

## The Report of the Executive

The Executive met on Tuesday, 8 June 2010. Present: County Councillor John Weighell in the Chair. County Councillors Jim Clark, John Fort BEM, Carl Les, Chris Metcalfe, Caroline Patmore, John Watson OBE, and Clare Wood.

Also in attendance: County Councillors Ron Haigh, Tony Hall, Michael Knaggs, Don MacKenzie, Melva Steckles and Cliff Trotter.

The Executive met on Tuesday, 22 June 2010. Present: County Councillor John Weighell in the Chair. County Councillors Jim Clark, John Fort BEM, Heather Garnett, Carl Les, Chris Metcalfe, Caroline Patmore, John Watson OBE, and Clare Wood.

Also in attendance: County Councillors Margaret-Ann de Courcey-Bayley, John Blackburn, Liz Casling, Tony Hall, Robert Heseltine, David Jeffels, Paul Richardson, and Cliff Trotter.

The Executive met on Tuesday, 29 June 2010. Present: County Councillor John Weighell in the Chair. County Councillors Jim Clark, Heather Garnett, Carl Les, Chris Metcalfe, Caroline Patmore and John Watson OBE.

Also in attendance: County Councillors Liz Casling, John Clark, Gareth Dadd, Robert Heseltine and Paul Richardson.

**1. Revenue Outturn 2009/10.** The overall revenue outturn position of the County Council for 2009/10 is:

Item	£000
<b>Original Budget approved by County Council in February 2009</b>	338,740
+ net underspending in 2008/09 approved for carry forward to 2009/10 by Executive in June 2009	9,121
<b>= Revised Budget for 2009/10</b>	347,861
<b>- Net expenditure outturn 2009/10</b>	340,359
<b>= Total Underspend</b>	<b>7,502</b>

An analysis of the revised 2009/10 Revenue Budget by Directorate is attached as Appendix 1A. The outturn position is analysed further in Appendix 1B, but can be summarised as:-

Directorate	See Appendix for further details	Final revised budget 2009/10 £000	2009/10 actual outturn £000	Variation £000	Memo Item Q3
Adult and Community Services	C	130,621	131,927	+ 1,306	+ 1,425
Business and Environmental Services	D	70,002	71,705	+ 1,703	+ 1,252
Chief Executive's Group	E	15,139	14,358	- 781	- 922
Children and Young People's Services	F	76,799	77,740	+941	+ 1,766
Finance & Central Services	G	19,813	15,590	- 4,223	- 2,736
Corporate Miscellaneous	H	35,487	29,039	- 6,448	- 5,358
<b>Total</b>		<b>347,861</b>	<b>340,359</b>	<b>-7,502</b>	<b>- 4,573</b>

Within the total net underspend of £7.5m there are:-

- (a) some significant service overspends being requested for write off in 2009/10 as detailed below.
- (b) a range of one-off funds that are not fully spent at the year end and so need to be carried forward to complete the purpose for which they were intended.

Attached as Appendices 1C to 1H are statements prepared by each Corporate Director setting out the final outturn position for their Directorate compared with the final revised budgets for 2009/10. A commentary for each Directorate is as follows:-

#### **Adult and Community Services (see Appendix 1C)**

The bottom line year end overspend is £1,306k (1.0% of the budget) which compares with a projected overspend of £1,425k at Q3. Adjusting for the slippage on the PIP allocations (£470k) gives a net overspend of £1,776k (1.4%) on the base Budget. The major causes of variation against the Budget, which reflect the real underlying service pressures, are:-

- strong demographic demand pressure for older peoples services leading to a rise of almost 9% in client numbers. This has been particularly marked in the area of non-residential services although certain localities have also experienced upward pressure of demand in residential placements. This long term trend on client numbers has been partially masked in earlier years by the introduction of service developments such as telecare which, through more cost effective service

delivery, have allowed significantly higher numbers of service users to be supported within the existing budget provision. However these services are now 'mainstreamed' and the scope for absorbing additional demand pressure through these means is significantly more limited

- one of the unavoidable demand pressures, particularly on residential placements, has been an increase in the numbers of people (known as self-funders) coming to the County Council for support, having run out of their own means to purchase care. This has been a growing trend in recent years but numbers rose particularly sharply in 2009/10 with 89 such cases (at a gross cost of around £1m). This increase may have been in part a reflection of the economic downturn and the impact of such factors as lower returns on investments/savings
- continuing overspend on services for people with learning disabilities reflecting the ongoing costs of placement decisions in previous years and continuing high demand for services. A programme of reviews of high cost cases, together with improved continuing health care funding, has had some impact on this figure and these reviews will continue into 2010/11
- pressures on services for people with physical disabilities has led to overspends on non-residential services and on the budgets for disability equipment reflecting both higher overall numbers but also the more complex needs of people now being supported in their own homes
- unavoidable one-off costs related to two backdated claims for 'ordinary residence' with neighbouring authorities (£557k)
- overspend on the Coroners service reflecting, in particular, the unavoidable costs arising from a number of lengthy, complex inquests (£96k)
- the increased use of short term funding to support people in their homes particularly around ensuring well-being through the winter period

Partially offsetting these spend pressures were:-

- vacancy savings and reduced reliance on residential placements for mental health clients
- more cost effective purchasing of services in the independent sector
- improved income generation (e.g. from health partners and from users of the Registration Service)
- one-off income from backdated continuing health contributions following significant challenge by ACS staff together with one-off managed savings to specifically offset the demand pressures on operations budgets
- savings on insurance premiums, IT costs and consumable budgets together with tight management of staff vacancies/use of relief staff in the Resource Unit.

Assuming the £470k PIP funds are carried forward, a total of £1,776k is proposed for write off.

### Business and Environmental Services (Appendix 1D)

The final outturn position is an £1,703k overspend after the application of the Winter Service Reserve. Adjusting for slippage on PIP allocations (£644k) gives a net overspend of £2,347k relative to the base Budget. The major causes of this position are

- the dividend from Yorwaste for 2009/10 is significantly lower than originally budgeted. The shortfall is £498k, and corporate provision for this write-off has been provided for as part of the MTFs.
- the Winter Service overspend for 2009/10 amounted to £4,020k; the full Reserve of £1,250k was drawn down to partially offset these costs. This leaves a £2,770k overspend on the BES revenue budget for 2009/10. The table below illustrates the movement on the Reserve during 2009/10

	Item	£000	£000
	Reserve as at 31 March 2009	250	
+	Additional corporate contribution	+1,000	
=	Available Reserve for 2009/10		1,250
	2009/10 Budget held by BES	6,315	
-	2009/10 Expenditure	-	
		10,335	
=	Overspend during 2009/10		-4,020
=	Write off required		2,770
	<b>Balance in Reserve as at 31 March 2010</b>		<b>0</b>

- Similar to the position reported in the 2008/09 outturn report, it is clear from the above that with the Winter Service Reserve being zero at 31 March 2010 there will be no cover for unbudgeted expenditure requirements in 2010/11 should a similar winter to that of 2008/09 or 2009/10 be experienced again. Actions will be taken to start to rebuild the Reserve to an appropriate level based on the risk assessment of the service.
- the County experienced unprecedented and extreme weather conditions this winter as indicated by the significant cost of the winter service shown in the table above. Even more acute than this is the enormous structural damage caused to the highway network. The latest estimated cost of dealing with the damage is in excess of £25m and this may rise as the full extent of the damage continues to emerge. This comprises of £2m revenue and more than £23m capital and represents the cost of known schemes.

BES has rigorously scrutinised all areas of possible funding sources, both revenue and capital, to resolve as much of this problem as possible from within Directorate resources. All highway schemes, including those that have slipped from 2009/10, either have or will be assessed against current condition to ensure that only those scoring highly enough are carried out. To date £7.1m (£5m capital and £2.1m revenue) has been identified to deal with the issue. Other service revenue budgets have also been subjected to a review during Q4 in the light of this problem and £0.1m has been identified for contribution. These amounts are in addition to the £2m allocated by the Executive and the £2.6m one-off grant from Central Government. A significant shortfall remains. BES continues to scrutinise revenue budgets and any available funding will be channelled into the repair programme as part of meeting this significant challenge faced by the County Council. Engineers are looking at how best to deal with the highway damage. The budget shortfall, coupled with the imperative to put the network into an appropriately serviceable condition, means that a variety of solutions will be adopted. This will include complete repair through to partial patching, which will leave the network more vulnerable to further damage. Also at the forefront of this analysis is the risk of a further poor winter in 2010/11. If appropriate robust repair works are not undertaken prior to the next poor winter, the resultant damage could be catastrophic, given the weakened condition of the network infrastructure. Highways and Finance Officers are working in close conjunction and Executive Members will be fully consulted. The above £0.1m identified for contribution from 2009/10 revenue budgets is requested as a carry forward into 2010/11. At present this is planned to be utilised on the repair works rather than contribution to the Winter Service Reserve given the above risks. However, this may change as the full solution and funding package is put together. On 2 February 2010 the Executive approved additional funding of £1m in 2009/10 to deal with revenue maintenance works required to address the damage caused to the highway network by the severe weather conditions noted above. A further £1m has been approved for 2010/11. These emergency revenue maintenance works were the priority for the final quarter of 2009/10 and, where possible, works have been accelerated. Due to this prioritisation and the generally poor weather conditions, other revenue highway maintenance activities have slipped or been deferred. The net effect on the 2009/10 budget is £255k overspend, which will be funded from the 2010/11 allocation.

- the Directorate has a programme of initiatives over the coming years. The 'Directorate Initiatives & Transformation' reserve has been set up into which funds previously accumulated have been earmarked against a specific programme of activities. Funding will be drawn down as expenditure on the programme is incurred. Based on outturn expenditure the closing balance of the reserve at the end of 2009/10 is £977k
- there was a £455k underspend (after deducting the shortfall on the Yorwaste Dividend) on waste management services in 2009/10. This was due to lower than planned waste volumes, deferred expenditure on the waste procurement project and various maintenance and landfill site activities that could not be undertaken in 2009/10.

Based on the above the proposed treatment of the bottom line overspend of £1,703k is to request write off of £2,668k and carry forward to 2010/11 of £965k

Item	£000	£000
Requested for Corporate write off:		
Yorwaste dividend shortfall	498	
Winter Service overspend	2,770	
Offset by:		
Underspends not being carried forward	-600	
Total write off request		<b>2,668</b>
Requested for carry forward to 2010/11		
PIP underspend	644	
Other underspends requested for carry forward	321	
Total requested for carry forward to 2010/11		<b>965</b>
<b>Total net overspend</b>		<b>1,703</b>

#### Chief Executive's Group (Appendix 1E)

The overall net underspend on Chief Executive's Group is £781k. Adjusting for slippage in PIP allocation (£232k) the effective underspend against base Budget is £549k. The main items making up this underspend are

- Legal Expenses - £125k underspend. This is a volatile budget with expenditure in a financial year being dependent upon demand and the timing of court cases.
- Elections – an overspend of £200k, due to the costs of the June 2009 County Council Elections.
- Community Safety, Climate Change etc. - £170k underspend, mainly due to delays in finalising Domestic Abuse arrangements and alternative funding being established for co-ordinator posts. Arrangements are now in place for 2010/11 and the budget will be required in full.
- Chief Executive's Office - £124k underspend, £63k of which is earmarked funding for the Corporate Customer Complaints, Commendations & Comments IT system that is currently in procurement and is expected to be delivered later this year.
- £198k - VFM initiatives identified in excess of the CEG VFM target in 2008/09 & 2009/10.

It is proposed to utilise the overall underspend of £781k as follows:

- Legal Expenses £125k – underspend utilised to partially offset the £200k overspend on Elections. The remaining £75k overspend on Elections is requested to be written off
- PIP allocations – the £232k is requested for carry-forward into to complete relevant specific projects
- the remaining underspend of £624k is requested for carry-forward into 2010/11 to provide one-off funding to pump prime developments that will enable ongoing savings to be achieved from the CEG budget.

### **Children and Young People's Services (Appendix 1F)**

There is an overall overspending of £941k after the agreed application of £500k of Early Years and Child Care Grant. Within Children's Social Care, there is an overspending of £1,866k which comprises two significant elements:

- **Child Placements:** There are currently 459 children looked after, the number having risen significantly over the course of the year from 405 in April 2009. North Yorkshire still has relatively fewer children in care compared with other similar authorities, who have all experienced significant cost increases over the last year. The overall overspending against budget totals £975k. The increase in overspending reflects a change in the mix of placements, with increases in the number of expensive external residential placements, where children with highly complex needs and behavioural difficulties could not be placed within in-house provision. The annual cost of current provision has risen to £11,513k. On the basis of current placements and underlying trends, costs in 2010/11 will exceed the additional provision allocated as part of the 2010/11 budget. This possibility was acknowledged in the MTFs and there is, therefore, a provision of £500k held in Corporate Miscellaneous for 2010/11. The potential release of this provision to CYPS will be considered once the long term trend in case numbers has been validated.
- **Assessment & Safeguarding:** Overspending of £662k remains broadly similar to projections made at Q2 and Q3. Overall the overspending relates to capacity and performance challenges. These arise from significantly increased workload, driven by increased numbers of referrals, of children with Child Protection Plans and of cases with other pressing needs. This has coincided with higher practice and performance standards being introduced nationally, which add to quality but also to workload. The spending has been incurred through the use of agency staff to fill essential posts in Assessment and Safeguarding Teams. The position is being stabilised through a very active recruitment campaign to secure permanent staff.

The overspending on Home to School Transport of £120k compares with a projection at the end of Quarter 3 of £472k – a reduction of £352k. This reflects lower costs due to school closures in adverse weather conditions.

VFM savings totalling £1,808k have been achieved, against a budgeted target of £2,609k. This represents a shortfall in the current year of £801k. Due to it not being possible to make planned savings in Children's Social Care budgets the final position at the end of 2009/10 indicates a cumulative shortfall of £366k, after taking account of the over-achievement against VFM savings targets in 2008/09. The position reflects savings and re-prioritisation of grant which can be implemented from 2009/10. This reduces the non-recurring funding available to help manage the combined savings challenges of MTFS targets, growth pressures, anticipated grant cuts and the VFM 2009/10 shortfall. The Directorate will still need to deploy some non-recurring resources, as a short term part of its long term strategy, to achieve recurring savings in full.

The proposed treatment of the bottom line overspend of £941k is:-

- the write off of £1,637k overspending on Childcare (Child Placements £975k, Assessment and Safeguarding £662k)
- a balance of resources to be carried forward to 2010/11 totalling £696k.

### **Schools Block**

Dedicated Schools Grant (DSG) is used to fund Schools Block activities. There is a net overspend of £494k on the Schools Block, which reduces the net unallocated DSG to £721k. This excludes £566k of DSG which has been paid into a specific earmarked reserve, to enable the phased spending on the implementation of planned SEN developments in 2010/11 and subsequent years. The provision of £721k represents a small contingency (0.2%) in relation to a grant of £318m.

### **Finance and Central Services (Appendix 1G)**

There is an overall underspend of £4,223k. The items making up this sum are a mixture of savings on operational budgets and slippage on spending one-off funds due to various factors:

Financial Services - £427k underspend due to reduced funding required for an Oracle server/upgrade and staff vacancies. £59k will be used to help fund the TITAN project (the corporate VOIP telephone system), with the remainder being requested for carry-forward to fund necessary software upgrades etc to corporate systems

ICT Services – a net underspend on a mixture of operational and one-off budgets. Spending of the one-off funds (£1,181k) has been deferred pending the redrafted Corporate ICT Strategy. If carried forward the funds will be used to offset the costs of necessary infrastructure investment as identified in the Strategy



Risk Management Initiatives Fund - £114k underspend linked to timing issues re initiatives on Driver Training and related vehicle safety matters. This sum is requested for carry-forward to deliver this work in 2010/11

Corporate Accommodation - £465k underspend due to timing of planned improvements. The underspend is requested for carry-forward to deliver this programme in 2010/11

Corporate Repairs & Maintenance - £336k underspend due to planned slippage against this £1.9m annual programme. The underspend is requested for carry-forward to deliver this programme in 2010/11 – the allocation of the funds in 2010/11 is subject to a prioritisation review taking into account likely changes to the property portfolio

Themed Programmes for non School Sites - £433k overspend due to a range of technical issues, planning requirements and HSE requirements arising in the gas ventilation programme which covers 65 non-school sites. This overspend will be written-off internally against the CPLU underspend.

