated Services agenda. The remaining underspend of £1,943k is available to support the local authority (non-schools activities) and consists of the following variations compared with the position at Q3.

| Budget Head | Outturn £000 | Q3 £000 |
|---|-------------------------|--------------------|
| Children's Social Care | -523 | -574 |
| Youth Service | -146 | -146 |
| Quality & Improvement, Strategic Services, Psychology Service | -341 | -314 |
| Home to School Transport | -458 | -278 |
| Student Support | -272 | -187 |
| Children's Services (Strategic Capacity) | -220 | 0 |
| Transformation Agenda | +200 | +200 |
| Standards Fund (LA Element) | -92 | -92 |
| Other net minor variations | -91 | +19 |
| Total underspend | -1,943 | -1,372 |

Of this underspend, there are agreed planned earmarked carry forwards totalling £884k consisting of supporting the continuation of Treatment Foster Care in 2007/08 (£523k), one-off activity programmes focusing on addressing outstanding aspects of the Youth Work Plan (£146k) and Quality and Improvement, Strategic Services and the Psychology Service carry forwards (£215k). After taking into account the agreed planned earmarked carry forwards, the effective underspending for Local Authority (non-schools) activities is £1,059k. A significant proportion of this remaining carry forward is required to fund the purchase of an Integrated Children's computer system.

Schools Block - The County Council's expenditure on schools is funded by grant monies provided by the Department for Education and Skills through the Dedicated Schools Grant (DSG). This is a ring-fenced grant and can only be applied to meet expenditure properly included in the Schools Budget. The Schools Budget includes elements for a restricted range of services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each school. The overall underspend of £1,218k against the central expenditure allocation and ISB will be carried forward as an earmarked reserve in support of the Schools Budget in 2007/08. Further resources (£601k) set aside in earlier years to support early years and to fund the SEN

18 July, 2007

review will be used in 2007/08 and have also been paid into a specific, earmarked reserve.

In addition, at the end of 2005/06, there were unused individual school budgets under the old financial system of £947k. This amount has been carried forward into 2007/08 in the LMS reserve in support of Schools Block expenditure in future years, especially given the uncertainties on future levels of funding and the impact of job evaluation.

LMS reserves totalled £23.9m as at 31 March 2007, with £20.8m relating to school balances. School balances are subject to controls set out in the Balances Control Scheme for Schools and a full report on school balances will be presented to the Schools Forum and Executive Members in September 2007. In addition to the school balances held in the LMS Reserve, there is a further balance of £6.5m which is treated as schools income, in advance, as it relates to capital funding available to use in future years.

Variations in Schools Block activities include non-recurring savings on Early Years (£221k) and a reduction in required matched funding for Standards Fund (£295k). Other significant savings include Children's Services (£500k) which remains available to support the preventative agenda in 2007/08. A similar provision within Catering (£232k) is likely to be needed to assist with healthy school meal initiatives and the outcomes of job evaluation.

(v) **Finance and Central Services** - The bottom line underspend is £1,072k but this includes technical underspends of £647k relating to unutilised cumulative carry forwards from previous financial years in relation to equal pay/equipment replacement funds for Building Cleaning Services (£593k) and equipment replacement funds for the County Print Unit (£54k). Excluding these technical underspends, which need to be carried forward, the underspending is therefore £425k consisting mainly of:-

→ an underspend of £304k on County Hall and other offices, mainly due to underspends on specific planned maintenance projects and utilities; the carry forward is needed to fund these commitments in 2007/08

→ an underspend of £108k on the Corporate Property Landlord Unit due to delays in finalising the post-contractual arrangements with Jacobs and commitments delayed until 2007/08; the underspend is therefore needed to fund commitments in 2007/08

→ a Corporate Procurement overspend of £215k which is being requested for write-off in 2006/07. The overspend is due to additional costs associated with identifying, delivering and managing corporate contracts, and work undertaken on Corporate projects but not recharged

→ an in-year County Print Unit surplus of £126k, mainly due to efficiencies arising from a reduction in external printing. £30k of this surplus will be added to the Equipment Fund with the remaining £96k being offset against overspends in the Directorate

→ an in-year Building and Cleaning Services surplus of £78k arising mainly from savings on staffing costs; the surplus is needed to fund commitments in 2007/08

(vi) **Corporate Miscellaneous** - The bottom line underspend is £3,494k and consists of three main elements. Firstly, Local Authority Business Rates Growth Income (LABGI) of £1,413k and LPSA Performance Reward Grant (50% Revenue element) of £3,283k has been received but then "paid" immediately into a fund to cover the future costs of job evaluation and equal pay. This total additional income of £4,696k therefore does not feature as part of the overall net underspend. Secondly, an aggregate underspend of £784k

18 July, 2007

on the Community Fund (Second Homes Council Tax), the Area Committee Budgets and the Transformation Fund which, based on previous decisions by the Executive, are carried forward to 2007/08 and therefore do not impact on the General Working Balance (GWB). Finally, the remaining net underspend on all other Corporate Budgets totals £2,710k and is automatically transferred to the GWB. This includes Treasury Management savings of £2,482k, an underspend of £439k on the corporate provision for Winter Maintenance, an additional dividend of £923k from Yorwaste offset by Buildings, Design and Management wind-up costs of £514k. The net effect of all other variations is an underspend of £20k.

The Treasury Management savings arise from several factors, including

- additional interest earned from higher levels of balance and interest rates achieved
- lower borrowing costs due to borrowing at lower long-term interest rates
- savings from debt rescheduling exercises by exploiting interest rate differentials in the money market

The Business Rates Growth Incentive Scheme (LABGI) was introduced in 2005/06 for three years to 2007/08. The County Council received £635k in 2005/06 which was transferred into the General Working Balance and the latest forecasts reported as part of the Budget process were £1.7m for 2006/07 and £2m for 2007/08. The actual figure recently received for 2006/07 is £1,409k and this sum has therefore been transferred into the Equal Pay / Job Evaluation Fund. It is less than the £1.7m forecast because the Government have reversed an earlier decision to relax the scheme (by paying out 100% of the proceeds rather than the previous retention of 30% by the Government). This previous 30% 'scaling down' has therefore unexpectedly been continued in 2006/07, with the justification being that it is required by the Government as a contingency against judicial reviews being brought by some authorities against certain aspects of the scheme. Total LABGI available in 2006/07 is £1,413k because a residual sum of £4k was also received early in the year in relation to 2005/06. The Government say that the future of LABGI will be determined as part of CSR 2007 with the Lyons report suggesting reform to deliver a more transparent and long term scheme.

The County Council's LPSA with the Government covered the period 1 April 2003 to 31 March 2006 and a Performance Reward Grant (PRG) claim was submitted to the DCLG in December 2006. A response from the DCLG in February 2007 confirmed that total PRG of £7,871k would be paid to the County Council. Of this sum £1,304k is payable to the District Councils as part of an agreement with them in relation to their input into certain performance targets. This leaves £6,567k PRG for the County Council which has been transferred into the Equal Pay / Job Evaluation Fund. Although PRG is being paid by the DCLG in 2006/07 and 2007/08, following advice from the Audit Commission, the full sum is being reflected in the County Council's 2006/07 accounts. 50% of PRG is paid as a capital grant and must be used for capital purposes. To enable the full sum to be transferred into the Equal Pay / Job Evaluation Fund a revenue/capital financing switch for £3,284k has been effected. The total sum transferred into the Equal Pay / Job Evaluation Fund is therefore £7,980k. A further sum in the region of £2m is expected from LABGI in 2007/08 and this would mean that a total of about £10m would be available to fund Equal Pay and Job Evaluation costs. This is in line with the figure referred to in the February Budget / MTFS papers.

18 July, 2007

Total Directorate overspends / deficits that are requested to be written off in 2006/07 are £244k. These consist of the following:

| Item | £000 | £000 |
|--|------|------------|
| Chief Executive's Group | | |
| Job Evaluation administration costs | 100 | 125 |
| other | 25 | |
| Finance and Central Services | | |
| Corporate Procurement - costs re Corporate contracts | 215 | 119 |
| Less contribution from County Print Unit surplus | -96 | |
| | | |
| = Total Directorate deficits requested to be written off in 2006/07 | | 244 |

Directorate underspends total £6,569k and are a combination of:

- (i) technical underspends and associated carry forwards
- (ii) managed savings to assist the Budget in 2007/08 and subsequent years
- (iii) planned / earmarked savings to support developmental initiatives in 2007/08
- (iv) spending planned for 2006/07 but deferred/delayed until 2007/08 for a variety of reasons

The technical underspends and proposed carry forwards are set out below:

| Detail | Balance requested for carry forward to 2007/08 |
|---|--|
| | £000 |
| Corporate Miscellaneous – underspends on the Community Fund, Transformation Fund and the Area Committee Budgets | 784 |
| Adult and Community Services – managed underspend to make provision for demand and cost pressures and develop preventative services with the voluntary and community sector | 860 |
| Children and Young People's Service – maximising Sure Start grant in 2006/07 has resulted in technical underspend elsewhere in Directorate budgets | 744 |
| Finance and Central Services | |
| Building Cleaning Equal Pay and Equipment Fund | 593 |
| County Print Unit Equipment Fund | 54 |
| Chief Executive's Group – ETS Wind-up Provision | 60 |
| Total | 3,095 |

18 July, 2007

The remaining balance of the underspend proposed for carry forward derives from the issues referred to in (ii)–(iv) above. At Directorate level the split of the £3,474k is:

| Directorate | Balance requested for carry forward to 2007/08 |
|-------------------------------------|--|
| | £000 |
| Children and Young People’s Service | 1,943 |
| Business and Environmental Services | 176 |
| Adult and Community Services | 626 |
| Chief Executive’s Group | 185 |
| Finance and Central Services | 544 |
| Corporate Miscellaneous | 0 |
| Total | 3,474 |

The combined total requested for carry forward is £6,569k.