Corporate Property Landlord Unit - £1,206k underspend arising from delays (due to planning and other technical issues) in the smallholdings improvement and repairs & maintenance programmes, plus limited expenditure in year on volatile demand led budgets including farm compensation payments and costs of maintaining “declared surplus” properties. Part of this sum will be utilised to write-off the £433k overspend on Themed Programmes, with the remainder requested for carry-forward to fund the slipped items of the Farms Improvement and Repairs & Maintenance programmes as well as a number of minor CPLU commitments

PIP funded projects (including BOS, Strategic Transformation and Integration Capability and Gypsy sites) - £775k underspend due to slippage eg Belle Vue Mills. This sum is requested for carry-forward to fund the full implementation of these projects.

There are a number of other minor variations against the Directorate's 2009/10 budget as detailed in Appendix 1G. The net underspend of £180k relating to these items is requested for carry-forward to fund commitments to 2010/11 issues and projects.

**Corporate Miscellaneous (Appendix 1H)**

The bottom line underspend is £6,448k:

Item	Q3 £000	Outturn £000	Difference £000
Impacting on the General Working Balance			
Treasury Management savings net of VFM target	1,237	1,469	+ 232
Inflation clawback from Directorate budgets	2,520	2,520	-
Other items (includes £170k to BES for flooding)	121	688	+ 567
Contribute to BES Winter Service	} shown directly against the GWB at Q3	- 1,000	- 1,000
Contribute to BES Road repairs		- 1,000	- 1,000
Residual Balance of JE Fund		+ 308	+ 308
Element of PIP underspend needed to fund BES Yorwaste Dividend shortfall		+ 498	+ 498
= Total impacting on the GWB	3,878	3,483	- 395
Underspending on Corporate budgets requested for carry forward	1,480	2,965	+ 1,485
<b>Total Underspend</b>	<b>5,358</b>	<b>6,448</b>	<b>- 1,090</b>

Brief details of the main elements of the above are:

Treasury Management savings of £1,690k principally relating to premature repayment of external debt after January 2009 (£94.1m), combined with not taking any new external borrowing to fund the County Council's 2009/10 capital borrowing requirement but funding internally from surplus cash balances. Offset against these savings, however, is the £221k VFM target for the range of corporately held budgets, so there is a net £1,469k saving

Clawback from Directorate budgets relating to inflationary provisions made as part of last year's Budget process for pay awards, transport costs and some contracts. These amount to £2,520k with the biggest item being the Unison pay award which was settled at about 1% compared with the 2% budgetary provision made.

Other items impacting on the General Working Balance

Item	£000
• an inflation budget contingency provision not required	200
• an additional LABGI allocation announced by CLG in July 2009	287
• an agreed budget allocation to BES for Flooding	- 170
• other net variations totalling an overall underspend of	371
Total	688

Underspends on Corporate Budgets which are being requested for carry forward to 2010/11

Item	£000
• Pay and Reward budget - underspend of several initiatives together with an unallocated sum in 2009/10	329
• Community Fund / Second Homes Council Tax due to a combination of schemes approved in 2009/10 but due to run over two years and LSP underspends to be allocated in 2010/11	1,746
• Transformation Fund due to delays in projects, with the main one being the encryption project	301
• Area Committee Budgets	86
• PIP – unallocated £1,001k in 2009/10 less £498k required to fund shortfall in BES Yorwaste dividend	503
<b>Total</b>	<b>2,965</b>

Appendix 1B shows, at Directorate level, the various components making up the headline total 2009/10 underspend of £7,502k:-

Item	£000	£000	Column in Appendix B
(a) Directorate overspends/deficits proposed to be written off against the General Working Balance			
ACS	-1,776		
BES	-2,668		
CYPS	-1,637		
CEG	-75	-6,156	6
(b) Underspends not proposed for carry forward and therefore transferred into the General Working Balance			
Corporate Miscellaneous		3,483	7
(c) Net decrease in General Working Balance		-2,673	
(d) Underspends proposed for carry forward to 2010/11			
PIP allocations		2,328	8
Directorates (excluding PIP)	4,882		} 9
Corporate items	2,965	7,847	
<b>Total</b>		<b>10,175</b>	<b>10</b>
(e) <b>Total underspend (c + d)</b>		<b>7,502</b>	<b>11</b>

Underspends not proposed for carry forward to 2010/11 and, therefore, impacting on the General Working Balance total £3,483k. This net underspend consists wholly of corporate miscellaneous variations, offset by the additional allocations made to BES during the course of the year (£1m for the Winter Service, £1m for road repairs and £0.17m for flooding costs).

Underspends proposed for carry forward total £10,175k and are a combination of:

- (i) underspends on a range of Corporate Budgets totalling £2,965k.
- (ii) spending planned by Directorates for 2009/10 but deferred/delayed until 2010/11 for a variety of reasons, including committed but unspent PIP funds of £2,328k and other one-off or programme based budgets.
- (iii) managed savings to assist the Budget in 2010/11 and subsequent years.
- (iv) planned/earmarked savings to support developmental initiatives in 2010/11.

Details of the items involved are provided for each Directorate in Appendices 1C to 1H respectively.

The total underspend proposed for carry forward at Directorate level is:-

Directorate	PIP (a)	Other (b)	Total (a+b)	
	£000	£000	£000	£000
Directorates (including PIP underspends)				
Children and Young People's Service	0	696	696	
Business and Environmental Services	644	321	965	
Adult and Community Services	470	0	470	
Chief Executive's Group	232	624	856	
Finance and Central Services	982	3,241	4,223	
	2,328	4,882	7,210	7,210
Corporate Miscellaneous Budgets			86	
Area Committee Budgets			301	
Transformation Fund			1,746	
Community Fund			329	
Pay and Reward Initiative Budget			503	2,965
Unallocated PIP				
<b>Total proposed carry forward</b>				<b>10,175</b>

The County Council's initial Local Area Agreement (LAA 1) covered the 3 year period April 2007 to March 2010. LAA 1 includes 19 'stretch' targets spread over 5 Thematic Partnerships. Their achievement in full would provide up to £16m Performance Reward Grant (PRG) at the end of the agreement (31 March 2010). In addition £1,332k Pump Priming Grant (PPG) was available from Central Government over that period to assist in the delivery of the stretch targets. Based on performance to the end of Quarter 4 2009/10 and subject to audit certification from Veritau, it had been forecast that £12.2m PRG will be earned in relation to LAA 1. However, subsequent information indicates the level of grant will be cut by 50%. In addition there are a number of targets whose agreed performance period extends beyond 31 March 2010, or for which performance information is not yet available. PRG is paid as 50% capital funding and 50% revenue funding. The restriction that this creates is that the capital element can only be utilised to fund eligible capital expenditure, whereas the revenue element can be utilised more flexibly. PRG of £1,749k has been received in 2009/10 in relation to an interim claim based on performance against a number of agreed stretch targets up to 31<sup>st</sup> March 2009. This claim comprises 20% of the PRG in relation to those stretch targets where the interim targets were met. The performance upon which this claim is based has been audited and certified by Veritau. In addition, this audit work has confirmed that a further £2,369k of PRG is secured based on performance against these targets to 31<sup>st</sup> March 2010. The main element of the PRG is then claimed in 2 stages:

**During 2010/11** the first main claim for PRG will be submitted based on audited performance to the end of the LAA 1 period (April 2007 to March 2010) against the stretch targets. This first claim would bring the total sum claimed up to 50% of the PRG earned.

**During 2011/12** the final claim for PRG will be submitted. This will be for the remaining 50% and include any adjustments to reflect audited performance against targets whose timescale for measurement extends into 2010/11.

The following elements of PRG have, therefore, been credited to the 2009/10 accounts:

Item	£000
In relation to the interim PRG received in 2009/10	1,749
In relation to the further audited secured sum	2,369
<b>Total (£2,059k capital; £2,059k revenue) PRG credited to 2009/10 accounts</b>	<b>4,118</b>

In relation to the £2,059k capital element, this has been applied in 2009/10 to fund capital expenditure incurred by the County Council, and utilised instead of available Directorate revenue contributions to capital. This has freed up the same value of revenue funding, giving more flexibility to the Thematic Partnerships over the utilisation of this £2,059k capital element of PRG. This flexibility may not be fully achievable, however, for the 50% capital element of remaining PRG. The full amount of revenue funding (£4,118k) has then been transferred into an earmarked reserve to be utilised over the period up to 2013/14 in accordance with the principles at agreed by the County Council on 17 February 2010.

With respect to the £1,332k Pump Priming Grant (PPG), financial monitoring reports have been taken to the NYSP and its Thematic Partnerships throughout the financial year, and a final outturn report will be considered by the NYSP on 24 June 2010. The table below gives a summary of the position that will be reported to the NYSP:

<b>Pump Priming Grant</b>						
<b>LAA Theme</b>	<b>Total Allocation</b>	<b>Spend to 2008/09</b>	<b>Final Allocation 2009/10</b>	<b>Outturn 2009/10</b>	<b>Variation</b>	<b>Comment</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Adults	414	213	201	201	0	Reflects latest position following any agreed transfers of PPG
Children	289	111	178	178	0	
Healthier Community	84	50	34	34	0	
Safer Community	200	82	118	118	0	
Stronger Communities	339	115	224	224	0	
Survey	6	0	6	6	0	
<b>Total</b>	<b>£ 1,332</b>	<b>571</b>	<b>761</b>	<b>761</b>	<b>0</b>	

2009/10 was the last of the three year delivery period for the LAA 1 stretch targets, and the PPG had to be fully utilised by 31<sup>st</sup> March 2010, which it has been. The PPG will be audited by Veritau during 2010/11 and a certification report provided to Central Government. The second LAA, which commenced on 1 April 2008 (LAA 2), includes 32 targets against National Indicators (as well as a number of targets against local indicators) that have been agreed with Government, various partners and the County Council. The Government had confirmed that PRG of up to £3.5m will be available to North Yorkshire to reward performance against LAA 2 targets. This PRG would be split 28% capital, 72% revenue, and would be payable after the end of 2010/11.

The Area Based Grant (ABG) was introduced in 2008/09. The ABG is a Government grant and comprises a number of funding streams that would previously have been treated as specific or other grants. It is unringfenced, with no specific conditions regarding how it can be utilised. For 2009/10 the County Council was allocated £30.7m of ABG. The schedule at Appendix 11 details the funding streams that comprise this sum. The County Council had previously agreed that the ABG be allocated to Service Directorates and partners based on "passporting" the sums as indicated by this breakdown. Appendix 11 therefore also shows to which Service Directorate/partner individual elements of the ABG for 2009/10 have been allocated together with the outturn position for 2009/10 for individual allocations. There is an overall underspend of £4.351m against the £30.7m ABG allocation which is being rolled forward into 2010/11 in Directorate accounts as "Income in Advance". The main reasons for this £4.351m underspend of ABG in 2009/10 are:-

**BES Road Safety Grant – Unspent grant of £1,439k**

The grant is expended in a profile based on the planned programme of activities and events rather than the annual cash allocations from the Department of Transport. Any unspent grant funding is rolled forward into future years to fund the remainder of the programme.

**CYPS Connexions –Unspent Grant of £804k**

A sum of £365k is needed to meet the commitments of the 3yr spending plan 2008-11. The remaining £439k is available to support the MTFs for CYPS to provide non-recurring assistance with achieving annual savings targets while also managing loss of grants for recurring service commitments.

**CYPS Extended Schools Start-up Grant – Unspent Grant of £487k**

When the initial budget strategy was set for 2010/11 there was a predicted in year deficit of £486K and it was planned to meet this shortfall from the Extended Schools ABG carry forward from 2009/10. This service is still growing, with completion of the Children's Centres Programme. The underspend will be used on the priority of prevention through family support, particularly for the hardest to reach families, which reflects OFSTED inspection requirements and the new Government's priorities for Children's Centres. A careful approach will be essential because of uncertainties about Sure Start funding continuing beyond 2010/11.

The required accounting treatment for ABG is that because the grant does not impose any conditions, it should be wholly included as income in the 2009/10 accounts, with no underspendings being rolled forward as Income in Advance. To achieve this required accounting treatment the total underspend of £4.351m against individual allocations to Directorates and partners has been brought into the Final Accounts as ABG Income in 2009/10 with a corresponding transfer being made into the "ABG Earmarked Reserve", which was created last year. Thus there is no impact on overall net spending in 2009/10, but this treatment has the effect of reflecting the full £30.7m ABG allocation in the County Council's 2009/10 accounts, with the underspend of £4.351m (£4.485m in 2008/09) being carried forward to 2010/11 as a specific earmarked reserve rather than income in advance.

The final outturn position for 2009/10 on Area Committee budgets was.

Area Committee	2009/10 Budget			Total spent in 2009/10	Underspend (-) in 2009/10 to be carried forward to 2010/11
	Base Budget	2008/09 Brought Forward	Total Budget		
	£000	£000	£000	£000	£000
Craven	39	8	47	25	- 22
Hambleton	51	2	53	46	- 7
Harrogate	76	2	78	67	- 11
Richmondshire	39	12	51	36	- 15
Ryedale	39	0	39	36	- 3
Yorkshire Coast & Moors	58	7	65	65	0
Selby	48	21	69	41	- 28
<b>Total</b>	<b>£ 350</b>	<b>52</b>	<b>402</b>	<b>316</b>	<b>- 86</b>

The aggregate underspend of £86k is part of the overall sum proposed for carry forward to 2010/11.

The Central Contingency Fund is a provision for unforeseen, unpredicted and/or emergency expenditure is held as part of the overall Corporate Miscellaneous budget. The total fund for 2009/10 was agreed at £500k, with the outturn position being:-

Item	£000
Budget approved	500
Less allocations made in 2009/10	-355
<b>= unallocated budget remaining</b>	<b>£ 145</b>

The year end underspend of £145k is not being proposed for carry forward to 2009/10 and, therefore, is added to the General Working Balance at 31 March 2010, as part of the overall Corporate Miscellaneous underspend.

The Pending Issues Provision (PIP) was set up in 2008/09 to underpin a financial strategy, as part of the MTFS process, that would ensure sufficient recurring funds are available in future years to meet the predicted year on year additional costs of the Waste Strategy. In addition to providing long term funding for the Waste Strategy, the funding paid into the PIP but not yet required by the Waste Strategy is available to fund non-recurring items, with significant sums having been allocated to date by the Executive. Full details of the PIP were reported as part of the Medium Term Financial Strategy 2010/13 and Revenue Budget for 2010/11. Since the PIP was first created its use has been widened both in terms of the sources of contributions paid in and the range of purposes for which allocations have been paid out. Appendix 1J provides full details of all the agreed allocations in 2009/10 and



their progress to date. A number of these allocations are committed but underspent in 2009/10 and these funds are being requested for carry forward as part of Directorate net year end under/over spendings. This net underspend totals £2,328k, based on £6,531k spending against £8,859 total allocations made for 2009/10. In terms of the overall PIP, a summary of the current position is:

Item	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000
Funding approved 2 February 2010	9,526	17,073	12,135	9,346
- allocations approved by Executive				
on 27 May 2008	-2,000	-4,000		
on 2 Sept 2008	-2,084	-1,706	-3,000	
on 23 Sept 2008	-800			
on 2 Dec 2008	-2,278	-1,723		
on 6 Jan 2009	-562	-49		
on 7 April 2009	-150			
on 8 Sept 2009	-651	-750	-1,445	
on 29 Sept 2009			-259	
on 17 Nov 2009	-2,000	-600	-400	-200
on 2 Feb 2010		-5,574	-3,094	-646
- rephasing of CYPS Capital allocations initially agreed on 27 May 2008	+2,000	+2,000	-4,000	
<b>Total Allocations to Date</b>	<b>-8,525</b>	<b>-12,402</b>	<b>-12,193</b>	<b>-846</b>
<b>Budget remaining</b>	<b>1,001</b>	<b>4,671</b>	<b>-63</b>	<b>8,500</b>
Less: Required in 2009/10 to fund Yorwaste dividend shortfall	-498		-	-
<b>Adjusted budget remaining</b>	<b>503</b>	<b>4,671</b>	<b>-63</b>	<b>8,500</b>

= Total remaining 2009/10 to 2012/13

13,611

Item	£000
Total remaining 2009/10 to 2012/13	13,611
Add funding remaining 2013/14	8,919
Add funding remaining 2014/15	1,329
Add funding remaining 2015/16	1,040
= Sub-Total of PIP remaining to be allocated	24,899
Provisions earmarked but to be confirmed by Executive	
<ul style="list-style-type: none"> <li>• Yorwaste dividend shortfall in 2010/11, 11/12 and 12/13</li> <li>• STIC provision for related projects and priorities reported at Q2</li> <li>• contribution to re-establish Winter Maintenance Reserve</li> <li>• CYPS ICT transformation</li> <li>• Bright Office Strategy – County Hall East Block proposals</li> </ul>	-2,500 -885 -1,500 -500 -2,670
<b>Still available (up to 2015/16)</b>	<b>16,844</b>

A key objective of the Medium Term Financial Strategy and the 2010/11 Revenue Budget approved by the County Council on 17 February 2010 is to maintain the General Working Balance (GWB) at a defined minimum level of 2% of the net Revenue Budget and this target was achieved at the end of the 2007/08 financial year. 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, plus any unforeseen in-year factors arising on Service Budgets which need to be written off. A statement of the GWB at 31 March 2010 reflecting the draft outturn position is attached as Appendix 1K. The year on year movement in balances is:-

Item	£000
Balance at 31 March 2009	21,688
+ Total funding income received in year	336,240
– net expenditure by Directorates in 2009/10 ( <b>Appendix B</b> )	- 340,359
<b>= General Working Balance at 31 March 2010</b>	<b>£ 17,569</b>

However this overall balance of £17,569k includes the Corporate/Directorate underspends in 2009/10 proposed for carry forward to 2010/11. For financial planning purposes, it is assumed that the GWB will be reduced during 2010/11 by the consumption of these carry forwards as they are in effect earmarked balances. The overall level of 'free' balances at 31 March 2010 after adjusting for these proposed carry forwards (£10,175k) is therefore £7,394k (= 2.2% of net revenue expenditure).