The corporate budget contribution of £1.5m in 2006/07 would fund an overspend of £2.25m on Winter Maintenance based on the current one third/two thirds funding split with Business and Environmental Services (BES). The final position for the year was:

| Item | £000 |
|--|-------|
| Total cost of Winter Maintenance in 2006/07 | 5,198 |
| - Business and Environmental Services base Budget provision | 3,606 |
| Total year end overspend | 1,592 |
| - less 1/3 funded by Business and Environmental Services | 531 |
| = corporate contribution (= 2/3) required | 1,061 |
| - corporate budget provision | 1,500 |
| = underspend impacting directly on General Working Balance (via Corporate Miscellaneous) | 439 |

The Corporate underspend of £439k compares with a £500k overspend reported in the Q3 forecast, which continued to reflect a level of spending comparable with 2005/06 which led to a £2,011k Corporate contribution. The eventual outturn for 2006/07 reflects higher temperatures and less costly weather conditions than in recent years. The Corporate budget provision in 2007/08 is £2m which is an increase of £0.5m over the provision of £1.5m in 2006/07. This would support an overspend on Winter Maintenance of £3m by BES, which is comparable to 2005/06 spending levels, but well above the spending level in 2006/07.

To facilitate the management of this service within the overall framework of BES, the Executive has agreed for 2007/08 and future years that the full budget and risk associated with Winter Maintenance is transferred to the Business and Environmental Services Directorate. This would entail the £2m Corporate base Budget provision being switched to the BES with no future corporate contribution towards Winter Maintenance overspends being made. To help manage the risk in future years any underspends against the total BES Winter Maintenance budget would be set aside in a specific reserve.

The table below sets out the final outturn position for 2006/07 on Area Committee

18 July, 2007

budgets.

| Area Committee | 2006/07 Budget | | | Total spent in 2006/07 | Underspend in 2006/07 to be carried forward to 2007/08 |
|-------------------------|----------------|--------------------|--------------|------------------------|--|
| | Base Budget | 2005/06 Carry Over | Total Budget | | |
| | £000 | £000 | £000 | £000 | £000 |
| Craven | 37 | 2 | 39 | 39 | - |
| Hambleton | 47 | 12 | 59 | 55 | 4 |
| Harrogate | 68 | 8 | 76 | 65 | 11 |
| Richmondshire | 35 | 17 | 52 | 40 | 12 |
| Ryedale | 36 | 17 | 53 | 36 | 17 |
| Yorkshire Coast & Moors | 53 | 0 | 53 | 51 | 2 |
| Selby | 44 | 14 | 58 | 57 | 1 |
| Total | 320 | 70 | 390 | 343 | 47 |

The aggregate underspend of £47k is part of the sum proposed for carry forward to 2007/08

A key objective of the Medium Term Financial Strategy approved by the County Council on 21 February 2007 was to restore the General Working Balance (GWB) to a minimum acceptable level as soon as possible. From 2006/07 the policy target for the level of the GWB was redefined as 2% of the net revenue budget of the County Council. In cash terms the target (forecast) for 31 March 2007 was £5.88m, with increases in subsequent years up to £6.8m by March 2011 to maintain the 2% target. The level of the GWB is directly affected by any year end under or overspending on the various Corporate Miscellaneous budgets which are not rolled forward between years, together with any service deficits which it is agreed should be written off in the year. The year on year movement in balances is as follows:

| Item | £000 |
|---|---------------|
| Balance at 31 March 2006 | 9,842 |
| + funding income received in year | 280,103 |
| - net expenditure by Directorates in 2006/07 | -276,496 |
| = General Working Balance at 31 March 2007 | 13,449 |

However, this overall balance of £13,449k includes the Directorate underspends in 2006/07 proposed for carry forward to 2007/08. It is assumed that the GWB will be reduced during 2007/08 by the consumption of these carry forwards as they are, in effect, earmarked balances. The overall level of 'free' balances at 31 March 2007 after adjusting for these proposed carry forwards (£6,569k) is therefore £6,880K, equal to 2.5% of net revenue expenditure. This represents a £1,000k increase compared to the projected figures reported during the Budget process. This is primarily attributable to the £439k underspend on Winter Maintenance compared to the earlier reported projected overspend of £500k. The forecast level of the General Working Balance for the next five years is as follows:

% of Net

£000

18 July, 2007

Revenue Budget

| | | |
|---|-------|-----|
| • actual free balances at 31 March 2007 | 6,880 | 2.5 |
| • estimated at 31 March 2008 | 6,880 | 2.3 |
| • estimated at 31 March 2009 | 6,880 | 2.2 |
| • estimated at 31 March 2010 | 6,880 | 2.1 |
| • estimated at 31 March 2011 | 6,880 | 2.0 |

The County Council has adopted a set of 'good practice rules' as part of its MTFS which is to achieve a revised policy target of 2% of the net Revenue Budget of the County Council. Following the 2007/08 MTFS and Revenue Budget report to the County Council on 21 February 2007 the targets were revised and are now:-

| | £000 | % of Net Revenue Budget |
|---------------|-------|-------------------------|
| 31 March 2007 | 5,880 | 2.1 |
| 31 March 2008 | 5,880 | 2.0 |
| 31 March 2009 | 6,200 | 2.0 |
| 31 March 2010 | 6,500 | 2.0 |
| 31 March 2011 | 6,800 | 2.0 |

The target for 31 March 2007 is £5,880k and the actual level of balances at 31 March 2007 of £6,880k exceeds this target by £1m. As this figure also achieves the 2% target of £6.8m by 31 March 2011, no contribution would therefore be required from the Revenue Budget as part of updating the MTFS. Whilst the improved position is to be welcomed, it should be borne in mind, however, that there are a number of impending pressures carrying over from 2006/07 that may create overspends that will have to be financed during 2007/08. In addition, Members will be aware that there are also a number of significant identified funding pressures in the MTFS for 2008/09 and 2009/10.

In addition to the GWB, the County Council holds a number of other earmarked reserves and balances. These represent funds that have been set aside for a specific initiative or liability. The Local Government Act 2003 and associated guidance received from CIPFA requires a formal review, and regular report as part of the budgetary control process, on the level and adequacy of reserves, balances and provisions. These requirements were incorporated into the 2007/08 Budget report. At this stage there are no issues with reserves and balances that cause particular concern.

Throughout 2006/07, a number of issues have been identified and reported to Members that could lead to budgetary pressures in 2007/08 and future years. As part of the ongoing performance and budget monitoring process, the risks associated with these issues are identified with corrective action being taken, wherever possible. Issues that could impact on 2007/08 and future years are as follows:

(a) **Children and Young People's Service** - The outturn position identifies no significant budget pressures in addition to those identified in the 2007/08 budget and MTFS for 2008/09 – 2009/10. The key issues where, despite additional resources, there are likely to be spending pressures in 2007/08 are:

(i) **Grant Funding Arrangements** - The DfES is currently carrying out a consultation which proposes potential changes to the funding methodology for activities properly falling within the Schools Budget, i.e. funded by Dedicated Schools Grant (DSG).

18 July, 2007

The underlying assumption is that the DSG will continue to receive above inflation increases but the DfES have indicated that allocations will be lower than in the current Comprehensive Spending Review. However, given uncertainty of the review of distributing the total national resources between local authorities and the accelerated reduction in pupil numbers, it will be necessary to revisit the provisional budgets developed for 2008/09 and 2009/10. There are also pressures on other funding sources including the ending of Children's Fund and grant funding arrangements for Treatment Foster Care. There is also significant risk for a large number of existing specific grants for which no information is available for 2007/08.

(ii) **Treatment Foster Care** - Planned savings on external placements of Looked After Children have been achieved in the current year but will support the continuation of a previously grant-aided project for treatment foster care from non-recurring revenue underspends. It is anticipated that changes to the mix of external placements for Children Looked After will realise savings but these will provide a very challenging target.

(iii) **Home to School Transport** - The Education Inspection Act includes new provisions on Home to School Transport, including greater entitlement to the choice of free transport. Although there is no provision for other policy pressures, it is worthwhile noting the implications for a county such as North Yorkshire if we were to change our policy in relation to the provision of transport for pupils with special educational needs and also to support extended schools and Early Years transport. The impact of market forces – including the volatility of fuel prices – make it difficult to achieve the monthly changes in the network, other than by increased costs. Such changes result from on-going movement to pupil numbers and their transport needs.

(iv) **Catering** - The prospect of a deficit reported at the start of the year has, unfortunately, been realised, despite the increased take-up of school meals. The revamping of the Catering Service with the merger of client and contractor functions and the restructure to separate primary and secondary services have developed the service. However, the impact of job evaluation and pressure to promote Healthy Eating initiatives will prove challenging.