Based on Appendix 1K the forecast level of the General Working Balance for the next four years is:-

Item	£000	% of Net Revenue Budget
• actual free balances at 31 March 2010	7,394	2.2
• estimated at 31 March 2011	7,394	2.1
• estimated at 31 March 2012	7,394	2.1
• estimated at 31 March 2013	7,394	2.1

The County Council has adopted the following 'good practice rules' as part of its MTFS which is to achieve and maintain a policy target of 2% of the net Revenue Budget of the County Council.

- (a) that any underspending on the Corporate Miscellaneous budget at the year end should be allocated to the GWB
- (b) that should there be any call on GWB during a year such that the target level (as defined in the Budget) will not be achieved at the respective year ends then:
  - (i) that shortfall be addressed in the next Budget cycle and/or
  - (ii) that revenue or capital expenditure reductions be effected in either the current or following financial year, in order to offset the shortfall
- (c) that in order to implement (b) the Executive should review the position of the GWB working balance on a regular basis as part of the Quarterly Performance and Budget monitoring report process.

Following the 2010/11 MTFS and Revenue Budget report to by the County Council on 17 February 2010 the targets were revised and are now:

Year	MTFS Target		2% of net revenue budget
	£000	% of Net Revenue Budget	
31 March 2009 (actual)	12,567	3.9	£000
31 March 2010	7,747	2.3	6,720
31 March 2011	7,747	2.2	7,000
31 March 2012	7,747	2.2	7,040
31 March 2013	7,747	2.2	7,090

The position will be closely monitored throughout 2010/11 and will be reviewed as part of the 2011/12 Revenue Budget/MTFS update process.

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. Appendix 1L shows the overall position of all the County Council Reserves and Balances (GWB + other earmarked reserves) both at the start and end of the 2009/10 financial year, together with the forecast submitted to Executive on 2 February 2010 as part of the 2010/11 Budget and MTFs report. The increase in overall Reserves Balances of £2.5m (£74.4m at 31 March 2009 to £76.9m at 31 March 2010) is due to a combination of factors, with the main 2009/10 variations being:

<b>Reserve</b>	<b>Variation in 2009/10</b>	
	<b>£m</b>	
Working Balances		
Directorate underspends carried forward		+1.1
General Working Balance		-5.2
Earmarked Reserves		
CYPS Catering Trading		+0.5
CYPS Teachers Severance		+0.9
CYPS Special Education Needs		+0.8
CYPS Children's Centres		-0.5
CYPS Gas Ventilation		-1.7
BES Local Development Framework / Minerals		+0.5
BES Directorate Initiatives and Transformation		+1.0
LAA Performance Reward Grant		+4.1
All other earmarked reserves		+1.0
<b>Total increase in reserves 2009/10</b>	<b>£m</b>	<b>+2.5</b>

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 2010/11 Budget/MTFS report. Appendix 1L continues this process.

The Accounts and Audit Regulations 2003 (Regulation 10) require the approval of a Statement of Final Accounts (SoFA) for 2009/10, by an appropriate Committee of the local authority, before 30 June 2010 together with those accounts being signed off by the External Auditor by 30 September 2010. These Regulations also require the Chairman of the relevant Committee to sign and date the SoFA to formally represent the completion of the Council's approval process of the accounts. Responsibility for approving the County Council's SoFA is one of the responsibilities of the Audit Committee and the SoFA for 2009/10 is therefore scheduled to be submitted for formal approval to that Committee on 29 June 2010. At this stage however the SoFA will still be subject to external audit and the Audit Committee's approval will reflect this position. On completion of the external audit, a report from the Auditor (the Annual Audit Report) will be submitted to the Audit Committee on 30 September 2010. Following consideration of this report the Audit Committee will then be asked to approve a final SoFA prior to it being formally signed off by the External Auditor, to satisfy the statutory 30 September deadline.

The outturn figures contained in this report are based on the County Council's organisational and budgetary management arrangements. The format and content of the SoFA is, however, laid down in the Code of Practice on Local Authority Accounting in Great Britain. In many areas the day to day accounting arrangements of the County Council are different to the statutory year end accounting requirements. The introduction of the Best Value Accounting Code of Practice (BVACOP) in 2000/01 and subsequent changes in accounting rules have significantly increased these differences. Therefore the individual Service outturn figures reported above and in Appendix 1B will be markedly different to those reported to the Audit Committee on 29 June 2010 as part of the SoFA. Explanations as to the differences between the two sets of figures will be provided to that Committee.

Throughout 2009/10 a number of issues have been identified and reported to Members that could lead to budgetary pressures in 2010/11 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 2010/11 and future years are as follows:

**Child Placements** - Despite the provision of additional resources in 2010/11 totalling £1.25m, the increased pressure to place more children in care, arising from the impact of the Baby P case, has resulted in an annual cost of current provision that exceeds the available resources. A bid for additional corporate funding (£500k), if approved, will provide a potentially essential reserve to inescapable placement costs.

**Home to School Transport** - The Home to School Transport budget has been under pressure in 2009/10 as a result of volatile demand, fuel prices and increasing numbers of pupils with special educational needs or emotional/behavioural problems. This led to overspending in 2009/10, and a number of those pressures continue into the current year. Some growth funding has been allocated to the Home to School Transport budget in 2010/11, therefore, but it has also been necessary to set targets for the service to self-finance £300k of spending pressures over and above that. In addition, because this budget (around £22m) is such a large proportion of the CYPS resources, it will be essential to make further savings on it as part of the strategy to meet the Directorate's MTFs savings target. The target for potential further savings from the Home to School Transport budget exceeds £1.5m, in addition to the savings for self-financed growth referred to above. The challenge will be tackled through a rigorous set of measures, but there are inevitable risks to achieving such large savings on demand-led expenditure in the 3 year period of the MTFs.

**ICT** - The Directorate is implementing a number of IT packages, not least the electronic case management system for children's social care. As with any implementation of IT, there is a risk of unanticipated spending pressures and a need to invest appropriately in preparation, testing and implementation in order to exploit IT successfully. Experience has shown that, without that, there is a significant risk of not achieving some of our efficiency savings where these rely on changed ways of working. In particular, there are risks when the technology commissioned does not have the necessary resilience to give reliable support to flexible working between groups of staff, or to individual staff using home and mobile working.

**Integrated Service Provision** - Potentially significant reduction in grant funding may restrict efforts to embed and sustain integrated locality working. Demand on the preventative services has grown significantly, and continues to grow. Through the use of Common Assessments CYPS is providing effective early intervention and support to almost 500 vulnerable children and their families each year. Any significant reduction to the capacity for this work will simply transfer greater pressure to the Assessment and Safeguarding teams in Children's Social Care, thereby further increasing demand for more expensive services which are also currently very hard to staff. The Schools Forum has helpfully funded key developments on the preventative agenda in the past, which are essential in containing spending pressures on Local Authority (LA) services. However, there is a limit to the extent to which this funding policy can be pursued further, given Schools Budget pressures.

**Schools Causing Concern** - Significantly increased demand for monitoring and intervention in schools with difficulties has placed pressure on school improvement functions. The inherent link to schools in financial difficulty, at a time when schools themselves are under increased financial pressure, may place further spending pressures on LA and Schools Block budgets.

**Redundancies** - Falling pupil rolls, senior management restructures (particularly in Secondary Schools) and increasing pressure on individual school budgets have led to a trend for redundancy costs significantly in excess of the available annual contribution to the fund. The cost of school redundancies have to be met from LA resources.

### **Adult and Community Services**

**Services for Older People** - 2009/10 saw a very significant increase in client numbers (9%) and the full-year effect of this will be felt in 2010/11. On top of this the demographic evidence points to a continuing steep rise in the number of older people in North Yorkshire requiring care services. This is not a new phenomenon but the projected rise in numbers, particularly in the over 85 age group, is much higher. In addition the increase in previous years has been partially 'masked' by the introduction of such innovations as telecare which, through more cost effective service delivery, has allowed many more clients to be supported without an overwhelming impact on the budget. However, these have now reached 'saturation' point and therefore will not now, in themselves, offset higher numbers. The Directorate continues to innovate and adapt services to try to manage this demand, in particular through investment in prevention and, critically, the development of rehabilitation services but it remains one of the most challenging financial issues facing the County Council.

**Services for People with Learning Disabilities** - There was an overspend on Learning Disability budgets in 2009/10. Some of this reflects the continuing impact of decisions on placements made in previous years as well as continuing high demand for services. Turning this around will require difficult decisions on reducing the costs of some existing packages as well as maximising the efficient service delivery for new people. Cost pressures are also arising from the higher cost of supporting people in college placements as Learning and Skills Council funding is squeezed.

**Services for People with Physical Difficulties** - A significant overspend on these services again reflected an overall rise in numbers but also the higher costs, in particular in areas such as adaptations and disability equipment, of supporting people with more fundamental physical disabilities to remain in their own homes.

**Efficiency / Savings Agenda** -The requirement to deliver the VFM Plan efficiency target remains challenging particularly in the areas of library efficiencies, reducing costs for learning disability services, home care 'zoning' and reducing administrative support. The Directorate will need to make difficult decisions in relation to commissioned and procured services, driving down costs at the same time as expecting providers to drive up quality. Market management and delivering efficiencies will be a particular challenge in the context of increased consumer choice and personalisation. In addition the budget planning for ACS assumed that a significant part of the demographic pressure would be met by compensating savings elsewhere; the plans for this include a number of very difficult and challenging issues in both political and practical terms. Perhaps the most significant practical challenge is in the key area of developing re-ablement services. This is not only a fundamental change in the way that the Directorate provides support, impacting on high numbers of both clients and staff, but will also involve a very major procurement exercise and its success is fundamental to trying to stem demand.

**One-Off Funding** - Some of the cost pressures in 2009/10 were partially offset by short term/one-off funding, in particular backdated continuing health care funding claimed from the PCT and the one-off recoument of unused balances from direct payments clients. This level of funding will not be available in 2010/11. In addition 2010/11 will be the last year of the Social Care Transformation Grant which has been critical in funding the infrastructure of change.

**Personalisation** - The full implications of the change to personal budgets are still unclear but the major financial risks relate to evidence of higher numbers of clients under personalisation and the relationship to managing in-house services as well as block contracted services.

**Supporting People** - In addition the resources available to fund the SP service and infrastructure continues to reduce and the deficit of spend to resources will be £1.6m in 2010/11. A financial retraction plan is in place which has identified a range of cost reductions which may be delivered through retendering and fee negotiations with providers as well as the cessation of some services. Where funding is withdrawn from services supporting those people with Learning Disabilities this will have a direct knock on effect to Adult and Community Services. It has been estimated that this could be in the order of £246k in 2010/11. The SP Commissioning body has already formulated a financial recovery plan to manage the reduction in available resources and reviews progress against plan at every meeting. It is clear however that there are tough decisions to be taken over the forthcoming year and more radical solutions will be considered at the June meeting.

### **Business and Environmental Services**

**Winter Service** - Due to weather conditions experienced during 2009/10, the Winter Service Reserve has been fully depleted and the remaining net overspend of £2,770k has been requested for corporate write-off as part of this report. Experience continues to demonstrate the susceptibility of this service in terms of expenditure levels incurred. With nil reserve remaining there is no cover for dealing with another poor winter. Actions will be taken to start to rebuild the Reserve based on the risk assessment of the service. The BES Directorate will scrutinise all areas of its Revenue Budget to maximise the resources it can put into this Reserve, noting that there is also the need to fund the highway repair programme.

**Damage to Highways Network** - As detailed earlier there remains a significant shortfall in funding to deal with the damage caused to the highway network from the winter conditions. Every effort is being made to resolve this problem from within existing Directorate resources where possible.

**Yorwaste Dividend** -There will be a further significant shortfall in the Yorwaste dividend for 2010/11 of £900k. This is planned to be funded from the PIP.

**Waste** - Waste volumes are always subject to a significant degree of volatility and therefore the savings that have occurred in 2009/10 cannot be assumed to continue.

**Minerals and Waste Local Development Framework** - Significant costs will have to be incurred in order to meet the latest Government guidelines for the Minerals and Waste Local Development Framework. Current estimates indicate that this likely to be £579k. A reserve has been set up to fund these costs. Currently the reserve balance stands at £457k, £122k short of the total estimated costs. The additional funds must be identified from within the BES revenue budget over the coming period and as such represents a further cost pressure to the Directorate.

**Concessionary Fares** - The administration of concessionary travel will become the responsibility of the County Council from 1 April 2011. Work continues on assessing costs and funding and working with other Local Authorities to achieve the transfer by the deadline. It is quite possible that funding will be less than costs. Further advice will be reported as the transfer progresses.

#### **Chief Executive's Group**

**Legal Expenses** - This is historically a volatile budget, and often in an overspend position. There are specific pressures arising from health and safety cases which are likely to incur significant costs and the position will be closely monitored.

**Customer Service Centre** - Over the next couple of years the Customer Services Centre budget is likely to come under increasing pressure as the demand for its services and throughput of cases increases. The position will be closely monitored for impact in 2010/11 and future years.

#### **Finance and Central Services**

**Corporate Repairs and Maintenance** - As reported in the Annual Property Performance Report (separate report on this agenda), there is a significant backlog of repairs/maintenance work on the County Council's property portfolio. Whilst work is in hand to identify cost effective, efficient and co-ordinated ways of addressing the backlog (eg the Bright Office Strategy) these will, of themselves, not be sufficient to resolve the problem in the medium to longer term. The allocation of funds from the non-recurring PIP may be a way forward although the use of these funds for this purpose will need to be considered carefully in the light of the range of potential issues referred to in this paragraph and in particular the worrying and inevitable impact of the economic situation.



**Service Continuity/Disaster Recovery for ICT Systems** - With the increasing reliance and dependency on ICT systems across the County Council, and in particular the impact on service delivery capability of a significant failure in any of the ICT systems, there will be a need to invest in additional data storage and recovery systems.

### **Corporate**

**Treasury Management** – The continuing low interest rates being earned on the County Council's surplus cash balances could result in a Budget shortfall. This budget will be monitored carefully and the continued use of internal cash balances to fund capital expenditure in the short term, rather than borrowing, together with debt rescheduling opportunities to exploit the differential rates available over various durations, continue to be assessed. In addition the significant level of capital borrowing requirements in 2010/11 requires the County Council to be mindful of the expected future increase in long term borrowing interest rates. Interest rate movements and forecasts are being monitored closely in this respect. A full update on Treasury Management matters will be provided in August 2010 as part of the Q1 Performance Monitoring report.