(b) **Adult and Community Services**

(i) **Adult and Older People Community Care Placements** - Whilst the application of an eligibility level of "critical needs" under the Fair Access to Care criteria during much of 2006/07 meant that expenditure on placements was contained last year, this did lead to sharp reductions in the level of service provided. In February 2007, the Executive agreed to alter the eligibility criteria to "substantial needs" for the remaining part of the year, and this will continue in 2007/08. Whilst the application of this eligibility level will be in the context of the available financial budget, the nature of the service continues to be demand led, and therefore will need careful management in 2007/08.

A further factor is the potential for cost pressure on social care budgets arising from the interface issues between services provided by the Directorate and by Health. The difficult financial position being faced by the PCT carries the risk of costs falling on the Directorate that might previously have been picked up by Health services. The Directorate will need to monitor closely any specific impacts on joint contracts with Health, including final decisions on inflation rates to be applied to Health contributions to these services, as well as the impact of any behavioural changes that might impact on budgets. In addition, the PCT has set explicit targets for the maximum number of admissions for different types of treatment within acute hospital settings. This gives the potential for individuals needing to rely on non-hospital interventions. There is the potential risk that this will increase pressure on social care budgets.

(ii) **Coroner's Service** - This service has overspent in the past, in years where there

18 July, 2007

has been significant activity on inquests. In 2006/07 there was an underspend of £37k, and this will be carried forward to provide some budget cover against such costs occurring in 2007/08. The nature of the service means, however, that the “volatility” risk needs to be highlighted.

(c) Business and Environmental Services

(i) **Winter Maintenance** - Whilst there was an overall underspend on winter maintenance, historically this budget has been overspent. As indicated above, changes have been agreed to the funding arrangements for winter maintenance with effect from April 2007 as a result of which, BES will assume total responsibility for the costs of the winter maintenance service. The corporate budget provision for winter maintenance (£2m) will be transferred to BES resulting in a total available budget of £6.7m in 2007/08. It is intended that any underspends in winter maintenance would be earmarked up to a value of £1m, in order to provide for any severe winter; any overspend will, however, need to be contained within available BES budget.

(ii) **Waste Management** - Waste volumes in 2006/07 were broadly comparable with 2005/06. Members should, however, remain aware of the volatility of waste arisings and the subsequent impact upon in-year costs.

(iii) **Waste PFI** - The Waste PFI Procurement Project will have a long-term financial impact. In April the Executive resolved to commit to funding the additional resources to make the project affordable over the life of the contract and, in May, the Executive approved the commencement of the procurement process and the proposals to secure sites for front end infrastructure. Additionally, the Executive recognised the potential for ongoing changes in the projected costs, and therefore affordability, for the Waste PFI project and, indeed, for the status quo comparator. These might be due to factors such as more up to date market information and changes in government policy, such as further increases in landfill tax, rather than fundamental changes to the structure of the business model. The Executive has now taken account of changes to capital allowances outlined in the Chancellor’s Budget Statement; the cost of LATS purchases; at Defra’s suggestion, a more prudent assessment of third party recycling income; and an additional £20,511k to allow for possible future sensitivities; and has reaffirmed that the County Council is committed to funding the project, now funded at a maximum of £620m, required to make the Waste PFI Procurement Project affordable over the life of the contract.

The Executive RECOMMENDS:

a) That the proposed write off in 2006/07 of Directorate overspendings totalling £244k, as detailed in the report, be approved.

b) That the proposed carry forward to underspending at Directorate level, as detailed in the report, totalling £6569k be approved.

18 July, 2007

2. Capital Expenditure Outturn and Financing 2006/07: A Capital Plan for 2006/07 was submitted to Executive in February 2006, at the same time as considering the issues surrounding a significant level of capital expenditure slippage from 2005/06 to subsequent years. Following a review and detailed analysis of this expenditure slippage in 2005/06, most of which had been rephased into 2006/07, it became apparent that the Capital Plan for 2006/07 was programmed unrealistically in terms of technical capacity, management and resources to deliver schemes. A further review of this Capital Plan was, therefore, undertaken with the result that a significant level of expenditure was rephased from 2006/07 to subsequent years, in order to achieve a more realistically achievable Capital Plan.

The movement in the Capital Plan for 2006/07 has been:-

| | |
|--|-------|
| | £m |
| Gross spend of Capital Plan approved on 28 February 2006 | 112.7 |
| Detailed review in Spring of 2006 | |
| - rephasing to subsequent years | -29.5 |
| - other self funded changes | -0.8 |
| = updated Capital Plan approved on 13 June 2006 | 82.4 |
| further changes reflected in 2006/07 quarterly Capital Plan updates | |
| Variations in schemes self funded from grants, contributions and revenue | 4.5 |
| Schemes funded from earmarked capital receipts (mainly Depots) | 0.9 |
| Variations in schemes funded from borrowing | |
| - supported borrowing approvals | -0.4 |
| - loans to companies (Prudential Borrowing) | 2.0 |
| - other (Prudential Borrowing) | -0.2 |
| Rephasing of expenditure between years | |
| - self funded | 0.4 |
| - from borrowing and capital receipts | -0.4 |
| Approvals funded from surplus capital resources | 1.5 |
| = latest Capital Plan approved by Executive on 20 February 2007 | 90.7 |

Capital expenditure in 2006/07 compared to the Capital Plan is as follows -

| Item | Capital Plan | | Outturn for 2006/07 | Year end variation compared with | |
|---------------------------------------|------------------------------|--------------------|---------------------|----------------------------------|-------------|
| | Original (revised 13 Jun 06) | Latest (20 Feb 07) | | Original Plan | Latest Plan |
| | £m | £m | £m | £m | £m |
| Gross Capital Spending | 82.4 | 90.7 | 89.4 | +7.0 | -1.3 |
| Less Capital Grants and Contributions | 29.8 | 35.2 | 33.4 | -3.6 | -1.8 |
| = net Capital Spending | 52.6 | 55.5 | 56.0 | +3.4 | +0.5 |

18 July, 2007

The 2006/07 gross capital outturn of £89.4m therefore represents an underspend of £1.3m compared with the last Capital Plan update. Compared with the original (rephased) Capital Plan approved in June 2006, however, the outturn position represents a £7.0m overspend. The major reasons for the variations are as follows:-

| Item | £m |
|--|------|
| Scarborough Integrated Transport Scheme – programme slippage due to delays in land acquisition and work due to be carried out by utility companies. Scheme is fully grant funded | -4.9 |
| Working capital loan to NYnet made late in financial year, and provided for in 2007/08 Capital Plan (mostly repaid early in 2007/08) | +1.3 |
| Schools Devolved Capital Funding and Capitalised Repairs and Maintenance – progressed with programmed schemes quicker than planned (mainly funded by grant) | +2.5 |
| School capital schemes funded from their own resources – more schemes carried out than the ‘notional’ £2.5m Capital Plan provision | +1.9 |
| Waste Disposal Programme – slippage in programme (partially funded by grant), principally West Harrogate HWRC | -0.6 |
| Net effect of all other variations | -1.5 |
| = Gross Capital underspend in 2006/07 compared with last Capital Plan update | -1.3 |

After accounting for Directorate grants and contributions income, there is a bottom line net overspend of £0.5m which requires to be funded from capital receipts and borrowing. The various components of this net £0.5m overspend and the proposed carry forward to 2007/08 is as follows:-

| Item | £000 |
|--|--------|
| Latest Capital Plan update (gross spend) | 90,694 |
| 2006/07 outturn | 89,391 |
| = gross capital underspend | -1,303 |
| + reduced grants and contributions | +1,808 |
| = net capital overspend | +505 |
| → underspending against Material Damage Block provision which is not required to be carried forward to 2007/08 | +83 |
| → overspending against Vehicle and Equipment Block provision | -200 |
| → other miscellaneous ‘Corporate’ variations not proposed for carry forwards to 2007/08 | +46 |
| = adjusted net overspend proposed for carry forward to 2007/08 | 434 |

18 July, 2007

This proposed carry forward will not impact on the long term capital financing arrangements for the Capital Plan, as borrowing and use of capital receipts can be used flexibly between years.

Total capital expenditure of £89.4m in 2006/07 has been financed as follows:-

| Item | £000 | £000 |
|--|--------|--------|
| New borrowing for Capital purposes | | |
| • external sources as adjusted for debt repayment and statutory charges to revenue | 36,219 | |
| • internal capital borrowing | 11,669 | 47,888 |
| Capital Grants and Contributions | | |
| • Directorate grants and contributions | 28,842 | |
| • use of LPSA Reward Grant | 3,284 | |
| • Scarborough Integrated Transport Grant relating to capital spending in earlier years (written off at the end of 2005/06) | 657 | |
| | | 32,783 |
| Schemes financed from Revenue | | |
| • Directorate Revenue contributions | 5,470 | |
| • ICT financing adjustment | -925 | |
| • Children and Young People's revenue contribution in advance of capital spending in future years | 1,071 | |
| • switch of revenue contributions into a fund for job evaluation/equal pay costs (LPSA reward grant) | -3,284 | |
| | | 2,332 |
| Capital Receipts | | |
| • all receipts received in 2006/07 | | 6,388 |
| = total capital spending to be financed in 2006/07 | | 89,391 |

The balancing figure in the above table is effectively the borrowing for capital purposes from internal sources of £11,669k. A more detailed comparison of the funding package with that underlying the original Capital Plan and the most recent update was considered by the Executive. The table above shows that new borrowing of £47.9m was needed to finance capital spending in 2006/07. This consisted of £36.2m from external sources (as adjusted for debt repayment and statutory charges to revenue) and £11.7m from internal sources. A breakdown of the total capital borrowing requirement of £47.9m into constituent elements and compared with the original and latest Capital Plan is as follows:-

18 July, 2007

| Item | Original Estimate (Jun 2006) | Latest Estimate (Feb 2007) | 2006/07 Outturn |
|---|------------------------------|----------------------------|-----------------|
| | £m | £m | £m |
| Government Supported Borrowing approvals for 2006/07 | | | |
| • Single Capital Pot | | | |
| Education | 7.1 | 7.1 | 7.1 |
| Highways LTP | 28.9 | 28.9 | 28.9 |
| Social Services | 0.4 | 0.4 | 0.4 |
| • Separate scheme specific approvals | 2.4 | 2.0 | 2.0 |
| Unsupported Prudential Borrowing required to finance other schemes approved by the County Council | 11.3 | 12.9 | 13.1 |
| Slippage of net capital expenditure and capital receipts between years | -5.2 | -1.1 | 2.3 |
| Temporary use of surplus capital resources (mainly capital receipts) and other financing arrangements | -4.3 | -3.9 | -5.9 |
| Total Capital Borrowing requirement | 40.6 | 46.3 | 47.9 |

Actual new external borrowing taken up in the year, as reported to the Executive in a separate Annual Treasury Management Report for 2006/07, was £30m and this reconciles to the £47.9m used to finance new capital spending in 2006/07 as follows:

| Item | £m |
|---|-------|
| New borrowing required to finance Capital Spending in 2006/07 | 47.9 |
| - increased internal borrowing from surplus revenue cash balances | -11.7 |
| = | 36.2 |
| + new external borrowing for capital purposes | 5.3 |
| - new external borrowing to replace loan repayments in 2006/07 | -11.2 |
| - 4% MRP charged to Revenue which reduces borrowing need | -0.3 |
| - other items reducing borrowing need in year | |
| = | 30.0 |
| total external borrowing in 2006/07 | |

The financing table above includes a £925k 'financing adjustment' being offset against Directorate Revenue Contributions to capital spending in 2006/07 in relation to the Wide Area Network (WAN). The principle of this adjustment was approved by Executive on

18 July, 2007

24 June 2003 as part of a package of proposals agreed for the County Council's E-Government Strategy. Members had earlier approved capital funding of £6m for the WAN and £6m for the SDT over a period of years, but it subsequently became clear that a significant element of the costs were not of a capital nature. As it was not realistic to replace the capital allocations with revenue funding, the Executive agreed a mechanism to achieve a revenue/capital funding 'switch'. This switched part of Directorate revenue contributions to finance capital spending, in a given year, into a 'revenue reserve' which would be used at the same time to fund the actual revenue spend of up to £1m on the WAN and £0.6m on the SDT for that year. The resulting shortfall in revenue contributions to fund capital spending would then be made good by using a matching part of the annual WAN and SDT capital provision. The significance of 'up to £1m per annum for the WAN' and 'up to £0.6m per annum for the SDT' is that this is the maximum estimated amount of any revenue funding shortfall in any of the project years.

The County Council's Local Public Service Agreement (LPSA) with the Government (to improve the services to local people that the Council provides), covered the period 1 April 2003 to 31 March 2006. A letter claiming Performance Reward Grant (PRG) under the terms of the agreement was submitted to the Government in December 2006, with the DCLG confirming in February 2007, that a total PRG of £7,871k would be paid to the County Council. Of the total PRG of £7,871k, a sum of £1,304k is payable to the District Councils, as part of an agreement between the County Council and District Councils in relation to their input into certain performance targets. This leaves £6,567k PRG for the County Council which Members agreed, as part of the Budget process, would be transferred into a reserve to help fund the costs of the equal pay and job evaluation exercises. PRG is paid by DCLG as 50% revenue grant and 50% capital grant. This means that half of the grant (£3,284k) must be used for capital purposes, ie financing capital spending, and cannot be paid directly into a revenue fund for equal pay/job evaluation. The DCLG have confirmed that there is no flexibility in this revenue/capital split. A mechanism to achieve a capital/revenue switch has therefore been effected. This involves utilising the capital element of PRG (£3,624k) to finance capital spending in 2006/07 to conform with the DCLG's rules. An equivalent sum of Directorate revenue contributions, earmarked towards funding capital spending in 2006/07, is then being diverted and transferred into the equal pay/job evaluation fund. These revenue contributions earmarked to fund capital spending are now not needed because they have been replaced by using PRG. The end result is that the full PRG sum of £6,567k has been paid into an equal pay/job evaluation fund.

Two other year end capital financing transactions that have been effected are:-

- a forecast grant shortfall of £1.4m was written off in 2005/06 and funded from County Council capital resources in relation to preparatory costs on the Highways Scarborough Integrated Transport Scheme (SITS). It had earlier been assumed that these costs would be fully covered by Government grant, but it had become doubtful that this would be the case. Ultimately a grant claim for £657k has been successful during 2006/07 and this has been used to finance capital spending during the year, thus reducing the level of borrowing required. This released funding has been earmarked as a contingency against risks associated with the SITS scheme and will not be made available to the Corporate Capital Pot for other schemes and initiatives, until the final position on the scheme is established.
- an additional contribution of £1,071k from the Children and Young People's revenue budget has also reduced borrowing in the year. This contribution relates to funding earmarked for capital spending on Children's Centres in future years, when borrowing will have to be increased to compensate for the revenue contribution made in 2006/07.

18 July, 2007

The County Council's policy on capital receipts is that all such receipts, excluding those relating to County Farms, shall be used to finance capital expenditure in the year in which the receipts are generated. The outturn position on Capital Receipts is as follows:

18 July, 2007

| Item | £000 |
|---|-------|
| Receipts achieved in 2006/07 | |
| → sale of County Farms | 3,199 |
| → sale of other land and buildings | 3,189 |
| | 6,388 |
| Used to fund capital expenditure in 2006/07 | 6,388 |
| Capital Receipts carried forward to 2007/08 | 0 |

Total capital receipts achieved in 2006/07 of £6.4m compares with an estimate of £9.3m used for the last updated Capital Plan submitted to Executive. The shortfall of £2.9m relates principally to the sale of Norby Depot, Thirsk slipping from 2006/07 to 2007/08. All available capital receipts at 31 March 2007 have been used to fund capital spending in the year. This approach is advantageous in terms of treasury management activities and reduced capital financing costs incurred in 2007/08 and future years.

The County Council agreed, on 15 May 2002, a flexible policy on the utilisation of County Farms capital receipts. The policy is to use receipts as appropriate to either finance the Capital Plan, to reduce debt, or spend on any other legitimate purposes. The Capital Plan approved by Executive on 20 February 2007 utilises all estimated County Farms receipts, achieved in the financial years 2006/07 to 2009/10, to fund capital spending, rather than for debt repayment or other purposes. A review of the policy of disposing of the County Farms estate is currently being undertaken and will be reported to the Executive later in the year.

The Capital Plan update report submitted to Executive in February 2007 identified a potential £3.9m of unallocated capital funding that might become available in the four year period to 2009/10. This sum arose mainly from additional capital receipts that had been identified. As a result of the 2006/07 outturn position and a recent updated forecast of capital receipts up to 2009/10, this surplus capital resources forecast has now increased to £5m. The increase results from a combination of additional forecast capital receipts, increased values from some existing sales in the pipeline and underspends on some corporate capital provisions in 2006/07, which are not required to be carried forward to 2007/08. Assuming it materialises, this £5m could be made available for either:

- (i) new capital investment or
- (ii) reducing prudential (unsupported) borrowing in 2007/08, 2008/09 or 2009/10 and therefore achieving debt financing cost savings in the Revenue Budget and MFTS or
- (iii) holding for the time being with no immediate decision to either spend or reduce borrowing. This course of action would result in additional short-term interest being earned within Corporate Miscellaneous.

The Executive has again agreed to retain any surplus capital funding for the time being.

18 July, 2007

The Executive RECOMMENDS –

| |
|--|
| <p>That the proposed carry forward to 2007/08 of the net underspending totalling £434k, as set out in the report, be approved.</p> |
|--|

3. North Yorkshire Minerals and Waste Development Framework – Minerals and Waste Core Strategy Submission Documents: Work on the preparation of a Minerals and Waste Development Framework (MWDF) commenced in 2005 under the requirements of the Planning and Compulsory Purchase Act 2004. The purpose of the MWDF is to set out spatial policies and proposals to guide minerals and waste planning in North Yorkshire (outside the National Parks) over the period to 2021. When complete, the MWDF will comprise a group of documents which will form part of the Statutory Development Plan. They will therefore be a part of the policy framework for the determination of applications for minerals and waste development which come before the County Planning Authority. They are also intended to play a wider "spatial" role, developing links between land use planning policies and other policies and strategies, such as the Community Strategy and the joint Municipal Waste Management Strategy.