**MTFS Savings Requirement** - There is a significant financial risk in 2010/11 if the County Council as a whole fails to achieve the combined VFM Plan Year 3 target (£10.7m) and the additional £5.8m savings target built into the Budget / MTFS for 2010/11.

**Overall Economic Situation and Recent Change of Government** - The continuing economic situation in the UK together with the recent change in Government is likely to result in significant pressure on the County Council's financial resources during 2010/11 and future years. Financial expenditure pressures resulting from increased demand and other factors are reported elsewhere within the Directorate narrative. The uncertainty of future funding levels (grants and the level of Council Tax) was referred to in the February 2010 Budget/MTFS report with certain assumptions being made about reductions in the level of grant funding in 2011/12 and 2012/13.

On 20 May 2010 the Government published *The Coalition: Our Programme for Government* setting out its proposals in each area of policy. This document does give some early pointers of areas that will impact on Local Government finance. Particular areas mentioned included:

- a review of Local Government finance
- the phasing out of ring fenced grants to Local Government
- freezing Council Tax for at least one year, and seek to freeze it for a further year, in partnership with local authorities
- setting out a plan for the "economic deficit" reduction in an emergency budget
- holding a full spending review, reporting this Autumn.

There was an emergency Budget on 22 June 2010, which will be followed by a Spending Review in the Autumn, which will establish the Government Departmental Expenditure Limits and the allocation of broad spending reductions. This will be followed by the Local Government Finance Settlement in November/December, but at this stage it remains unclear whether this Settlement will be for a full three year period.

On 24 May the Government announced that £6.2bn of savings from Government spending would be made in 2010/11 to tackle the unprecedented deficit position of the UK. Although Schools, Sure Start and spending on Education for 16-19 year olds will apparently be protected from these in year cuts, £1.165bn is to be found from Local Government. Key points in relation to this announcement are as follows:-

- 19% of the total £6.2bn cuts will come from Local Government (£1.165bn)
- there will be no reduction to formula grant (RSG)
- ring fencing restrictions will be lifted on grants totalling £1.7bn to provide greater flexibility to Local Authorities
- frontline funding to schools will be protected and money allocated to individual school budgets in 2010/11 will not be affected by the reductions
- Ministers would consult Authorities on which Local Government funding streams were to be cut back
- the pain associated with the cuts will fall unevenly across authorities dependent upon levels of specific and other general grants (eg Area Based Grant) being received, Council Tax yields and levels of discretionary services.
- these cuts will impact in the current financial year 2010/11
- in addition to these savings, the Government are currently undertaking a re-examination of all spending approvals made since 1 January 2010, to ensure that they are consistent with their priorities and good value for money

On 10 June the Government announced further details of the £1.165bn Local Government contribution towards the overall savings of £6.2bn across Government in 2010/11 with the key points being as follows:

- total grant cuts of £10.8m to North Yorkshire County Council in 2010/11 (£3.66m revenue + £7.14m capital)
- Decisions on the deferral of Major Highways projects have yet to be made
- LAA Performance Reward Grant is being cut by 50%
- The LABGI scheme is being scrapped
- The un-ringfencing of some capital and revenue grants is unlikely to help NYCC in managing the grant cuts.

All these issues and potential developments will continue to be monitored and corrective action taken during the course of 2010/11, where appropriate. The Executive considered an additional item of urgent business, at its meeting on 29 June 2010, relating to initial steps to be taken to address these issues. These trends and developments will also need to be reassessed when updating the MTFS, later in the year, for 2011/12 and subsequent years.

**The Executive RECOMMENDS**

- (a) That the proposed write off, in 2009/10, of Directorate overspendings totalling £6,156k, as detailed in the report, be approved.
- (b) That the proposed carry forward of underspendings at Corporate and Directorate level totalling £10,175k, as detailed in the report, be approved.

**2. Capital Expenditure Outturn and Financing 2009/10.** The Capital Plan is split into:-

- (a) a Capital Programme – of schemes that have passed the necessary Gateways and are proceeding to construction; slippage on these schemes should be negligible because experience shows that most slippage takes place in the preparatory stages of a scheme.
- (b) a Capital Forecast – of schemes for which the preparatory process has not progressed to the point where they can enter the Capital Programme. Analysis has shown that it is these schemes that suffer slippage due to a wide range of internal and external factors.

The movement in the Capital Plan for 2009/10 can be analysed as:-

Item	£m	£m
<b>Gross Spend of Capital Plan approved on 17 February 2009</b>		<b>132.1</b>
Variations in schemes funded from grants and contributions		
BES LTP	5.1	
BES Regional Funding Allocation	9.1	
CYPS Schools Self Help Schemes	-3.8	
Other	4.8	15.2
Rephasing of expenditure between years		
(i) Net underspend in 2008/09 rolled forward to 2009/10		
BES LTP Structural Maintenance	1.9	
Other	1.8	3.7
(ii) Self funded variations in 2008/09 rolled forward to 2009/10		
CYOS School Self help schemes	2.5	
Other	3.4	5.9
(iii) 2009/10 rephasing which is funded from grants and contributions		
BES Regional Funding Allocation	-5.9	
CYPS Richmond School BSF Scheme	-1.6	
CYPS Children's Centres	-1.7	
CYPS Early Year's Settings	-1.8	

	Other (total of schemes/provisions with variations under £1.5m)	-10.3	-18.3
(iv)	2009/10 rephasing funding from borrowing and capital receipts		
	ACS – Valuing People provision	-1.9	
	BES – Depots rationalisation programme	-3.7	
	CYPS – Capital Funding allocation 2008-2011	-1.8	
	CYPS – Modernisation and targeted Capital Fund	2.8	
	Other (total of schemes/provisions with variations under £1.5m)	-11.9	-16.5
	Other approvals and variations		0.5
	Total variations		-9.5
	<b>= latest Capital Plan (Capital Programme of £118.6m + Capital Forecast of £4.0m)</b>		<b>122.6</b>

Capital expenditure in 2009/10 compared to the Capital Plan figures is:-

		<b>Gross Capital Spend</b>	<b>Less Capital Grants and Contributions</b>	<b>Net Capital Spending</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Original Capital Plan</b> (17 February 2009)	(a)	132.1	73.9	58.2
<b>Latest Capital Plan</b> (23 February 2010)				
Capital Programme		118.6	74.1	44.5
Capital Forecast		4.0	3.1	0.9
	(b)	122.6	77.2	45.4
<b>Outturn for 2009/10</b>	<b>I</b>	<b>113.9</b>	<b>77.3</b>	<b>36.6</b>
Year End Variation compared				
Original (a-c)		-18.2	+3.3	-21.5
Latest Plan (b-c)		-8.7	-0.1	-8.8

A summary of the outturn position is set out below at Directorate level with a more detailed summary being provided in Appendix 2A and an individual statement for each Directorate at Appendices 2B to 2E.

The major reasons for the £8.7m underspend are:-

Item	£m
<b>Adult and Community Services</b>	
<i>Maintaining Fabric and Facilities</i> – a combination of slippage on schemes and cost reduction on remedial works.	-0.1
“Our Future Lives” Extra Care Scheme – lower costs of extra care implementation team	-0.1
<i>IT infrastructure</i> – decisions on further developments (eg practitioner portal_ delayed until Adult Integrated Solution (AIS) system is fully bedded in.	-0.2
	<b>-0.4</b>
<b>Business and Environmental Services</b>	
<i>New and Replacement Road Lighting</i> – the severe weather along with a new contractor team has led to a lower output than expected in the final quarter.	-0.3
<i>Rationalisation of Depots</i> – expenditure planned on two depots has slipped into 2010/11 due to difficulties with a contractor and in securing necessary utility works.	-0.4
<i>Waste Management Service</i> – no site works were possible as the land purchase of the West Harrogate HWRC site did not complete until 31 March 2010.	-0.3
<i>Local Transport Plan</i> – A quarter of the year was effectively lost due to the unprecedented severe winter weather. As a consequence schemes have not taken place for a number of reasons as detailed in paragraph 9.36(i) of this report.	-5.2
<i>Regional Funding Allocation</i> – the variance is predominantly due to the poor weather conditions experienced in the final quarter of the year. This will be carried forward along with the grant funding that supports it.	-1.1
Sub-Total	<b>-7.3</b>
<i>Detrunking Grant</i> – the ringfenced grant was included in the Q3 report in error with the associated programme of works commencing in 2010/11. This led to a further apparent slippage of £2.6m	-2.6
	<b>-9.9</b>
<b>Children and Young Peoples Service</b>	
<b>CYPS Managed Projects</b>	
<i>Pupil Referral Units/Special Schools</i> – the acquisition of a site at Forest Moor School was successfully completed on 31 March 2010, slightly earlier than expected. This expenditure is fully funded from “Targeted Capital Fund” Grant.	_5.1
<i>Childrens Centre Capital</i> – delays on Phase 3 Childrens Centres have arisen due to planning requirements.	-0.5
<i>Early Years Settings</i> – the grant funded purchase of ICT software has been deferred until 2010/11.	-1.0

<i>Building Schools for the Future</i> – Phase 2 is progressing with higher than anticipated spend occurring in March 2010, brought forward from 2010/11.	+0.7	
<i>ICT Harnessing Technology</i> – the phased introduction of NYNEY into schools was slower than anticipated during 2009/10.	-0.9	
Other Schemes	-0.9	
	<b>+2.5</b>	} + £5m
<b>School Managed Projects</b>		
<i>Devolved Capital</i> – schools received advanced funding of 40% from 1010/11 in 2009/10. This has resulted in expenditure being higher than anticipated/	+0.7	
<i>Self Help Schemes</i> – schools have raised more private income than expected and revenue contributions towards capital schemes is higher than anticipated, resulting in an increase in capital expenditure	+1.8	
	<b>+2.5</b>	
<b>Other County Services</b>		
<i>Affordable Housing Fund</i> – underspend due to a late start on Tadcaster/Richmond Extra Care schemes.	-0.4	
<i>Control of Legionella Bacteria in Water</i> – expenditure planned on specific legionella projects has slipped into 2010/11.	-0.2	
<i>Richmond Bright Office Strategy</i> – the two month project due to commence in February 2010 was delayed by one month leading to slippage into 2010/11.	-0.2	
<i>Schemes and initiatives funded directly from Revenue</i> - £0.4m slippage on a Q3 provision of £2.6m mainly on ICT projects.	-0.4	
<i>Loans to Limited Companies</i> – Balance of NYnet loan at 31 March 2010 of £4.8m much lower than originally anticipated.	-1.7	
Other Schemes	-0.5	
	<b>-3.4</b>	
<b>- Gross Capital Underspend in 2009.10</b>	<b>£ -8.7</b>	

The County Council's Financial Procedure Rules incorporate an automatic carry forward facility for under/overspends both for approved capital expenditure and specific capital income. There was a £8.7m underspend compared with the last Capital Plan for 2009/10 but, after accounting for grants and contributions income, there is a net bottom line underspend of £8.8m. The various components of this set £8.8m underspend and the proposed carry forward to 2010/11 are:-

Item	£000
Latest Capital Plan update (gross spend)	122,593
2009/10 outturn	-113,893
= gross capital underspend	8,700
- increased grants and contributions	55
= net capital underspend	8,755
- underspending against Material Damage Block provision which is not required to be carried forward to 2010/11	-257
- underspending against Vehicle and Equipment Block provision	-332
- other miscellaneous 'Corporate' variations not proposed for carry forwards to 2010/11.	-3
<b>= adjusted net underspend proposed for carry forward to 2010/11</b>	<b>8,163</b>

The split of the proposed £8,163k carry forward and underspend between Directorates is:-

Directorate	£000 underspend
Children and Young People's Service	521
Business and Environmental Services	5,070
Adult and Community Services	178
Other County Services (net of ICT Revenue financing adjustment)	2,394
<b>Total net underspend carried forward £</b>	<b>8,163</b>

The 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 £113,893k in 2009/10 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	0	
• Internal capital borrowing	30,296	30,296
Capital Grants and Contributions		
• Directorate grants and contributions	61,321	
• LAA Performance Reward Grant (paragraph 8.29 of revenue report)	2,059	63,380
Schemes financed from Revenue		
• Directorate and School Revenue contributions	15,933	
• ICT financing adjustment	-26	

• BES contribution re Earmarked Capital receipts	804	14,652
• LAA Performance Reward Grant	-2,059	
<b>Capital Receipts</b>		
• receipts received in 2009/10 from property sales	4,622	
• company loan repayments	943	5,565
<b>= total capital spending to be financed in 2009/10</b>	<b>£</b>	<b>113,893</b>

The table above shows that new borrowing of £30,296k was needed to finance capital spending in 2009/10. This consisted wholly of an increase of £30,296k of capital borrowing from internal sources, with no new external borrowing for financing capital expenditure in 2009/10. A breakdown of the total capital borrowing requirement of £30,296k into constituent elements and compared with the original and latest Capital Plan is:-

Item	Original Estimate (Feb 2009)	Latest Estimate (Feb 2010)	2009/10 Outturn
	£m	£m	£m
Government Supported Borrowing approvals for 2008/09			
• Single Capital Pot			
Education	9.4	9.4	9.4
Highways LTP	27.2	27.2	27.2
Unsupported Prudential Borrowing required to finance other schemes approved by the County Council	11.2	11.7	11.1
Slippage of net capital expenditure and capital receipts between years	-3.0	-7.5	-16.8
Temporary use of surplus capital resources (mainly capital receipts) and other financing arrangements	-2.1	-0.6	-0.6
<b>Total Capital Borrowing requirement</b>	<b>42.7</b>	<b>40.2</b>	<b>30.3</b>
<b>£</b>			

Actual new borrowing taken up in 2009/10 was £70m, but none of this was for financing capital spending in the year, it was towards refinancing prematurely repaid debt in the latter part of 2008/09 (£26.5m) and early part of 2009/10 (£67.6m).



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:

Item	£000
Receipts achieved in 2009/10	
• sale of County Farms	2,962
• earmarked for Depots rationalisation programme	700
• sale of other land and buildings	960
	4,622
Used to fund capital expenditure in 2009/10	-4,622
<b>Capital Receipts carried forward to 2010/11</b>	<b>£ 0</b>

Total capital receipts achieved in 2009/10 of £4.6m compare with an estimate of £5.2m used for the last updated Capital Plan. The shortfall of £0.6m relates mainly to the slippage into 2010/11 of some receipts expected in 2009/10. The £4.6m is considerably less than the forecast at the start of the financial year, as a result of several factors, but principally

- slippage of receipts as a result of the economic downturn, with anticipated receipts not materialising due to the stagnant property market.
- slippage from Directorates expressing an interest in properties that already had a formal decision to sell eg for properties where there is potential for extra care schemes or where Directorates identify a new potential re-use.
- the knock on effect of delays in Directorate projects can cause slippage in the capital receipts programme, often for reasons beyond the County Council's control. Examples include delays in transformation / Bright Office projects and the BES Depots/Salt Barns Rationalisation programme.

All available Capital Receipts at 31 March 2010 have been used to fund capital spending in the year. This approach is advantageous in terms of treasury management activities and reducing capital financing costs in 2010/11. A reduction in the NYnet loan balance during 2009/10 of £1m (from £5.8m at 1 April 2009 to £4.8m at 31 March 2010) is classed as a loan repayment and capital receipt for capital financing purposes. This is not included in the table above, however, where the figures relate wholly to the sale of surplus land and properties.