Two key components of the MWDF will be core strategies on minerals and waste. These will contain an overall approach to minerals and waste development for the County, together with specific policies to help deal with planning applications. They will also form the basis for the allocation of land for potential future minerals and waste development. Such allocations will be identified in separate minerals and waste site allocations documents, preparation of which has already commenced. It is expected that a report on preferred minerals and waste allocations will be brought to the Executive in September 2007, prior to public consultation.

Two major phases of public consultation on the emerging minerals and waste core strategies have already taken place. The County Council is now required to finalise its core strategy policies and submit them for independent examination. As the MWDF forms part of the Council's policy framework, and in the light of advice from Government Office for Yorkshire and The Humber, the approval of full Council is required prior to submission of the documents for examination. At the points where the documents are formally submitted, which is expected to be around the end of July, subject to Council approval, a further six week period will be available for public representations on the documents. Duly made representations at that time will then go forward to the Planning Inspectorate for consideration during the examination. The fundamental purpose of the examination is to test the "soundness" of the documents, having regard to Government guidance and legislation.

Upon submission, the documents will be accompanied by further information, including a Report of Evidence to support the strategies, a full Sustainability Appraisal, a Statement of Consultation (summarising views of consultees during earlier consultation exercises) indicating how the core strategies have been amended in response to consultation. These documents have been finalised and their content has informed core strategy preparation.

The MWDF project timetable indicates that the formal examination hearing is expected to take place in January 2008, with the binding Inspector's report being received in June 2008. Subject to receipt of a satisfactory Inspector's report, the Council will then be asked to formally adopt the core strategies at its meeting in July 2008.

18 July, 2007

The draft Minerals and Waste Core Strategies, circulated as separate documents marked Appendix A and Appendix B, set out an overall vision and strategic aims for minerals and waste, a range of strategic policies to guide the direction and location of development, in specific policies to help the determination of planning applications. The key issues addressed in the minerals core strategy include:-

- Future requirements for minerals.
- Sustainable management of the mineral resource, including promoting the use of alternatives to primary mineral extraction.
- Minimising the impact of minerals extraction on environment and amenity.
- Maximising the benefits to environment and amenity through the reclamation of mineral workings.

Key issues addressed in the Waste Core Strategy include:-

- Supporting initiatives for waste minimisation and increased re-use and recycling of waste.
- Ensuring that sufficient provision is made for development of new facilities necessary for more sustainable waste management, including diversion of waste from landfill.
- A locational strategy for waste management facilities, based around maximising the use of previously developed land, existing and proposed industrial land, existing waste management facilities and other appropriate locations.
- Minimising the impact of waste management development on environment and amenity.

and the Executive has asked that the 'vision' include a reference to reducing the amount of waste going to landfill.

The Waste Core Strategy will be one of the key mechanisms supporting implementation of the Council's Joint Municipal Waste Management Strategy and the procurement of new facilities for the management of municipal waste. Close liaison between the Waste Management and Minerals and Waste Planning functions of the Authority has taken place in preparing the Waste Core Strategy. The content of the draft Minerals and Waste Core Strategies take into account the outcomes of sustainability appraisal and the views of consultees during earlier consultation exercises.

The Executive RECOMMENDS:

That, subject to reference being made to reduce the amount of waste going to landfill in the "vision" in the Waste Core Strategy, the Minerals and Waste Development Framework Draft Minerals and Waste Core Strategies, copies of which have been circulated as separate documents marked Appendix A and Appendix B, be approved for submission for examination and that authority be delegated to the Corporate Director – Business and Environmental Services to finalise the text of the documents, prior to formal submission to the Secretary of State.

4. Motion – Energy Efficiency and Fuel Poverty: At the meeting of the County Council held on 11 October 2006, County Councillor Richard Hall proposed, and County Councillor J W Marshall seconded the following motion:-

"North Yorkshire County Council supports the need for energy efficiency, both as a way of reducing carbon emissions and also in reducing fuel poverty (nearly one in four households in North Yorkshire are subject to fuel poverty).

18 July, 2007

1. It therefore calls on the Government to switch funding from nuclear generation to a range of grants in enable every household in the UK to insulate their homes to current UK building standards.

2. Council asks that support for this policy is also sought from the Local Government Association and Regional Government as a way of tackling fuel poverty and carbon emissions.

3. This Council supports a low carbon non-nuclear sustainable energy strategy, based on energy demand reduction, greater energy efficiency, the use of economic instruments, combined heat and power and micro-generation and community-based forms of generation and a mix of renewable energy sources that include biomass, wind, wave, tidal, and solar, within a more fully liberalised EU energy market".

The motion was referred to the Environment and Heritage Overview and Scrutiny Committee and the Executive for consideration and report back to the Council in May, this year. With the agreement of the mover, however, this was re-scheduled to the meeting in July.

The motion was considered by the Environment and Heritage Overview and Scrutiny Committee which expressed support for it and subsequently by the Executive, which considered the report submitted to the Overview and Scrutiny Committee and its recommendations, together with a statement submitted by County Councillor Richard Hall, a copy of which is attached marked Appendix C.

Improving energy efficiency; reducing CO2 emissions; and achieving social progress, all feature as objectives in the Council's Sustainable Development Policy Statement, a copy of which is attached marked Appendix D. There is no doubt that reduction in the use of energy is the first objective in management of energy action hierarchy. The second must be to use every unit of energy in the most efficient way possible. But in the modern world there will continue to be a high demand for energy and the probability is that, in the immediate future, demand will continue to rise in the developed countries and especially in the fast developing countries such as China.

In the UK the energy (electricity) generation mix is currently 20% nuclear; 33% coal; 40% gas; 4% renewables; and 3% other. It is worth noting that nuclear power stations do not produce CO2 emissions, but mining and producing the fuel does. It is also worth noting the UK target that the amount of energy from renewables will be tripled by 2015 and that 20% will come from renewables by 2020.

At present Britain's energy generating capacity is around 20% higher than peak demand, so the grid can maintain full supplies even if some generation reduces. But there is a risk of an energy gap over the coming years, as more than a fifth of the UK's energy generation capacity is due to be closed down during the next eight years. This includes aging nuclear power stations and coal fired stations that do not meet EU regulations. Two nuclear power stations closed at the end of 2006 and another six are due to close by 2015. In the next 20 years a third of the UK's generation capacity is due to close. Unless replacements are brought on-line by 2020, only 7% of the UK's electricity needs will be sourced from nuclear. Generating companies are tabling plans for building new capacity but, whilst some have passed the planning stage, others are barely beyond the drawing board. The costs of provision are considerable, about £20 billion to replace the capacity that will be 'retired' over the next 15 years; build times are long; and there is the ongoing debate on the method of generation that will be acceptable.

In an ever changing world, security of a stable and affordable energy supply is

18 July, 2007

increasingly important. Whilst there are still substantial oil and gas reserves in the North Sea, the UK is becoming increasingly dependant on imported oil and gas, at a time when world demand is increasing. We are rapidly moving from being almost self sufficient in oil and gas to having to import 90% of our needs. The UK has significant reserves of coal, but deep mine extraction is difficult and costly and opencast presents acceptance challenges. UK underground production declined from 211 million tonnes in 1955 to 10 million in 2005 and opencast from 14 million tonnes in 1983 to 10.2 million in 2005. The UK is now a major importer of coal. The technology of coal fired power stations is changing rapidly with the introduction of clean burn; carbon capture; and carbon fuel/biomass mix.

A household is said to be in fuel poverty if it needs to spend more than 10 per cent of its income on fuel to maintain a satisfactory heating regime (usually 21 degrees for the main living area, and 18 degrees for other occupied rooms). In 2004, two million households in the UK were in fuel poverty. Fuel poverty is caused by the interaction of a number of factors, especially the energy efficiency status of the property; the cost of energy and the household income.

Those in the lower income brackets are more susceptible to fuel poverty, as they are more likely to pay a greater proportion of their income on fuel and keeping warm. Figures from the 2004/05 Expenditure and Food Survey indicate that the average percentage of income spent on fuel and power for the lowest three income deciles is 5.5 per cent, compared to just 1.3 per cent for those in the highest three income deciles. However the number of UK households living in fuel poverty has reduced in recent years, from 6.5 million in 1996, to less than 4 million now, despite energy price increases. The reduction is, in part, due to alleviation measures implemented by the Government, including grants improving the energy efficiency of properties and support payments for those in need.

The Government published the UK Fuel Poverty Strategy in November 2001. This set out the target that England and Northern Ireland will seek an end to fuel poverty for vulnerable households by 2010, with a vulnerable household defined as one containing children, or those who are elderly, sick or disabled. Fuel poverty in other households will, as far as reasonably practicable, also be tackled as progress is made on these groups, with a target that, by the end of 2016, no person in England should have to live in fuel poverty. Those commitments to tackling fuel poverty and providing affordable warmth were reaffirmed in the 2003 Energy White Paper. On 13 June 2007 the Government launched the Community Energy Efficiency Fund to support action towards the eradication of fuel poverty. Under the Fund, £7.5 million is available across the UK in 2007/08 to improve the effectiveness of Warm Front and Energy Efficiency Commitment delivery through area based approaches. Bids are currently invited from organisations and partnerships to take forward the £6.3 million of the fund allocated to England.