In terms of County Farms capital receipts, the County Council agreed, on 15 May 2002, a flexible policy on the utilisation of capital receipts. This policy was to use receipts as appropriate to either finance the Capital Plan, to reduce debt or for other purposes, in accordance with the financial demands on the Council, and with its policies, at the time when the receipts became available. The Capital Plan therefore utilises all expected County Farms receipts achieved in the financial years 2009/10 to 2012/13 to fund capital spending, rather than for debt repayment or other purposes. Therefore all such receipts in 2009/10, totalling £2,962k, have been treated accordingly and used for the funding of capital spending. Achieving Capital receipts in 2009/10 proved to be as challenging as anticipated, though there were signs of a tentative recovery in Q4. This manifested itself in renewed interest in some of the Council's surplus properties eg The Close, Brompton and the former highways depot, Richmond, and the completion of the sale of a development site at Cherry Tree Farm

Whixley, all three properties having been vacant for well over a year. However, the lack of a positive attitude from the banks and the absence of development finance continues to cause concern. Looking ahead, the property market for 2010/11 remains uncertain. The predictions from the Royal Institute of Chartered Surveyors (RICS) are that the office rental market will continue to decline, albeit at a slower pace, but there will be some pockets of growth eg residential capital values. How long this partial recovery will last will not become clear for some time, in part due to the uncertainty of what precise policies will be adopted by the new Government to tackle the public sector debt. With regard to the Council's surplus portfolio, there are some prime properties due to come to the market this year eg Oak Mount, Northallerton and Frenchgate and Newbiggin in Richmond, for which there is tentative optimism regarding their disposal. Following a successful auction of two of the less attractive surplus properties, this method of disposal will continue to be considered for other secondary properties in order to achieve a prompt capital receipt and avoid the significant burden of holding costs.

The Q3 Capital Plan update report submitted to Executive identified a potential £1.6m of unallocated capital funding that might become available in the four year period to 2012/13. This sum arose mainly from additional capital receipts that had been identified, net of additional capital funding allocations approved by Executive. As a result of the 2009/10 outturn position, and a more recent updated forecast of capital receipts up to 2012/13, this surplus capital resources forecast has now reduced to £1.1m. This is principally due to reductions in the expected value of some forecast capital receipts, together with a corporate contribution towards the shortfall in the estimated value of some earmarked capital receipts identified to fund the SITS/LTP projects in the BES Capital Plan. Assuming it materialises, this £1.1m could be made available for either:

- (i) new capital investment (i.e. additional schemes), or
- (ii) reducing prudential (unsupported) borrowing in 2010/11, 2011/12 or 2012/13 and therefore achieving debt financing cost savings in the Revenue Budget/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 agreed to retain any surplus capital funding for the time being.

As a result of the 2009/10 outturn position, there are several capital issues to bring to the attention of Members.

## BES

- (i) **Local Transport Plan.** Expenditure on the Local Transport Plan is significantly below the Capital Programme. A quarter of the year was effectively lost due to the unprecedented severe winter weather, which hit from mid December 2009. Ability to access the network to carry out works has been severely hampered and the primary focus has been to deal with the emergency revenue works, which has in turn reduced capacity to deliver capital schemes. In addition BES has carried out a prioritisation exercise of all schemes in light of the need to identify how the damage caused to the network can be funded. The County Council is faced with a significant challenge. The current cost estimate to deal with the damage caused is in excess of £25m, some £2m revenue and more than £23m capital. This represents the cost of known

schemes and this figure may rise in significant terms as the full extent of the damage caused continues to emerge. Maximum effort has been made to resolve as much of this problem as possible from within Directorate resources. All schemes, including those that have slipped from 2009/10, either have or will be assessed against current condition to ensure that only those scoring highly enough are carried out. To date £5m capital funding and £2.1m revenue funding has been identified to deal with the issue. Other revenue service budgets for 2009/10 have also been reviewed during the final quarter in the light on this problem and £0.1m has been identified for contribution to the repair programme. Even with this, the sum of £7.1m above, the additional £2.0m allocated by the Executive and the £2.6m grant from Central Government, there is still a significant shortfall to meet based on current estimates. BES will continue to scrutinise all budgets, including any revenue carry forward amounts from 2009/10. At the same time highway engineers are considering alternatives to full reparation where a cheaper, shorter term solution is possible. This is being weighed against the potential longer term liability that would result, coupled with the high degree of uncertainty regarding future LTP funding from Central Government and the potential impact on LTP2 performance targets. Further to this, there is a real risk that if appropriate highway repair works are not undertaken prior to the next winter season, another poor winter could lead to catastrophic damage to an already weakened infrastructure. It is critical to strike the best solution for the County Council.

- (ii) **Waste HWRC and Depots Rationalisation Programme 'Penny Pot Lane' Site.** The Capital Plan includes the replacement of a depot and a HWRC in the Harrogate area. This is now being progressed as a joint development for both a depot and HWRC. The overall costs of the development have been subject to ongoing review and latest projections predict a significant overspend, which has arisen as a result of difficulties in securing a site for the project leading to higher land costs than originally predicted, but also significant consequential costs for improvements to Penny Pot Lane and site drainage required as planning conditions. None of these costs were foreseen at the time the estimates for the Depots Programme were prepared. In the current financial conditions and before submitting a request for additional Prudential borrowing (albeit on an 'invest to save' basis, the revenue cost of which would be funded from the waste strategy revenue budget), BES will undertake a full review of the project.
- (iii) **Earmarked Capital Receipts for SITS/LTP Projects.** There is a shortfall in the estimated value of capital receipts identified to fund the SITS / LTP projects. This has now been agreed at £804k. This funding shortfall in the BES Capital Plan is proposed to be made up from the use of one off reserves no longer required.

### Children and Young People's Service

- (i) **PIP Allocation.** The PIP allocation of £2m for Schools Capital is now to be used on a one-off basis to underwrite the shortfall in the Directorate's VFM Plan for 2010/11. This reduces the funding available for capital, whilst the same pressures to make improvements to the school estate remain.

- (ii) **Health & Safety.** Survey work has been carried out in 2009/10 and continues into 2010/11 relating to a number of health & safety related issues including fire safety, legionella and window filming. It will not be possible to address all of the recommendations arising from the surveys and projects will be prioritised to make the best use of the funding available, but works deemed essential may exceed the available budget.
- (iii) **School Improvement.** There are increasing pressures arising from the condition surveys carried out on schools. The County Council has limited funds available to address the priorities identified and there may be an increased call on funding as maintenance works become more urgent.

That the County Council will be facing significant financial pressures over the next two/three years, particularly in relation to the Revenue Budget. One of the areas that generates pressure on the Revenue Budget is the additional costs arising year on year from the financing of expenditure on schemes in the Capital Plan. It is therefore proposed that Management Board undertakes a review of all schemes in the Capital Forecast with a review to identifying, for the Executive, whether any changes could be made to the Forecast which would have a relieving effect on the Revenue Budget.

**The Executive RECOMMENDS:**

That the proposed carry forward to 2010/11 of the net underspend totalling £8,163k, as set out in the report, be approved.

**3. General Review of the Constitution:-** The Constitution is amended periodically to keep it up to date and to record agreed working practices. Every four years, the Monitoring Officer undertakes a full review of the Constitution and is currently in the process of drawing the most recent review to a close. The first set of amendments to the Constitution arising out of the review were approved by the May meeting of full Council, which must approve changes to the Constitution. Work has also been ongoing by officers to prepare a draft Disciplinary Policy and Procedure for the Chief Executive Officer, and a Performance Appraisal Guidance document re the Chief Executive Officer for approval by full Council. The adoption of the Policy and Guidance which is set out as the next item of business will require consequential amendments to the Constitution.

The further proposed amendments to the Constitution arising out of the Monitoring Officer's general review are set out in the Amendments Chart attached as Appendix 3.1 to this report, which also sets out reasons for the amendments recommended. The more substantive areas of proposed change are referred below. The opportunity has been taken to carry out certain administrative functions such as improving formatting and amending typographical errors. Proposed administrative amendments have not been shown in the Amendments Chart but will be implemented with the amendments approved by Council.

The Council's current definition of a key decision is a matter significantly affecting one or more communities or one which is valued in terms of cost or saving at £100,000 or 5% division of service budget. The current financial threshold is low in comparison to other similar authorities. The designation of a key decision as a key decision is important in that it seeks to ensure the transparency of decision making. It also, however, requires a strict legal procedure to be followed before and after the decision is made, involving inclusion on the forward plan, notice of the decision being made, a decision record, and publication of the decision record. It is important in every authority that the right key decision level is determined to secure appropriate transparency, whilst avoiding unnecessary bureaucracy, which can be caused when the level is too low, leading to delay and inefficiency. Appendix 3.2 set out details of key decision financial thresholds applied by various other authorities. Whilst the figures vary, in larger authorities, on the whole, the level is higher than the County Council's threshold. Though the considerations apply to all types of Executive decision, the position in relation to contracts can be used to illustrate the point. Because of North Yorkshire's size, budget and level of activity, the number of contracts let which exceed £100,000 in value is significant. Decisions to let such contracts will all fall within the key decision threshold requiring the steps described above to be followed. The Council currently has over 400 contracts exceeding this value. In 2010/11, on current information, over approximately 90 contracts above the £100,000 threshold will be worked on and/or let. Of these, about half are valued at £500,000 or more. The implications are that the key decision process should be followed for each of these contracts. In practice, at present, the process is not being followed in all cases as it should be (it would be practically very difficult to do so), and where that happens there is a risk that decision making might be regarded as unlawful, should there be a challenge on contract award. All procurements valued in excess of the current EU tender threshold (approximately £156,000) now go through a Risk Based Gateway Process, with projects assessed as Medium or High risk being considered by Directorate Management Teams at each of the Gateway stages. Each Directorate produces a procurement plan. The relevant portfolio holder will be apprised of the list of forthcoming contracts that will relate their relevant service area(s).

The Executive believes that the revised definition, as follows, reflects an appropriate threshold level and definition for an authority such as North Yorkshire County Council:

'A key decision means a decision made in connection with the discharge of a function which is the responsibility of the Executive and which is likely:

- (i) to result in the Council incurring expenditure, or making savings, which are significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on more than one community.

For the purposes of (i) above, savings or expenditure are significant if they are equal to or greater than £500,000 or 20% of the gross expenditure of the relevant budget service area (as explained in the Financial Procedure Rules relating to virement), whichever is the less, but does not include:

- a decision taken for the purpose of implementing an earlier key decision;
- a decision concerning a bid for funding;

- a decision taken on expenditure within budget approved by Council on items necessary for normal operational service delivery.

A decision taker may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of this Constitution.’

Proposed amendments to the Delegation of Functions reflect the power to delegate, to individual Members, power to undertake a function of the Council or the Executive to the extent that the function is exercisable in relation to the electoral division for which the Member is elected, and in accordance with arrangements made by the Council or Executive. The power to delegate to individual Members is contained in the Local Government and Public Involvement in Health Act 2007. Specific delegation of functions would be required to enable any Member to undertake a delegated function.

The main amendments proposed to the Officers Delegations Scheme are:

- (a) The inclusion of a new provision regarding the appointment of a statutory Scrutiny Officer and to reflect the duties of the Scrutiny Officer as introduced by the new legislative requirements under the Local Democracy, Economic Development and Construction Act 2009.
- (b) The amendment of paragraphs 3.1 and 3.3 to make it explicit that Chief Officers can enter into contracts to facilitate service delivery or procure works, services and supplies incidental to service delivery subject to compliance with the budget and policy framework, council rules and legal requirements. This reflects current practice and provides a specific delegation as opposed to Directors relying upon implied powers.
- (c) The inclusion of a new power to enable Chief Officers to respond to consultation papers, where it is appropriate that the response should be an officer response. There is currently a similar power in the Executive Members' Delegation Scheme for Executive Members to respond where that is appropriate. Consultation should take place at the outset between the relevant Chief Officer and Portfolio Holder in order to determine who should respond.
- (d) To enable the Corporate Director - Business and Environmental Services to approve planning applications where there are no objections, or where there are objections which are not on material planning grounds (which are the only grounds which are relevant for consideration); and to enable him/her to refuse such applications in such circumstances but only after prior consultation with the Chairman of the Planning and Regulatory Functions Committee. The Corporate Director will report back to the Planning and Regulatory Functions Committee on any planning applications determined by him/her under these delegated powers. The Corporate Director will be authorised to determine whether an objection is on planning grounds. This amendment aims to avoid the current situation where objections are submitted to planning applications which are not on material planning grounds, necessitating matters to be brought to Planning and Regulatory Functions Committee unnecessarily. This will streamline the Committee process and enable the more efficient handling of planning applications.

- (e) To enable the Corporate Director - Business and Environmental Services to undertake functions and powers related to enforcement against unlawful works on registered common land; to protect unclaimed registered common land or town and village greens, and to institute proceedings for offences in respect of unclaimed land, in accordance with Sections 41 and 45 Commons Act 2006
- (f) To enable the Corporate Director - Adult and Community Services to act as accountable officer for the Joint Strategic Needs Assessment (JSNA), pursuant to the Council's responsibilities set out in Section 116 Local Government and Public Involvement in Health Act 2007. The JSNA must be taken into account by the Council and its partners in preparing the Sustainable Community Strategy. The issues identified by the JSNA will inform the priorities and targets set by the Local Area Agreement.
- (g) To enable the Assistant Chief Executive (Legal and Democratic Services) to instruct Counsel or external legal advisers where it is in the Council's best interests to undertake legal work, advise or represent the Council. This reflects current practice and is only applied where the in-house legal team does not have specialist expertise, capacity, or rights of audience.
- (h) To delegate to the Assistant Chief Executive (Legal and Democratic Services) the power to maintain the list of politically restricted posts, in order to comply with the requirement in the Local Democracy, Economic Development and Construction Act 2009 to revise and maintain the list of politically restricted posts.

Under the Officers' Delegation Scheme, Directors have a general power to manage and promote the services for which they responsible, including the determination of the business unit and the management of human, financial and material resources. Delegated powers always have to be exercised in accordance with the budget and policy framework. Finance Procedure Rule 6 contains additional provisions requiring consultation with portfolio holders on changes to staffing arrangements valued above a certain level. Specifically, any changes to the existing staffing arrangements either in terms of the number of posts and/or their grade can be approved by the Director, in consultation with the portfolio holder if they generate additional full year costs in excess of £50,000 (to include on-costs). This threshold is such that it covers a large number of staff restructuring and redundancies which take place as part of the usual business of managing services in a way that responds to change and ensures they are efficient and fit for purpose. The cost of individual redundancies varies dependent upon age, length of service and salaries. If staff are over 55 there is a strain on the pension fund if they are made redundant which the Directorate needs to cover. This means that if a member of staff is over 55, at a salary of more than £30K, some 10 years service in NYCC and over 20 years pensionable service (inclusive of employment with other authorities) their redundancy cost and pension strain is likely to cost around £50K. The consequence of this is an onerous requirement on managers to involve their executive portfolio member in staff reviews which result in individual or a small number of redundancies. By way of example, in 08/09 there were 36 redundancies which could have fallen into this requirement. Clearly this could significantly increase if budget cuts are required and significant staff reviews are needed. This threshold is therefore also disproportionately low and the Executive believes that it should be raised to £250,000.

Under the Local Authority (Standing Orders) (England) Regulations 2001, the Leader has the right to object, on behalf of the Executive, to proposed appointments or dismissals in respect of certain posts (Head of Paid Service, Statutory Chief Officers, Non-Statutory Chief Officers and Deputy Chief Officers, as defined in the Local Government and Housing Act 1989). Anyone who is directly responsible to the Head of Paid Service is, by definition for these purposes, a Chief Officer, and anyone directly responsible to a Chief Officer is a Deputy Chief Officer (excluding admin/clerical staff). The legislation is written in a very prescriptive way, which means that a large number of NYCC posts are covered by these provisions. A list of the affected posts was therefore included in the Constitution, at the end of the Staff Employment Procedure Rules, for ease of reference, upon the introduction of the Regulations. Certain updating amendments are now suggested to the Staff Employment Procedure Rules, in light of structure changes. It is proposed to remove the list of affected posts from the Constitution, however, along with all references to it, to save having to repeatedly amend the Constitution in this respect in the future each time there are structure changes. An updated list will be published on the Intranet in due course.

There are many small Educational Trusts listed within Part 3, Schedule 5 (Appointment to Outside Bodies) Section 3, of the Constitution. These Educational Trusts are Registered Charities with Deeds which require the Local Educational Authority to appoint one or more Trustees. Without the County Council's appointed Trustee, Trustee Board meetings might become inquorate. No County Council resources are used on any of the 59 Part 3 Outside Bodies, except for the resources used in making an appointment once every four years. The Constitution says that no expenses will be paid to the appointee for attending meetings, there is no officer support, and the appointees do not need to be Members of the Council. The County Council's only role is acting as an appointing mechanism. Consequently the Part 3 Outside Bodies would not be "Partnerships" for the purposes of the Council's Partnerships Governance work. The suggested amendments place an emphasis on the appointee not being the local Member, clarifies that these outside bodies are not "Partnerships" and that any reports back will be to the Corporate Director Finance and Central Services. A new 'Indemnities' section has been included at the end of Schedule 5 to ensure that all appointments to outside bodies are deemed to be approved appointments for the purposes of, and therefore fall within, the Council's Indemnity Policy for Officers and Members.