Local authorities are already much involved in action to reduce the use of energy in homes and to alleviate fuel poverty. Some have implemented innovative schemes. For example, in March 2007, Kirklees Council launched it's Warm Zone Plus scheme. The scheme will provide free loft insulation/cavity wall insulation to around 70,000 homes in the private sector. This scheme will be available to every householder in Kirklees, regardless of income or property type, and will be delivered through Kirklees Warm Zone over a three year period. It is funded from capital, to a total of approximately £20 million, £9 million from Kirklees Council and £11 million from Scottish Power, under their Energy Efficiency Commitment obligation. It is estimated that, through this scheme, the involved householders will save a considerable amount each year on their fuel bills and Kirklees Council believes that this money is most likely to be spent in the local economy. As a result of applying the scheme, it anticipated that there will be an increase in the number of households obtaining benefits to which they are entitled. The scheme will create between 40 and 60 new jobs in the Kirklees area. This is the first large scale scheme of its kind in the country.

18 July, 2007

The UK has a range of CO2 emission reduction targets, including a reduction of 60% by 2050 and “real progress” by 2020. The pending Climate Change Act will provide a statutory base for these and for the action needed to achieve them. The generation and use of energy is directly linked to CO2 emissions, so a reduction in energy use and an increase in the percentage of energy from renewables, such as from wind turbines and hydro schemes, will significantly contribute to achieving the CO2 reduction targets.

A number of Government publications have a bearing on these issues, including:

- The UK Sustainable Development Strategy - Securing the Future (March 2005). This addresses the five guiding principles of sustainable development:
 - i) Living within environmental limits
 - ii) Ensuring a strong, healthy and just society
 - iii) Achieving a sustainable economy
 - iv) Promoting good governance
 - v) Using sound science responsibly

and identifies priorities for action as:

- i) Sustainable consumption and production
 - ii) Climate change and energy
 - iii) Natural resource protection and environmental enhancement
 - iv) Sustainable communities.
- The Centre for Sustainable Energy report ‘Tackling fuel poverty at local & regional level (February 2006), which was produced for DEFRA and concluded that there are five areas where the contribution of local and regional bodies can be most significant in reducing fuel poverty as follows:

Housing: Decent Homes Standards, own and social housing stock and plans for use of Housing Health and Safety Rating System in the private sector.

Grants: Integrating own grant funding with energy supplier EEC funding and Warm Front to improve targeting, fill in funding gaps where national entitlement rules fail to capture all genuine fuel poor households (potentially through effective sub-regional partnerships of local authorities).

Coordination Principally at sub-regional (e.g. ‘county’) levels, partnering with other local authorities, local energy agencies, health and social services, advice providers, to establish effective referral systems and sufficient critical mass for negotiating effective local funding and comprehensive delivery.

Benefits take-up and advice: With particular emphasis on increasing take-up of benefits which both increase income and act as ‘passports’ to funding (Warm Front and EEC) to improve thermal performance of housing.

Regional public health and housing strategies: To reflect fully the importance of high standards of affordable warmth in the provision of affordable housing and effective public health.

18 July, 2007

- The Draft Climate Change Bill consultation document (March 2007). There are four key elements to the Bill that together will provide a framework for reducing carbon emissions:
 - i) Setting targets in statute and carbon budgeting
 - ii) Establishing a Committee on Climate Change
 - iii) Creating enabling powers
 - iv) Reporting requirements
- The Code for Sustainable Homes was introduced in April 2007 as a voluntary code for private builders, but a mandatory one for all public sector housing and housing constructed on former public sector land. It is likely that it will become part of building regulations and will be mandatory for all housing construction by 2010. It is estimated, that by 2050, one third of the total housing stock then in use will have been built since 2007, so will have been constructed with due regard to sustainability objectives, including those that relate to energy efficiency. This will impact on the alleviation of fuel poverty.
- The consultation on Guidance to Local Authorities in England and Wales on Climate Change Mitigation and Fuel Poverty (May 2007). The Climate Change and Sustainable Energy Act 2006 commits Government to producing an 'Energy Measures' report by August 2007, that contains information on measures that local authorities can take to:
 - i) Improve energy efficiency
 - ii) Increase the levels of microgeneration
 - iii) Reduce greenhouse gas emissions
 - iv) Reduce the number of households living in fuel poverty

Local authorities will have to have regard to this report, which will focus on emissions reductions and fuel poverty measures, when exercising their functions.

- Meeting the Energy Challenge – A White Paper on Energy (May 2007). Last year's Energy Review, published as 'the Energy Challenge' (July 2006), identified the UK's energy challenges as:
 - i) The need to work with other countries to tackle climate change by reducing greenhouse gas emissions; and
 - ii) The need to ensure that the UK has secure energy supplies.

The 2007 White Paper sets out a framework for action to address these challenges and to manage the risks. The objective is to achieve greater energy efficiency and a secure, low carbon, energy mix for the long term. The White Paper includes proposals for energy suppliers to double their commitment to support energy saving measures in customer's premises. There is also a proposal that it should become a mandatory requirement for homes to be zero carbon (starting in 2016)

18 July, 2007

- Planning for a Sustainable Future – A White Paper (May 2007) sets out the Government's proposals for reform of the planning system. It builds on recommendations from the Barker Review of Land Use Planning and the Eddington Transport Study and aims to improve speed, responsiveness and efficiency in land use planning. It proposes reforms on how decisions are taken on nationally significant

infrastructure projects, including those that relate to energy, These include:

- i) preparing national policy statements to clarify government policy. These are expected to establish what infrastructure is needed and to be as locationally specific as necessary to provide a clear framework for investment and planning decisions; and
- ii) setting up an independent Infrastructure Planning Commission to determine applications for nationally significant energy projects.

Sir Nicholas Stern, the former chief economist of the World Bank, published his report on climate change in October 2006. The report was prepared for the UK government and Sir Nicholas' conclusion was that the world has to act now on climate change or face devastating economic consequences. The key points from the review are;

Temperature

- Carbon emissions have already pushed up global temperatures by half a degree Celsius
- If no action is taken on emissions, there is more than a 75% chance of global temperatures rising between two and three degrees Celsius over the next 50 years
- There is a 50% chance that average global temperatures could rise by five degrees Celsius

Environmental Impact

- Melting glaciers will increase flood risk
- Crop yields will decline, particularly in Africa
- Rising sea levels could leave 200 million people permanently displaced
- Up to 40% of species could face extinction
- There will be more examples of extreme weather patterns

Economic Impact

- Extreme weather could reduce global gross domestic product (GDP) by up to 1%
- A two to three degrees Celsius rise in temperatures could reduce global economic output by 3%
- If temperatures rise by five degrees Celsius, up to 10% of global output could be lost. The poorest countries would lose more than 10% of their output
- In the worst case scenario global consumption per head would fall 20%
- To stabilise at manageable levels, emissions would need to stabilise in the next 20 years and fall between 1% and 3% after that. This would cost 1% of GDP

Options for change

- Reduce consumer demand for heavily polluting goods and services
- Make global energy supply more efficient
- Act on non-energy emissions - preventing further deforestation would go a long way towards alleviating this source of carbon emissions

18 July, 2007

- Promote cleaner energy and transport technology, with non-fossil fuels accounting for 60% of energy output by 2050

In March 2007 the management consultancy McKinsey published its study 'A cost curve for Greenhouse Gas Reduction'. This study suggests that existing technologies hold the key to an effective climate change strategy that by 2030 would hold the atmospheric greenhouse gases at a level that scientists estimate will result in a 2 degree increase on pre-industrial levels. The study suggests that 70% of possible greenhouse gas emissions abatements could be achieved at little cost by low tech action such as insulating buildings, better forestry and agricultural management and making use of "mature technologies" such as nuclear power; small scale hydropower; and more energy efficient lighting, heating, electrical appliances and vehicles. The study concludes that governments should first focus on low cost /high impact action instead of on cost-heavy solutions, such as building CO2-free power stations.

A draft County Council Energy Policy is under preparation which will cover the Council's core values and objectives in relation to energy; its objectives in dealing with energy in its own organisation; and the principles for its contribution to energy matters at a regional and national level. It is clear from the recent White Paper on Energy that significant issues remain to be determined at the national level. It is important that the County Council's Energy Policy should be able to take proper account of emerging national policy and its relevance to North Yorkshire.

Members of the Executive expressed support the majority of issues raised in the motion, but could not support those elements of it which implied abolition of nuclear power generation. Whilst there was general support for the suggestion that there should be further exploitation of renewable energy sources, some Members of the Executive expressed doubts about the use of foodstuffs as bio-fuels, since many commentators suggested that one of the ongoing effects of global warming could be increasing shortages of foodstuffs. It was also suggested that nuclear power generation currently saved some 50m tonnes of carbon emissions into the atmosphere, each year, and that nuclear power generation was generally for the purposes of generating electricity, which was not mainly used for domestic heating purposes. It was proposed, therefore, that the motion could be supported, but only subject to some amendment to remove the references to nuclear power generation. Members of the Executive, in discussing the use of renewable energy sources, also commented that they believed that most of the investments necessary to exploit such power sources were not VAT exempt. It was suggested that this was a matter on which the County Council might be able to lobby, to some effect, on a regional basis and that it might be appropriate for an amendment relating to VAT on investments for exploiting alternative energy sources to be moved to the motion, when it was considered by the Council.

The Executive RECOMMENDS:

That the motion be supported, subject to the deletion of words "switch funding from nuclear generation to" from paragraph 1 of the motion and replace it with the word "fund" and delete the words "non-nuclear" from paragraph 3.

18 July, 2007

5. Motion – Two Area Committees for Harrogate District: At the meeting of the County Council held on 16 May 2007, County Councillor John Watson OBE proposed, and County Councillor Paul Richardson seconded, the following motion:-

“That the County Area Committee for Harrogate District and its Sub-Committees be disestablished with immediate effect and, to undertake the role and responsibilities previously delegated to that Committee, there be established a Harrogate Town County Area Committee and a Harrogate Rural County Area Committee.

That the nine County Councillors for the following electoral divisions be appointed to the Harrogate Town County Area Committee:

Harrogate Bilton and Nidd Gorge
Harrogate Central
Harrogate Harlow
Harrogate Oatlands
Harrogate Saltergate
Harrogate Starbeck
Pannal and Lower Wharfedale

And that the nine County Councillors for the following electoral divisions be appointed to the Harrogate Rural County Area Committee:

Ainsty
Boroughbridge
Knaresborough
Lower Nidderdale and Bishop Monkton
Masham and Fountains
Pateley Bridge
Ripon North
Ripon South

That the two new Area Committees be given the delegated powers granted to existing Area Committees, including the ability to appoint such members other than County Councillors that they wish.

That, recognising that the populations of the two new Area Committees will be approximately equal, being based on recently reviewed electoral divisions, the Area Committee's 2007/08 budget of £70,400 and any carry forward of area-wide underspends from 2006/07 should be split equally between the new Committees, with those Committees determining any further allocation or splitting of funds for themselves, and that any carried forward 2006/07 underspends allocated to specific electoral divisions should be allocated to the Area Committee which includes the electoral division the underspend relates to.

That the necessary consequential changes be made to the Constitution.”

The motion was formally moved and seconded at the County Council without comment and was referred to the County Area Committee for the Harrogate District and to the Executive for consideration and report back to the Council at its meeting in July.

The following background information was presented to the Area Committee and the Executive.

Currently there are seven Area Committees, ie one for each District area. The membership size of each Committee is set out in the following table.

18 July, 2007

| Committee | County Councillors | Non-County Councillors | Total |
|---------------------------|--------------------|------------------------|-------|
| Craven | 7 | 8 | 15 |
| Hambleton | 11 | 9 | 20 |
| Harrogate | 18 | 14 | 32 |
| Richmondshire | 6 | 9 | 15 |
| Ryedale | 6 | 8 | 14 |
| Selby | 10 | 8 | 18 |
| Yorkshire Coast and Moors | 14 | 10 | 24 |

Harrogate is the only Area Committee which has established formal Sub-Committees with delegated powers. Those Sub-Committees are:-

- Grants Sub-Committee
- Rights of Way Sub-Committee
- Community Fund Sub-Committee
- Minerals and Waste Development Framework Sub-Committee

The number of meetings of Area Committees held during 2006 was:

| Area Committee | Number of Meetings held in 2006 |
|---------------------------|--|
| Craven | 6 |
| Hambleton | 5 |
| Harrogate | 14 (of which 8 were Sub-Committee meetings, as follows:- 6 Grants Sub-Committee meetings; 1 Community Fund Sub-Committee meeting; and 1 Rights of Way Sub-Committee meeting) |
| Richmondshire | 6 |
| Ryedale | 5 |
| Selby | 6 |
| Yorkshire Coast and Moors | 6 |

Many issues which come before the Area Committee for decision relate to a small geographic area within the District. However, certain decisions are of a District-wide nature such as appointments to outside bodies and applications to the Community Fund allocation for the Harrogate District area, as brought forward by the Local Strategic Partnership. The Committee also receives reports for comment/consultation/information which are of a District-wide nature.

The amount for Area Committees' Budgets, each year, is allocated between Committees as follows - £20K per Committee and an additional amount based on population. The amounts for 2007/08 are set out in the following table.

18 July, 2007

| Area Committee Budgets 2007/08 | | | | |
|--------------------------------|-------------------------------------|-------|--------------------------------|----------------------|
| | Estimated Population as at Mid 2007 | Fixed | Allocation based on population | Total of base budget |
| | | £ 000 | £ 000 | £000 |
| Craven | 54,390 | 20.0 | 17.6 | 37.6 |
| Hambleton | 86,286 | 20.0 | 27.9 | 47.9 |
| Harrogate | 155,700 | 20.0 | 50.4 | 70.4 |
| Richmondshire | 52,199 | 20.0 | 16.9 | 36.9 |
| Ryedale | 51,753 | 20.0 | 16.8 | 36.8 |
| Selby | 79,063 | 20.0 | 25.6 | 45.6 |
| Yorkshire Coast & Moors | 107,376 | 20.0 | 34.8 | 54.8 |
| | 586,767 | 140.0 | 190.0 | 330.0 |

The Executive was informed that, in the debate at the Area Committee, County Councillor John Watson OBE said that he was proposing two Area Committees for various reasons. Firstly, the existing Committee was the largest of the County Council's seven Area Committees, having eighteen County Councillors, compared to Richmondshire and Ryedale which each had six County Councillors and Craven which had seven County Councillors. Having eighteen County Councillors on the Committee meant that each got far less opportunity to speak. Secondly, the task of managing the Committee was difficult and it was soul-destroying to have long meetings where Members were leaving before the end whilst Officers were arriving to speak to their reports. Thirdly, the rural interests within the District were fundamentally different to the urban interests and needed to be reported in a different way. In conclusion, splitting the existing Committee made operational and administrative sense. He advised that he was open to suggestions about whether the Knaresborough Division should be part of the Town Committee or the Rural Committee, whilst also expressing the view that it should be included within the Rural Committee because the relationship between Knaresborough and the rest of the urban Harrogate area was unequal. Alternatively, if Knaresborough was included within the Town Committee, it should follow that the Pannal and Lower Wharfedale Division should be part of the Rural Committee so that the two Committees were of similar size. This would also avoid a Committee comprising all Members from the same political group because having more than one group on a Committee was better for democracy.

County Councillor Bill Hault advised that, whilst he noted what County Councillor John Watson was saying, the big question was "why now?". He advised that this Committee had been operating for six years and was smaller now than it had been prior to the elections in 2005. He acknowledged that the Committee had its difficulties, as had the smaller Area Committees although those difficulties were of a different nature. He referred to the County Council's bid for unitary status and asked what the point was of proposing and voting on this motion when the unitary bid could radically alter the situation. He made reference to sections within the County Council's bid for unitary status which said "Two additional areas have been formed by separating out the urban areas of Scarborough and Harrogate. This approach will again be subject to public consultation before implementation" and "As has been stated previously the geographic basis for the Area Committees will be subject to

18 July, 2007

consultation and this will have a bearing on how the Committees will be constituted". County Councillor Bill Hoult asked how many other promises had been included within the bid document which were "not worth the paper they were written on". He advised that County Councillor John Watson had wanted to push this motion through the County Council meeting on 16 May 2007 without asking this Area Committee for its views. He added that, if the County Council's bid for unitary status was accepted, there would be fifteen months within which to decide whether the Committee should split. He added that the Committee did not know what implications the motion had for the Councils for Voluntary Service and other organisations.

During the subsequent debate, the following points were raised:-

- The existence of the Council's bid for unitary status was not a good reason for doing nothing.
- It was unjust that, within the existing Committee, Members representing the area covered by the Highways Agency did not have control over highway matters in their own Divisions, and yet, through the Area Committee, had control over highway matters in other Members' Divisions.
- The Pannal and Lower Wharfedale Division had both urban and rural interests.
- Knaresborough was included within the Highways Agency area.
- There was no reason why two Harrogate Committees had to comprise equal numbers of Members. Splitting the existing Area Committee between a Town Committee comprising of eleven County Councillors, and a Rural Committee comprising seven County Councillors, might be appropriate.
- Having two smaller Committees would increase the opportunities for public participation at meetings.

The Co-opted Members/Representatives of Partner Organisations expressed the following comments:-

- County Councillor Keith Barnes advised that the Harrogate and Area Council for Voluntary Service was opposed to splitting the Committee for reasons of duplication.
- Parish Councillor Geoffrey Craggs (Boroughbridge) supported splitting the Committee and suggested that Knaresborough should be included within the Town Committee and Pannal and Lower Wharfedale should be part of the Rural Committee.
- Lyn Costelloe (Harrogate District Community Transport Limited) opposed splitting the Committee because it would create more boundaries and the Harrogate District Community Transport Limited's interests were best served by pooling concerns.
- District Councillor Fred Willis asked for very close consideration to be given to the Pannal and Lower Wharfedale Division because it had both urban and rural interests.
- Brian Dunsby (Harrogate Chamber of Trade and Commerce) advised that he supported splitting the Committee to some extent but not now and not in the way proposed. He questioned, if the Area Committee was too big, then why was unitary North Yorkshire not too big. He advised that he would only support splitting the Committee if the County Council withdrew its bid for unitary status.