Changes are required to the Officer and Executive Member Delegation Schemes and Financial Procedure Rules (FPR) to deal with issues arising from the County Council taking on accountable body status, and also for issues around the approval of new partnership arrangements. When the Council agrees to take on Accountable Body status, for example, in arrangements with partners, there are often related issues concerning grant or other external funding. Other issues can also arise from the arrangements, for example, the Council may become lead body for the employment of staff or it may become involved in the procedural management of the partnership, performance management and reporting. Amendments to FPR are accordingly proposed to deal specifically with Accountable Body status. The proposal is that the prime role, at officer level, for agreeing and signing off the Accountable Body terms and conditions should rest with the relevant Service Director, in consultation with the Corporate Director – Finance and Central Services and Assistant Chief Executive (Legal and Democratic Services). Proposed amendments are made to FPR to the effect that Directors should always consult with the Corporate Director – Finance and Central Services and Assistant Chief Executive (Legal and Democratic Services) if an Accountable Body agreement is sought, and an amendment to the Officer Delegation Scheme authorises the Corporate Director to accept the terms of the Accountable Body Status.



Recent work by the Executive and Audit Committee has concluded that the Council should have specific approval arrangements for partnership governance matters. It is proposed that Directors be authorised to accept the terms and conditions and governance arrangements for a partnership, provided they are consistent with the Council's budget and policy framework. However, Executive approval will be required where the partnership would be regarded as high risk under the Council's partnership governance risk assessment framework, or where the Council's annual contribution would exceed £100k., or where the Council is to apply for grant or other external funding exceeding £100k over the term of the funding and the Council will be Accountable Body.

In April the Audit Committee agreed various proposed changes to the Property Procedure Rules for recommendation to Executive and Council for approval. It was thought sensible for the changes to be incorporated within the Constitution Review process. The suggested amendments to the Rules are tracked on the version of the Rules attached at Appendix 3.3 to this report. The proposed changes seek to:

- clarify the position regarding licences to and from third parties;
- include a new Rule relating to key principles and responsibilities, to clarify and summarise the principles under which PPR are to operate and to emphasise that property is a corporate resource and to be managed as such;
- clarify the position regarding payments of a premium;
- amend the Rule relating to disposals at an undervalue (which proposals were previously clarified by the Executive in relation to a particular sale at undervalue); and
- add a new section relating to Compulsory Purchase and Compensation claims.

The suggested amendment to Property Procedure Rule 8.1.4 (disposals at an undervalue), as set out in Appendix 3.3, was subsequently expanded by the Corporate Director Finance and Central Services, in consultation with the Chairman of, and another County Councillor serving upon, the Audit Committee, as instructed by the Committee. Consequential amendments to the Executive Members' Delegation Scheme to reflect the proposed amendments to Property Procedure Rule 8.1.4 are set out in Appendix 3.1.

At its meeting on 19 May 2010 the Council agreed the Petition Scheme and thresholds for a petition triggering a debate in full Council, at Area Committee, and for calling an Officer to give evidence at an Overview and Scrutiny Committee as:

**Council Debate:** 5% County population - 29,960

**Area Committee Debate:** 3% Relevant District Area Population (to be reviewed and aligned to District threshold levels, once known):

Craven	1,686
Hambleton	2,613
Harrogate	4,815
Richmondshire	1,545
Ryedale	1,605
Scarborough	3,255
Selby	2,460

**Officer to give Evidence:** 0.5% - 3000

The District Councils have now set their threshold levels as:

Craven	750 (and 500 for officers to give evidence)
Hambleton	1% (871) (and 0.5% (435) for officers to give evidence)
Harrogate	1500 (and 750 for officers to give evidence)
Richmondshire	1% (515) (and 0.5% (258) for officers to give evidence)
Ryedale	750 (and 500 for officers to give evidence)
Scarborough	1500 (and 500 for officers to give evidence)
Selby	1230 (and 820 for officers to give evidence)

The Executive has agreed to recommend that the Council's thresholds should be changed, in line with the Members' Constitution Working Group's recommendation that the Council's thresholds for an Area Committee Debate should be amended to 1% of the Relevant District Area Population, and that the thresholds be kept under review. The Executive also recommends that whether a petition is vexatious, abusive or otherwise inappropriate for response in accordance with the petitions scheme should be determined by the Chief Executive Officer, in consultation with the Chairman of Council.

Consequential amendments to the Constitution are required, arising out of the changes to the overview and scrutiny committee arrangements agreed in principle by Council at its May meeting. Currently the Young People committee has 13 County Council Members and the other committees have 9 each. This makes a total of 85 places for Members. These places are taken up by 58 Members, with some sitting on more than one committee. Executive members cannot sit on scrutiny committees and the Chairs of the Audit Committee and the Employment Appeals Committee do not sit on scrutiny. A further three Members do not currently sit on scrutiny. Reducing the number of committees could be seen as reducing the opportunities for Member involvement. The report of the Executive to the County Council in May suggested that this could be counteracted by increasing membership of the Care and Independence, the Corporate and Partnerships and the Transport, Economy and Environment committees to 12, with the Young People committee continuing to have 13 County Councillors plus 9 other members (5 with voting rights) and Scrutiny of Health continuing to have 9 County Councillors and 7 District Councillors. This would have provided 58 places on Overview and Scrutiny committees for those County Councillors who are eligible and who wish to serve on scrutiny. However, application of proportionality would mean that the 58 places would be allocated 39 to the majority group and 19 to opposition Members. This would mean that 5 opposition Members would not have an opportunity to be on scrutiny. If Members wish to ensure 24 places for opposition Members there would need to be 72 places on scrutiny committees. The Members' Constitution Working Group and the Executive have taken the view that it would be helpful to

include the Audit Committee in the calculation of Overview and Scrutiny Committee seats, as its role is also scrutiny in relation to its specific terms of reference. Indeed, the Members' audit role used to be undertaken by the Audit and Corporate Affairs Overview and Scrutiny Committee, prior to the separate Audit Committee being established. If that were done the scrutiny committees could have 13 Members each and, with the Audit Committee's 8 Members, that would create a total of 73 places on Scrutiny and Audit taken together. In addition, of course, Members will also each have a seat on an Area Committee and many will have seats on the Council's other Committees and outside bodies to which the Council makes appointments, such as the Police, Fire and National Park Authorities. A sheet setting out the proportional allocation of Committee seats to Political Groups and Independent Members is attached as Appendix 3.4.

In respect of the new Overview and Scrutiny Committee arrangements, the Executive has taken the view that, given the relative size of the political groups on the County Council, it is appropriate for the majority group to hold the Chairmanship of all but one of the Overview and Scrutiny Committees and that the Overview and Scrutiny Procedure Rules in the Constitution should be amended accordingly.

**The Executive RECOMMENDS -**

- |     |   |
|-----|---|
| (a) | That the proposed amendments to the Constitution arising out of the second part of the Monitoring Officer's general review of the Constitution and as set out in the Amendments Chart at Appendix 3.1 and in the report, are approved.  |
| (b) | That the proposed amendments to the Property Procedure Rules as set out at Appendix 3.3 to the report, are approved.  |
| (c) | That the Council's Petitions Scheme is amended by reducing the threshold for an Area Committee Debate to 1% of the Relevant District Area Population.   |
| (d) | That the Council's Petitions Scheme is amended to clarify that, the determination of whether a petition is vexatious, abusive or otherwise inappropriate for a response, will be carried out by the Chief Executive Officer in consultation with the Chairman of Council.         |
| (e) | That the Audit Committee be included in the calculations regarding the size of, and number of seats on, overview and scrutiny committees under the new arrangements and that the option set out in Appendix 3.4 is approved.  |
| (f) | That Overview and Scrutiny Procedure Rule 7 be amended by deleting the words "Each of the three main political groups on the Council" and inserting in their place the words "A Councillor who is not a Member of the main political group" and delete "at least" from that Rule. |

#### 4. Chief Executive Officer Disciplinary Policy and Procedure and Performance

**Appraisal Guidance:** Under the Joint Negotiating Committee National Salary Framework & Conditions of Service for Local Authority Chief Executives (“the JNC Framework”), there is a requirement to have a Disciplinary Policy and Procedure in place in relation to the handling of certain types of capability and conduct issues, disciplinary action and proposals for dismissal (for any reason other than redundancy, permanent ill health and, unless its renewal has been promised, failure to renew a fixed term contract) against the Chief Executive Officer. There are also specific legal requirements for such types of disciplinary action and dismissal set out in the Local Authorities (Standing Orders) (England) Regulations 2001 (“the 2001 Regulations”), such as:

- no disciplinary action (other than suspension on full pay for not more than two months pending an investigation into alleged misconduct) in respect of the Head of Paid Service may be taken by or on behalf of the County Council other than in accordance with a recommendation in a report made by a Designated Independent Person (a person independent of the County Council who is appointed when allegation(s)/issue(s) of a disciplinary or capability nature made against the Head of Paid Service require investigation);
- where dismissal is proposed, Members of the Executive have a right to object to the proposed dismissal, via the Leader of the Council;
- the Council must approve any proposal to dismiss the Head of Paid Service before notice of dismissal is given to him/her.

A draft Disciplinary Policy and Procedure for the Chief Executive Officer (“the Policy”) is attached at Appendix 4.1 to this report. The Policy is based on the model procedure set out in the JNC Framework Handbook, which also recognises that ultimately it is for each authority to determine its own procedures and arrangements for the handling of such disciplinary action against the Chief Executive Officer. The Policy also incorporates the relevant provisions from the Council’s Staff Employment Procedure Rules contained in the Constitution, which reflect the legal requirements. The approval of the Disciplinary Policy and Procedure for the Chief Executive Officer by full Council will necessitate certain changes to the Council’s Constitution as set out later in this report.

The Audit Commission report “By mutual agreement, severance payments to council chief executives”, published in March 2010, recommends, amongst other things, that authorities should formally adopt and implement the national model of performance appraisal as set out in the Joint Negotiating Committee for Local Authority Chief Executives Conditions of Service, whilst recognising that the model might need development. A draft Performance Appraisal Guidance document for the Chief Executive Officer, based on the JNC model, is attached at Appendix 4.1E to this report. The Policy and Guidance set out at Appendices 4.1 and 4.1E are proposed new documents and will apply solely to the Chief Executive Officer. There is a separate Disciplinary Policy and Procedure for all other employees of the County Council.

The JNC Framework, taking into account the Local Authorities (Standing Orders) (England) Regulations 2001, recommends that authorities establish a politically balanced, standing, investigating and disciplinary committee, comprising at least five Members (including one Member of the Executive), in order to:

- consider allegations relating to the conduct or capability of the Chief Executive Officer, or other substantial issue(s) which may require investigation, and determine whether they require any informal or formal action and/or the appointment of a Designated Independent Person (DIP) to investigate the allegation(s);
- consider whether any precautionary action is required (eg suspension of the Chief Executive Officer) and, if so, to determine the extent and terms of such precautionary action;
- receive and consider Designated Independent Person (DIP) reports;
- make a decision, at a Disciplinary Hearing, as to whether any disciplinary action is necessary after consideration of the DIP's report.

The JNC Framework acknowledges that the committee which performs the functions of the investigating and disciplinary committee may be known locally by a different name and may also fulfil other functions. It is therefore recommended that investigating and disciplinary committee functions, as prescribed in the JNC Framework and as summarised in this report and the draft Policy and Procedure at Appendix 4.1, within this authority, should be the responsibility of the Council's existing Chief Officers Appointments Committee. The Policy and consequential amendments to the Constitution have been drafted on that basis. The Chief Officers Appointments Committee is a Council Committee and is therefore able to receive delegations of non-executive functions such as those relating to dismissal procedures. Its structure already complies with the Local Authorities (Standing Orders) (England) Regulations 2001, in that the Committee and any Sub-Committee it may establish must include at least one Member of the Executive, which is a statutory requirement for any committee or sub-committee discharging the function of the appointment or dismissal of the Chief Executive Officer. It is therefore recommended that full Council should delegate to the Chief Officers Appointments Committee all functions (save as may be delegated elsewhere) relating to disciplinary action in respect of the Chief Executive Officer on the grounds of conduct and capability or for other substantial reasons, and that the Committee's Terms of Reference be amended consequentially as set out in Appendix 4.2 to this report. It is therefore also recommended that the Chief Officers Appointments Committee be re-named the "Chief Officers Appointments and Disciplinary Committee" and that all references to the Committee in the Staff Employment Procedure Rules and the rest of the Council's Constitution be amended accordingly.

Where the proposal by the Chief Officers Appointments and Disciplinary Committee is to dismiss the Chief Executive Officer, the hearing by full Council to give prior approval of the dismissal, in accordance with the 2001 Regulations, will also fulfil the statutory appeal process, by allowing the Chief Executive Officer to make representations to that meeting. The JNC Framework further recommends that authorities have in place a politically balanced appeals committee comprising at least five Members, who are not members of the investigating and disciplinary committee, in order to hear appeals against decisions of the investigating and disciplinary committee to take action short of dismissal. It is therefore recommended that where the Chief Officers Appointments and Disciplinary Committee recommends disciplinary action against the Chief Executive Officer short of dismissal, the right of appeal should be to the Council's existing Employment Appeals Committee. The Policy and consequential amendments to the Constitution have been drafted on that basis. The Employment Appeals Committee is a Council Committee and is therefore able to receive delegations of non-executive functions such as those relating to staffing matters. Its structure already complies with the appeals process recommendations set out in the JNC Framework and the relevant legislation, and the proposed

new delegation would be a good fit in the context of the Committee's existing Terms of Reference. It is therefore recommended that full Council delegate to the Employment Appeals Committee all appeals committee functions re appeals against disciplinary action short of dismissal, as prescribed in the JNC Framework and detailed in the draft Chief Executive Officer's Disciplinary Policy and Procedure in relation to disciplinary action in respect of the Chief Executive Officer on the grounds of conduct, capability or for other substantial reasons and that Committee's Terms of Reference be amended consequentially as set out in Appendix 4.3 to this report.

Under the terms of the draft Policy, the Assistant Chief Executive (Legal and Democratic Services), as Monitoring Officer, will offer support to the Chief Officers Appointments and Disciplinary Committee and Employment Appeals Committee in relation to their proposed functions by undertaking certain functions as set out in the Policy, for example:

- receiving, in the first instance, allegations against the Chief Executive Officer and deciding, in consultation with the Chair of the Chief Officers Appointments and Disciplinary Committee, whether the complaint is such that it should be referred to the Committee for consideration;
- having the power to suspend the Chief Executive Officer immediately in an emergency whereby such allegations against the Chief Executive Officer are such that his/her remaining presence at work poses a serious risk to the health and safety of others or to the resources, information or reputation of the Council, and/or where the circumstances are such that the issue of suspension needs to be addressed prior to any scheduled meeting of the Chief Officers Appointments and Disciplinary Committee and will not await the scheduling of a special meeting of that Committee;
- certain functions relating to the appointment and terms of remuneration of a Designated Independent Person.

It is therefore recommended that full Council delegates to the Assistant Chief Executive (Legal and Democratic Services) the functions set out in Appendix 4.4 to this report and that the Constitution be amended accordingly.

Whilst reviewing the current Terms of Reference of the Chief Officers Appointments Committee in the context of the issues raised in this report, it was noted that the Committee has the delegated power to carry out a formal appraisal of the performance of the Chief Executive Officer on an annual basis. In practice, the Chief Executive Officer's appraisal is undertaken by the Leader in consultation with the Executive and other Group Leaders. This arrangement has been followed for a number of years and has worked well. It is therefore recommended that the current arrangement should continue and be formalised in the Constitution. Amendments are therefore recommended to:

- (a) The "Delegation of Executive Functions" list set out in Schedule 2 to Part 3 of the Constitution;
- (b) The Chief Officers Appointments Committee's Terms of Reference; and
- (c) The Staff Employment Procedure Rules;

as set out in Appendices 4.5, 4.2 and 4.6 of this report, respectively, in order to align the

Constitution to current practice. The power to determine the terms and conditions on which staff hold office is a non-executive function, therefore, where the outcome of the appraisal of the Chief Executive Officer is likely to affect the terms and conditions on which s/he holds office, it is recommended that the matter be referred to the Chief Officers Appointments Committee, a non-executive Committee, for it to determine any necessary changes to such terms and conditions (the Committee currently has delegated power to “consider from time to time the terms and conditions of Chief Officers and make necessary changes to them”). Issues such as the award (or non-award) of an increment within the grade band of the Chief Executive Officer would not amount to a change in his/her terms and conditions necessitating a referral to the Committee.