18 July, 2007

During the further debate, the following additional points were raised:-

- There were five Parish Councils within the Pannal and Lower Wharfedale Electoral Division. Each was due to meet within the next few weeks and County Councillor Cliff Trotter (Local Member) wished to hear their views and have more information before voting on this issue. The Chairman indicated that other comments could be reported direct to the Executive when it considered the Area Committee's recommendation on the motion.
- Parish Councillor David Cornmell (Rainton-with-Newby Parish Council) suggested that the Yorkshire Local Councils Association would be the appropriate body to speak on behalf of the Parishes and that that body could report back.
- There was a need for a wide-ranging consultation.
- Some Members representing the urban Divisions expressed the view that their understanding of issues was helped by hearing of the impact of developments in rural areas.

County Councillor John Watson explained why he had brought forward his motion at this time, namely, if the bid for unitary status was rejected, the splitting of the Area Committee was a better way of doing business. Alternatively, if the bid was accepted, then, in 2009, the new Authority would have complete freedom to do as it wished and would not be bound by the existing practices of North Yorkshire County Council.

County Councillor Bill Hoult suggested that there appeared to be an assumption that splitting the Committee would work and that he was not suggesting that everything should stop until 2009. However, the County Council should not decide to split this Committee on 18 July 2007 because it was only two weeks before an announcement would be made on the County Council's bid for unitary status. He added that there were a considerable number of issues to debate which had not been fully explored at this meeting, for example, the implications for the Pannal and Lower Wharfedale Division. He emphasised that there was a commitment to public consultation which had not happened and therefore County Councillor John Watson's proposal was premature.

The Executive noted that the County Area Committee for Harrogate District had resolved that, in view of the impending decision by the Government on the County Council's proposal for a unitary authority, the proposal was premature. At the meeting of the Executive, County Councillor John Watson OBE proposed that, as a decision on local government review is anticipated in the week following the County Council meeting, the Council should be recommended to postpone its consideration of the motion.

The Executive RECOMMENDS:

| |
|--|
| That consideration of the motion be postponed. |
|--|

6. Motion – Public Transport Timetables: At the meeting of the County Council held on 16 May, 2007, County Councillor Richard Hall moved and County Councillor Bill Hoult seconded the following motion:-

“North Yorkshire County Council is concerned about the lack of consultation on changes to public transport timetables as a result of:-

- * Changes in public subsidy by various public bodies for public transport services.

18 July, 2007

- * Decisions by the private public transport providers to alter or amend services for commercial reasons.

Council therefore calls on the Transport and Telecommunications Overview and Scrutiny Committee to undertake an investigation of how public consultation can be improved and report back to Council on 18 July 2007."

The motion, having been formally moved and seconded without comment, was referred to the Transport and Telecommunications Services Overview and Scrutiny Committee and the Executive for consideration and report back to the Council in July.

The Executive was informed that the report to the Transport and Telecommunications Services Overview and Scrutiny Committee referred to the recent in-depth scrutiny review undertaken by the Committee "Lets get on the bus!" and consideration was given to excerpts from that report, set out below, and comments made by members of the public responding to the NYTimes article.

"The worrying trend that came out of the letters and emails for us as County Councillors is that many of the service changes identified did not have any consultation with service users or local communities. We do wonder how many of the issues around the changes to a service could have been avoided if the operator had consulted with its users prior to any change. The knowledge that local communities have could prove invaluable in these circumstances. Unfortunately when querying this we were informed that these are commercial ventures and as such, the operators have no obligation to consult with residents and service users of any changes. Furthermore, the County Council has no way of enforcing consultation.

When discussing this with the Integrated Passenger Transport Team they agreed to notify local Councillors and Parish Councils of major changes to bus services in their local area. This will provide an opportunity for feedback, which would then inform discussions with the bus operators at their regular meetings."

The Scrutiny Committee saw first hand evidence that good partnership working is taking place between the County Council and bus operators.

"Mr Ship stressed the importance of good, effective partnership working between the County Council and bus operators. He felt this was essential in order to provide quality services that meet customer needs. He went on to say that operators strive for consistency of time both in peak and quiet times."

The Scrutiny Committee agreed that it is also important that the County Council and the bus operators take into consideration the thoughts and concerns of local residents.

"Access to services for all communities in North Yorkshire is a key priority for the County Council and it was encouraging to hear that the Assistant Director of NYCC Integrated Passenger Transport was working closely with the Bus User Group to address local concerns.

The user group we were told has an excellent working relationship with the local bus operator.."

Recommendation 8 of the Transport and Telecommunications Overview and Scrutiny Committee's report "Let's get on the bus!" asks...*that officers review the role of the four Rural Access and Transport Partnerships to ensure that issues around bus services are properly addressed at local level.*

The Executive formally adopted all the recommendations in the "Let's get on the bus!" report at its meeting on 22 May, 2007 and when it considered this motion was informed

18 July, 2007

of changes which had been made to bus service consultation, as set out in Appendix E to this report. The Executive has welcomed the extensive work done by Scrutiny Members on the issues raised in the motion for the "Let's get on the bus!" report and has noted the ongoing work which is being undertaken, including the intention to bring an updated report back to the Transport and Telecommunications Services Overview and Scrutiny Committee. The Executive expressed support for that update report forming part of the Scrutiny Committee's Chairman's report to the Council in December. The view was expressed that the motion under-valued the work which had been carried out on these issues by the Transport and Telecommunications Services Overview and Scrutiny Committee and –

The Executive RECOMMENDS:

| |
|-----------------------------------|
| That the motion not be supported. |
|-----------------------------------|

7. Recording and web publication of Council Meetings: The County Council has agreed at previous meetings to the recording and web publication of the County Council meetings held in February and May. In May, however, the Council agreed that, whilst the May meeting should be recorded and broadcast on the County Council's website, the Executive should consider a report on the business case for continuing such recordings thereafter.

The meetings of the County Council in February and May were recorded on equipment owned by the County Council's Connecting Youth Culture Team. The equipment was set up, on the day, by a member of that team and was operated, throughout the meeting, by a Committee Administrator who would, in any case, have been present at the meeting. Colleagues in the Connecting Youth Culture Team estimate that it takes approximately one day following the meeting to edit the sound recording into the separate elements relating to different items on the agenda, so that members of the public wishing to access the recording can go straight to the part of the meeting they are interested in. It then takes about half a day's work by a member of staff in the Access to Services team to make up the necessary web page and insert the links, and about an hour for the IT Unit to upload the sound files. If it had become necessary to acquire equipment and train staff to carry out these roles, some additional costs would have been incurred but officers in the Connecting Youth Culture team have indicated that they can continue to provide support for future County Council meetings.

The mechanism used to record hits on the site has been refined, so that it now records numbers of individual visitors week by week, but not multiple hits by the same user. The figures indicate that, since their publication on the website, more than 300 people have accessed the recording of the February meeting of the County Council and 200 have accessed the recording of the May meeting. Although the numbers of hits on the recordings of the Council meetings are not high, the proceedings of the Council have been made available, through the website, to a significant number of people who would not have attended the meeting. To date, no steps have been taken to publicise the practice of publishing sound recordings of full Council Meetings on the website and it may be that numbers of hits on the site would be significantly increased if this practice were publicised.

18 July, 2007

The Executive RECOMMENDS:

That the practice of making sound recordings of meetings of the full Council and publishing them on the County Council's website should be continued.

8. Appointments to Committees and other bodies: The Executive recommends, below, a number of appointments to the Committees of the County Council and, in order to provide an opportunity for political groups and independent members on the Council to propose changes to memberships, or substitute memberships of Committees, or other bodies to which the County Council makes appointments, the Executive recommends below that such nominations be approved, The Executive also recommends that certain outside bodies be added to Schedule 5 of the Constitution.

The Executive RECOMMENDS:

a) That County Councillor Martin Smith be appointed as second named substitute for the Conservative Group on the Planning and Regulatory Functions Committee; that County Councillor David Jeffels be appointed as the third named substitute on that Committee; and that County Councillor Geoffrey Cullern be appointed as the fourth named substitute on that Committee.

b) That the following appointments be made to the Scrutiny of Health Committee:-

Craven District Council – Councillor A Solloway
Hambleton District Council – Councillor Mrs Bridget Fortune (substitutes Councillors David Murkett and Mrs Shirley Shepherd)
Harrogate Borough Council – Councillor Mrs M E Atkinson
Richmondshire District Council – Councillor Rob Johnson (substitute Councillor Yvonne Peacock)
Ryedale District Council – Councillor John Raper
Scarborough Council – Councillor James Preston (substitute Councillor Svetlana Rodgers)
Selby District Council – Councillor Mrs McSherry (substitute Councillor Mrs J Dyson)

c) That Mrs Anne Swift be appointed to the Young People Overview and Scrutiny Committee as a representative of Primary Schools.

d) That Councillor Ceredig Jamieson-Ball be appointed to the Pensions Fund Committee as a representative of City of York Council (substitute Councillor Janet Looker)

e) That any proposals for other changes to membership, or substitute memberships, of Committees or other bodies to which the County Council make appointments, put forward by the relevant political group, at or before the meeting of the Council, be approved.

f) That the James Graves Foundation at Thorpe Bassett and the Links Knaresborough Youth Club Management Committee be added to part 2 of schedule 5 to the Constitution, as appointments to be made by Area Committees.

CHRIS METCALFE
Chairman - 22 May and 12 June 2007

JOHN WEIGHELL
Chairman