Where, on appraisal of the Chief Executive Officer, the Leader and/or the Chief Officers Appointments Committee determines that an increment should not be awarded, the Chief Executive Officer will have a right of appeal under statutory grievance processes. It is recommended that the function of determining any such appeal be delegated to the Employment Appeals Committee and that the Committee’s Terms of Reference be amended in this regard as set out in Appendix 4.3 and that the delegation be reflected in the other Constitutional documents mentioned above, as set out in Appendices 4.5, 4.2 and 4.6 to this report.

Consultation on the draft Chief Executive Officer’s Disciplinary Policy and Procedure has taken place with the Chief Executive Officer, other key senior Officers and Unison. Feedback from the consultation process has informed further revisions to the Policy. Consultation on the draft Performance Appraisal Guidance for the Chief Executive Officer has taken place with key senior Officers and with Unison. The report is compliant with the County Council’s equalities’ responsibilities. An Equality Impact Assessment was undertaken at the commencement of the work in drafting a disciplinary policy for the Chief Executive Officer. A full assessment was not thought necessary as limited issues were identified.

#### **The Executive RECOMMENDS**

- |     |   |
|-----|---|
| (a) | That the draft Chief Executive Officer’s Disciplinary Policy and Procedure set out at Appendix 4.1, be approved.  |
| (b) | That the Performance Appraisal Guidance for the Chief Executive Officer, set out at Appendix 4.1E, be approved.   |
| (c) | That all investigating and disciplinary committee functions (save as may be delegated elsewhere), as prescribed in the JNC Framework and detailed in the draft Chief Executive Officer’s Disciplinary Policy and Procedure in relation to disciplinary action in respect of the Chief Executive Officer on the grounds of conduct, capability or for other substantial reasons, be delegated by the Council to the Chief Officers Appointments Committee and that the Committee’s Terms of Reference be amended as set out in Appendix 4.2. |
| (d) | That the Chief Officers Appointments Committee be re-named the Chief Officers Appointments and Disciplinary Committee and that all references to the Committee in the Staff Employment Procedure Rules and the rest of the Council’s Constitution be amended accordingly.   |
| (e) | That all appeals committee functions re appeals against disciplinary action short of dismissal, as prescribed in the JNC Framework and detailed in the draft Chief Executive Officer’s Disciplinary Policy and Procedure in relation to disciplinary action in respect of the Chief Executive Officer on the grounds of conduct,  |

capability or for other substantial reasons, be delegated by the Council to the Employment Appeals Committee and that the Committee's Terms of Reference be amended as set out in Appendix 4.3.

- (f) That Council delegates to the Assistant Chief Executive (Legal and Democratic Services) the proposed new specific delegations in relation to disciplinary allegations made against the Chief Executive Officer as set out by way of tracked changes in Appendix 4.4 to this report and that paragraph 4.7 of the Officers' Scheme of Delegation in the Constitution be amended accordingly.
- (g) That the arrangements in relation to the appraisal of the Chief Executive Officer as set out in this report have been approved by the Executive (in relation to such of those functions as may be Executive functions) and are recommended for approval by full Council (in relation to such of those functions as may be non-Executive functions) and that the proposed changes to the Constitution in this regard as set out in Appendices 4.2, 4.3, 4.5 and 4.6 to this report are recommended to full Council for approval.

**5. Appointments to Committees and other bodies.** Craven District Council and Hambleton District Council have nominated Councillors to serve on the Scrutiny of Health Committee and the relevant recommendations are set out below, together with the usual recommendation to allow any proposals for changes to memberships or substitute members of Committees or other bodies to which the County Council makes appointments, put forward by the relevant political group, to be made at the meeting of the Council. In addition, it is anticipated that the allocation of seats on Scrutiny and other Committees will be made under paragraph 3 of this report and that nominations for those appointments will, therefore, also come forward under this item.

#### **The Executive RECOMMENDS**

- (a) That Councillor Mrs Shirley A Shepherd be appointed to the Scrutiny of Health Committee on behalf of Hambleton District Council with Councillor David Blades and Councillor David Murkett acting as substitute members and that Councillor Helen Firth be appointed to that Committee on behalf of Craven District Council, with Councillor John Roberts as substitute member.
- (b) That any proposals for changes to memberships or substitute memberships of committees or other bodies to which the County Council makes appointments, including nominations for appointments arising from the establishment of new Overview and Scrutiny Committees, and the proportional allocation of seats on Committees, put forward by the relevant political group, at or before the meeting of the Council be approved.

JOHN WEIGHELL  
Chairman



2009/10 LATEST REVENUE BUDGETS AT 31 MARCH 2010

	Original Budgets agreed by City Cncl on 18-Feb-09 £000s	Approved carry forwards from 2008/09 £000s	Pending Issues Provisions £000s	Transfers to BES for Winter & Flood Damage £000s	Corporate Clawback of Excess Inflation Provisions £000s	Other agreed transfers and adjustments £000s	Latest Revised Budgets £000s
<b>DIRECTORATE</b>							
Children & Young Peoples' Service	76,884.0	306.0			-940.0	549.1	76,799.1
Business & Environmental Services	68,191.0	740.0		1,170.0	-190.0	90.6	70,001.6
Adult & Community Services	131,556.0	175.0	150.0		-1,340.0	80.1	130,621.1
Chief Executive's Group	13,086.0	1,098.0	147.0		-50.0	858.0	15,139.0
Finance & Central Services	13,967.0	3,566.0	2,504.0		0.0	-223.6	19,813.4
<b>Corporate Miscellaneous</b>							
Contingency - general provision	500.0					-355.0	145.0
Contingency - specific inflation provision	200.0				2,520.0		2,720.0
Pending Issues Provision - Non-Recurring	2,781.0	1,021.0	-2,801.0				1,001.0
Capital Financing charges	31,202.7					75.9	31,278.6
Interest earned	-2,180.0					-50.0	-2,230.0
Community Fund / Second Homes Council Tax	1,475.0	1,354.0				-268.0	2,561.0
Transformation Fund	758.9	434.0				-145.1	1,047.8
DSG Contribution to Corporate Overheads	-1,049.4					-442.0	-1,491.4
Pay & Reward Initiative	539.0	375.0				-170.0	744.0
Other (net)	828.8	52.0		-1,170.0		-289.2	
	<b>35,056.0</b>	<b>3,236.0</b>	<b>-2,801.0</b>	<b>-1,170.0</b>	<b>2,520.0</b>	<b>-1,354.2</b>	<b>35,486.8</b>
	<b>338,740.0</b>	<b>9,121.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>347,861.0</b>
<b>FINANCING</b>							
<b>Internal revenue balances</b>	2,500.0	9,121.0					11,621.0
<b>Externally</b>							
Revenue support grant	18,626.0						18,626.0
National non domestic rates	80,697.4						80,697.4
Precept on District Councils current year	237,045.6						237,045.6
previous years arrears	-129.0						-129.0
	<b>338,740.0</b>	<b>9,121.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>347,861.0</b>

APPENDIX 1A

COMPARISON OF REVISED ESTIMATE AND ACTUAL EXPENDITURE FOR 2009/10

DIRECTORATE	APPE NDIX	YEAR END VARIATION			ANALYSIS OF YEAR END VARIATION					
		Final revised estimate	Actual net Spending 2009/10	Total under (-) or over (+) spending in year	Overspend Write off Requests	Underspends not proposed for carry forward	Proposed carry fwd to 2010/11	Service under-spends	Total Proposed c/ f wds	Total under(-) or over (+) spending in year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Adult &amp; Community Serv.</b>	<b>C</b>	<b>130,621</b>	<b>131,927</b>	<b>1,306</b>	Full Service overspend after excluding PIP 1,776	-470	-470	-470	-470	<b>1,306</b>
<b>Business &amp; Environmental Serv.</b>	<b>D</b>	<b>70,002</b>	<b>71,705</b>	<b>1,703</b>	498 Yorwaste divi shortfall 2,770 Winter Service -600 Underspends not c/fwd 2,668	-644	-644	-321	-965	<b>1,703</b>
<b>Chief Executive's Group</b>	<b>E</b>	<b>15,139</b>	<b>14,358</b>	<b>-781</b>	200 CC Elections -125 Legal expenses 75	-232	-232	-624	-856	<b>-781</b>
<b>Children &amp; Young People's Serv.</b>	<b>F</b>	<b>76,799</b>	<b>77,740</b>	<b>941</b>	975 Child placement 662 Assessment and Safeguarding 1,637			-696	-696	<b>941</b>
<b>Finance &amp; Central Serv.</b>	<b>G</b>	<b>19,813</b>	<b>15,590</b>	<b>-4,223</b>		-982	-982	-3,241	-4,223	<b>-4,223</b>
<b>Corporate Miscellaneous</b>	<b>H</b>	<b>35,487</b>	<b>29,039</b>	<b>-6,448</b>		-3,483	0	-2,965	-2,965	<b>-6,448</b>
<b>Total Net Expenditure</b>		<b>347,861</b>	<b>340,359</b>	<b>-7,502</b>	<b>6,156</b>	<b>-3,483</b>	<b>-2,328</b>	<b>-7,847</b>	<b>-10,175</b>	<b>-7,502</b>

= Appendix A

This net overspend of £2,673k is not proposed for carry forward and will therefore impact on the General Working Balance

APPENDIX 1B

## ADULT &amp; COMMUNITY SERVICES

## 2009/10 REVENUE BUDGET OUTFURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (-) = under spend £000	COMMENTS
<b>Social Care Operations - Area Budgets</b> Hambleton/Richmond	Y	23,530	24,071	541	The main drivers of the overspend have been demand pressure across all client groups but particularly in community based services for older people and people with physical disabilities and in residential services for older people coupled with higher staffing costs in assessment teams
Harrogate/Craven	Y	43,855	46,422	2,568	Significant pressures on services for all client groups with the largest variations on residential and community services for older people (£1.58m) and community-based services for younger adults (£0.98m)
Scarborough/Whitby/Ryedale	Y	33,128	33,763	635	The most significant demand pressures have been in the areas of services for older people (£0.4m) and those for adults with physical disabilities (£0.3m)
Selby	Y	14,531	14,675	144	Overspending on community-based services for older people partially offset by underspending on services for younger adults and project budgets
Mental Health		4,576	4,296	-280	Reduced use of residential care services and managed underspends in response to the overall budget position
Assistant Director/Cross-area budgets		3,015	2,822	-193	Savings against telecare budget and miscellaneous 'controllable' budgets
<b>SUB-TOTAL</b>		<b>122,634</b>	<b>126,049</b>	<b>3,415</b>	
<b>Library &amp; community Services</b> Libraries		7,645	7,707	62	Some slippage in initial implementation of savings programme pending decisions on priorities
School Library Service		0	0	0	See Page 3 of Appendix C
Registrars		41	-10	-51	Improved income generation
Archives & Record Management		376	385	9	
Coroners	Y	670	766	96	This is primarily linked to the costs arising from a number of major in-year inquests
<b>SUB-TOTAL</b>		<b>8,732</b>	<b>8,849</b>	<b>117</b>	

ADULT & COMMUNITY SERVICES

2009/10 REVENUE BUDGET OUTTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (-) = under spend £000	COMMENTS
Commissioning, contracting & quality assurance		358	374	16	
Strategic Commissioning & P'ships		815	761	-54	Lower than projected spend on Joint Strategic Needs Assessment, small savings on other consumable budgets
Resources Unit		9,098	8,805	-293	Significant savings on insurance premiums, reduced spend on ICT in advance of the 10-11 savings programme, reduced use of relief staff in office bases, lower phone costs linked to Titan and tight control of consumable budgets.
Performance & Change Management		2,705	2,640	-66	Savings on staffing costs, underspend on SAP project and lower spend on legal expenses
Director & Cross-Directorate		-8,198	-8,291	-93	One-off backdated continuing health care funding monies, social care registration budget not required and a series of other small savings offset by the significant costs of two backdated ordinary residence cases
Provision for demand pressures		1,263	0	-1,263	Central provision/managed underspends to offset demographic pressures on operations budget.
Government Grants		-7,796	-7,799	-3	
<b>Total Before PIP allocations</b>		<b>129,611</b>	<b>131,387</b>	<b>1,776</b>	Request for write-off
PIP allocations		1,010	540	-470	Some slippage on self-issue developments in libraries relating to replacement of existing counters, difficulties in completing agreements has delayed the further expansion of the Library in a Box schemes and for the home care scheduling systems the tenders came in higher than anticipated and the scheme is being reviewed
<b>TOTAL</b>		<b>130,621</b>	<b>131,927</b>	<b>1,306</b>	
<b>Projected variance at Q3 Report</b>				<b>+1,425</b>	

**ADULT & COMMUNITY SERVICES**

**2009/10 REVENUE BUDGET OUTTURN**

TRADED SERVICE	High Risk?	Traded Surplus B/fwd from 2008/09	In year surplus/deficit 2009/10			Traded Deficit C/fwd to 2010/11	COMMENTS
			Income £000	Expenditure £000	Deficit £000		
School Library Service		65	498	567	-69	-4	
<b>GRAND TOTAL</b>		<b>65</b>	<b>498</b>	<b>567</b>	<b>-69</b>	<b>-4</b>	

**BUSINESS & ENVIRONMENTAL SERVICES**

**2009/10 REVENUE BUDGET OUTFURN**

<b>BUDGET HEAD</b>	<b>HIGH RISK?</b>	<b>REVISED BUDGET 2009/10</b>	<b>OUTTURN 2009/10</b>	<b>VARIANCE (-) = under spend</b>	<b>COMMENTS</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	
Highways		32,834	35,598	2,764	Expenditure on the Winter Service exceeded the base budget by £4m and led to an overspend of £2.8m after applying the full Winter Service Reserve. This is requested for corporate write-off as part of this report. The extreme conditions have caused significant damage to the highway network with repair costs estimated at in excess of £25m and rising. The BES Directorate has scrutinised revenue budgets for all services in trying to resolve as much of this problem as possible within existing Directorate resources. £52k had been identified as available to offset repair costs from 2009/10 and continued efforts are underway to identify further resources. More detail on this issue is contained in the main narrative sections of this report. The revenue works associated with repairing the damage caused by the severe winter conditions (additional £1m allocated in 2009/10) was given highest priority for the final quarter of the year and accelerated where possible. Due to this, and the generally poor weather conditions, other highway maintenance activities have slipped or been deferred. The effect is an overspend of £255k.
Integrated Passenger Transport Unit (IPTU)		4,352	4,280	-72	The position relates to increased costs related to bus services (£86k), offset by savings on staff costs (-£43k) and net savings on highways contract fleet vehicles (-£115k).
Trading Standards & Planning Services		2,582	2,519	-63	Deferral of equipment upgrades to 2010/11 accounts for £27k of the underspend position. The remainder relates to net staff savings after accounting for associated agency cover.
Economic & Rural Services		2,780	2,597	-183	Commitments to the 2012 Cultural Strategy commenced in 2009/10 will be completed in 2010/11; this accounts for an underspend of £70k. Further investment into the Public Rights of Way network were undertaken in 2009/10; there remains £38k to be delivered in the early part of 2010/11. The remaining net underspend predominantly relates to savings from staff vacancies.
Partnership Unit		94	94	0	
Waste Management		21,148	20,693	-455	The outturn includes a planned revenue contribution of £237k to the waste capital programme. Some activities planned for 2009/10 in relation to the waste procurement project will now take place in 2010/11 - this resulted in an underspend of £170k on the Waste Management budget. Similarly work in relation to old landfill sites and the HWRC maintenance programme will now take place in 2010/11 and amounts to £180k. Waste volumes are lower than budgeted with net accrued savings totalling £125k.
Waste Management - Yorwaste Dividend		-1,573	-1,075	498	The shortfall in the Yorwaste dividend for 2009/10 is £498k.
Performance & Finance Unit		3,411	3,336	-75	As previously reported a reserve for Directorate initiatives and transformation projects has been set up; the closing balance of the reserve stands at £977k. The underspend position relates to various miscellaneous savings on staff costs, supplies and services and additional income.
Support Services		1,045	978	-67	Savings from staff vacancies of £35k plus miscellaneous savings on supplies and services.
<b>Total before PIP Allocations</b>		<b>66,673</b>	<b>69,020</b>	<b>2,347</b>	
PIP Allocations		3,329	2,685	-644	The variance relates to the Bedale-Aiskew-Leeming Bar Bypass scheme due to a reprofiling of the scheme activities. This does not affect the expected date of completion of the scheme.
<b>TOTAL</b>		<b>70,002</b>	<b>71,705</b>	<b>1,703</b>	
<b>Projected variance at Q3 Report</b>				<b>+1,252</b>	

CHIEF EXECUTIVE'S GROUP					
2009/10 REVENUE BUDGET OUTTURN					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (-) = under spend £000	COMMENTS
Chief Exec's Office		2,072	1,948	-124	£63k of underspend relates to earmarked funding for the Corporate Customer Complaints, Recommendations & Comments system which is expected to be delivered in 2010/11. £10k relates to earmarked funding for GIS which was carried forward from 2008/09 and will be utilised in 2010/11. The remaining £51k is derived from various budgets across Chief Execs (Best Value £29k, Chief Exec's Secretary still vacant). The £124k is requested to be carried forward into 2010/11.
Grants & Subscriptions		238	237	-2	Requested to be carried forward into 2010/11.
Comm Safety, Climate Change etc.		345	174	-170	Underspend due to delayed start to CYPS Domestic Abuse post and alternative funding established for co-ordinator posts (£110k); £13k Capital Switch money b/fwd; Climate Change £15k; LSP Support £31k. The £170k is requested to be carried forward into 2010/11.
Youth Offending Team		764	764	0	
Legal Services		1,415	1,421	6	Forecast overspend of £120k at Q3 reduced mainly by unexpected one-off pay out from Insurance Reserve of £70k. Also £28k less than Q3 on Staffing (vacancies & mini-structure postponed) and £20k over variety of budget heads. This overspend will be funded by the underspend in Democratic Services.
Democratic Services		567	537	-31	Underspend arising from vacancies. Will net off overspend in Legal Services in first instance, remaining £25k is requested to be carried forward into 2010/11.
Legal Expenses	Y	777	653	-125	This is a volatile budget. A number of large value invoices were processed during the final quarter of the year, mainly for cases in children's social care, which resulted in the underspend being much smaller than forecast at Q3. This underspend will be utilised to offset the overspend on County Council Elections.
Elections		292	492	200	The overspend against this budget arises from the costs of the current year's election. It will be partially offset by the underspend in Legal Expenses (£125k) and the remaining £75k deficit is requested to be written off.
Access to Services		445	445	0	
Customer Service Centre (excluding PIP allocation)		1,437	1,438	0	
Service Access Points		36	31	-5	The £5k underspend is requested to be carried forward into 2010/11.
HR Services (excluding PIP allocations)		2,621	2,637	17	This overspend is on a number of one-off items in 2009/10. It will be offset by the underspend in People Strategy.
People Strategy		479	431	-49	The underspend is on a number of minor items. In the first instance it will offset the overspend in HR Services (£17k); the remaining underspend (£32k) is requested to be carried forward into 2010/11.

CHIEF EXECUTIVE'S GROUP					
2009/10 REVENUE BUDGET OUTFURN					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (-) = under spend £000	COMMENTS
Communications		825	784	-41	NY Times underspend of £34k is mainly due to underspend in distribution as the budget is based on delivery of a 'heavier', larger paper; a contingency of £10k was also released. Web Team underspend of £7k. The underspend is requested to be carried forward into 10/11.
Member's Services		1,583	1,563	-20	Small savings made over a number of budget heads. Costs include a provision of £25k which will contribute to refreshing members' ICT after the next County Council Elections. The underspend is requested to be carried forward into 2010/11.
Chairman's Fund		58	51	-7	The £7k underspend is requested to be carried forward into 2010/11.
VFM Proposals in Excess of 2009/10 Target		198	0	-198	This balancing figure of budgets, linked to implementing the VFM Plan, is not fully aligned to savings at Service level at this stage. The cumulative net position on the VFM Plan is £30k above target at this stage. The underspend is requested to be carried forward into 2010/11.
<b>Total Before PIP allocations</b>		<b>14,152</b>	<b>13,603</b>	<b>-549</b>	
<b>PIP allocations</b>		987	755	-232	Re-profiling into 2010/11 of £213k relating to a number of HR projects and £19k relating to Customer Service Centre.
<b>TOTAL</b>		<b>15,139</b>	<b>14,358</b>	<b>-781</b>	
<b>Projected variance at Q3 Report</b>				<b>-922</b>	



CHIEF EXECUTIVE'S GROUP

2009/10 REVENUE BUDGET OUTTURN

TRADED SERVICE	High Risk?	Traded Surplus B/fwd from 2008/09	In year surplus/deficit 2009/10		Traded Surplus C/fwd to 2010/11	COMMENTS
			Income £000	Expenditure £000		
CYPS Traded HR		23	738	735	3	To be used for additional temporary staff in staff absence management in 2010/11
<b>TOTAL</b>		<b>23</b>	<b>738</b>	<b>735</b>	<b>3</b>	

APPENDIX F  
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## CHILDREN &amp; YOUNG PEOPLE'S SERVICE

## 2009/10 REVENUE BUDGET - OUTTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (- = underspend) £000	COMMENTS
<b>LEA BLOCK</b>					
Strategic Management Strategic Capacity		1,096	862	-234	Underspending of £234K relating to staff vacancies (£48K). The application of non-recurring overheads funding of £186K supports the directorate in containing the cost of Child Placement.
Strategic Services Children's Centres and Extended Schools		1,426 0	1,381 -500	-45 -500	Technical adjustment to maximise the use of Sure Start, Early Years & Childcare Grant; eligible expenditure within the Directorate has been funded by General Sure Start Grant. The consequent saving assists the Council to reduce the impact of spending pressures on a non-recurring basis - in particular the cost of child protection and safeguarding.
Quality & Improvement		4,355	4,217	-138	Non-recurring underspend mainly due to staff vacancies.
Severance / Pensions / Benefits		1,850	1,829	-20	In 2009/10, the level of expenditure £1,101K exceeded the annual contribution to the Severance Fund £661K by £440K. A further contribution of £538K from Schools Block resources has been necessary to maintain the capacity of the Fund to meet anticipated liabilities in 2010/11 and subsequent years.
Finance & FMS e-Government Services Psychological Service		1,136 868 1,447	1,110 867 1,403	-25 0 -44	Underspending due to staff vacancies.
Other Children's Services & Corporate overheads		1,068	1,010	-58	Underspending reflects reduced insurance premiums arising from an improvement in claims history. In addition, the maximisation of grant income has yielded a non-recurring underspend on directorate procurement arrangements.
<b>TOTAL</b>		<b>13,244</b>	<b>12,179</b>	<b>-1,065</b>	

CHILDREN & YOUNG PEOPLE'S SERVICE

2009/10 REVENUE BUDGET - OUTTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10	OUTTURN 2009/10	VARIANCE (- = underspend)	COMMENTS
<b>Retained LEA Services</b>					
Outdoor Education		982	982	0	
Music Service		479	479	0	
Learning, Youth & Skills		3,831	3,941	111	Over spending relates to the non-achievement of VFM savings.
Student Support		179	153	-27	
<b>TOTAL</b>		<b>5,471</b>	<b>5,555</b>	<b>84</b>	
<b>Access</b>					
<b>Home to School Transport</b>	Y	<b>21,526</b>	<b>21,646</b>	<b>120</b>	The overspending of £120K excludes £112K earmarked carry-forward necessary to fund additional academic days in the 2010/11 financial year which increases the effective overspending to £232K. This compares with a Q3 forecast overspending position of £472K - a reduction of £240K. The change since Q3 reflects the significant impact of the winter closure of schools experienced in January 2010. There has also been a reduction in cost relating to the level of previously anticipated activity transporting pupils. Overall, in 2009/10, savings of £543K have been achieved against a planned savings target of £775K.
Access Services (incl. SENOs)		678	655	-23	
<b>TOTAL</b>		<b>22,204</b>	<b>22,301</b>	<b>97</b>	
<b>SEN &amp; Behaviour (LEA)</b>					
Welfare Service		1,824	1,761	-63	Non-recurring savings arising from the maximisation of grant income.
LEA-Schools Block Adjustment		533	495	-38	(See Note 2)
<b>TOTAL</b>		<b>2,357</b>	<b>2,256</b>	<b>-101</b>	
<b>LEA BLOCK TOTAL</b>		<b>43,277</b>	<b>42,291</b>	<b>-986</b>	

CHILDREN & YOUNG PEOPLE'S SERVICE

2009/10 REVENUE BUDGET - OUTFURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10	OUTTURN 2009/10	VARIANCE (- = underspend)	COMMENTS
<b>SOCIAL CARE BLOCK</b>					
Services for Children and Families Child Placement	Y	15,869	16,844	975	The overall overspending of £975K compares with forecast projections of £623K at Q3 and £422K at Q2. There are currently 459 children looked after as compared with 457 at Q3 and 405 at the commencement of the year. A change in the "mix" of placements, particularly related to unavoidable increases in expensive external residential and secure placements for children with complex behavioural and health needs have significantly contributed to the continued expenditure trend. The annual cost of current provision exceeds the available resources in 2010/11 and this will continue to represent a significant financial challenge for the Directorate.
Children's Services (incl Disabled Children)		12,707	13,548	841	Overspending of £841K compares with a reported £675K overspend at Q3 - an increase of £166K. Overspending on Assessment and Safeguarding staffing of £548K compares with £609K at Q3. This reflects management action to contain costs but in the context of the continued trend in referral rates and requirement to manage higher numbers of caseloads. The implementation of a recruitment and retention strategy for social workers targets a significant reduction in dependency on high-cost agency staff.
Planning and Quality		1,655	1,653	-1	
General		3,353	3,404	51	Overspending of £51K relates to higher than anticipated IT costs significantly in excess of the budgeted position and the cost of advertising vacant positions. This is offset, in part, by savings arising from the continuation of the phase 1 administration review.
<b>SOCIAL CARE BLOCK TOTAL</b>		<b>33,583</b>	<b>35,449</b>	<b>1,866</b>	
<b>Total Before Under-Achievement Against 2009/10 VFM Targets</b>		<b>76,860</b>	<b>77,740</b>	<b>880</b>	
<b>Balance of VFM Proposal Yet to be Identified</b>	Y	<b>-61</b>	<b>0</b>	<b>61</b>	The savings target for 2009/10 includes efficiency proposals aimed at achieving £2,548K savings. With excess savings achieved in 2008/09 totalling £435K, there is currently a cumulative shortfall against the 3% target in 2009/10 of £366K. This compares with £1,170K at Q3 and reflects the strategic decision to bring forward reductions in CYPs funding planned for 2010/11.
<b>TOTAL</b>		<b>76,799</b>	<b>77,740</b>	<b>941</b>	
<b>Predicted Variance at Q3 Report</b>				<b>1,766</b>	

Notes:

1. Earmarked Carry Forwards

There are planned earmarked carry forwards totalling £172K including: Home to School Transport £112K) and Parent and Health Related Behaviour Surveys £60K)

2. Technical Note

The figures include a reallocation adjustment between DCSF defined blocks. This is a technical reallocation intended to reflect the most appropriate analysis of expenditure where the budget heading falls in more

CHILDREN & YOUNG PEOPLE'S SERVICE

2009/10 REVENUE BUDGET - OUTTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (- = underspend) £000	COMMENTS
<b>SCHOOLS BLOCK/ DEDICATED SCHOOLS GRANT SEN &amp; Behaviour (Schools)</b>		2,803	2,602	-201	Whilst the number of North Yorkshire children educated in other local authorities schools and in independent settings has been broadly in line with assumptions made at the start of the year, a number of these placements only started part-way through the year.
Access Strategy, E-LAC and EMA		3,063	2,991	-72	Underspending on vacancies pending full implementation of structure for the Virtual School for Looked After Children. This is offset, in part, by additional administration costs arising following the implementation of new Network provision for Special Educational Needs (SEN).
Parent Support Advisers		400	365	-35	
Review of SEN & Behaviour		1,099	1,163	63	Resources totalling £566K (including £503K from the SEN & Behaviour Review budget) have been paid into a specific, earmarked reserve which is required to support the implementation of the SEN and Behaviour Review in future years. This includes the planned roll-out of the Networks and phased introduction of enhanced mainstream schools and minority ethnic achievement hubs.
<b>TOTAL</b>		<b>7,366</b>	<b>7,121</b>	<b>-245</b>	
<b>Networks</b>					
<b>Behavioural, Emotional &amp; Social Difficulties</b>	Y	<b>5,367</b>	<b>5,680</b>	<b>313</b>	Demand for the Education Out of School provision has increased leading to higher than expected staffing costs for outreach work. The establishment of two new Pupil Referral Service centres have incurred "one-off" costs to fully resource the Service. In addition, the cost of Hospital Recoupment charged by other local authorities for NYCC pupils requiring prolonged hospital care has increased.
Cognition & Learning		1,264	1,124	-140	The transition from a Learner Support Service to the new Cognition and Learning Network has yielded non-recurring savings.
Sensory, Physical and Medical Communication & Interaction		1,000 586	1,024 600	24 14	
		<b>8,217</b>	<b>8,428</b>	<b>211</b>	

CHILDREN & YOUNG PEOPLE'S SERVICE

2009/10 REVENUE BUDGET - OUTTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10	OUTTURN 2009/10	VARIANCE (- = underspend)	COMMENTS
<b>Schools &amp; Early Years</b>					
ISB & LMS Contingency		281,598	281,605	7	
Early Years		13,681	13,707	25	
Structural R&M		1,557	1,557	0	
Schools Causing Concern		589	1,096	507	The cost of addressing curricular issues within schools totalled £1,096K - exceeding the budgeted provision by £507K
Learning Platforms - Broadband		907	907	0	
<b>TOTAL</b>		<b>298,333</b>	<b>298,872</b>	<b>539</b>	
<b>Strategic Services</b>					
Strategic Capacity		405	384	-20	
Catering Service		1,025	1,025	0	(See Note 3 LA Block)
TU Duties and Legal Fees		123	123	0	
Children's Services		538	538	0	
DSG Overheads		1,491	1,491	0	
LEA-Schools Block Adjustment		-533	-495	38	(See Note 2 LA Block)
<b>TOTAL</b>		<b>3,049</b>	<b>3,067</b>	<b>18</b>	
<b>Total</b>		<b>316,965</b>	<b>317,488</b>	<b>523</b>	
<b>Unallocated Efficiency Savings</b>					
Dedicated Schools Grant		29	0	-29	(See Note A Schools Block)
<b>Unallocated DSG</b>		<b>-318,209</b>	<b>-318,209</b>	<b>0</b>	
		<b>1,215</b>	<b>721</b>	<b>-494</b>	The unallocated DSG of £721K is after reflecting an overspend on the Schools Block of £494K. This will be available to support Schools Block activities on a non-recurring basis in future years.
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	

APPENDIX F  
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Notes:

**A. Efficiency Savings**

The Medium Term Financial Strategy (MTFS) was prepared with an assumption that the level of Dedicated Schools Grant will "go further" by 1.0% because of efficiency improvements, reflecting the approach in determining and fixing individual school budgets. The limited scope for manoeuvre within Central Expenditure has resulted in the achievement of savings totalling £379K - an over-achievement of £29K.

**B. Schools Block Reserve**

Budgets within the Schools Block utilised all of the available DSG

CHILDREN & YOUNG PEOPLE'S SERVICE

2009/10 REVENUE BUDGET - OUTFURN

TRADED SERVICE	High Risk?	Traded Surplus/Deficit (£000) B/fwd from 2008/09	In-year surplus/deficit 2009/10			Traded Balance C/fwd to 2010/11	COMMENTS
			Turnover (£000)	Expenditure (£000)	Surplus/deficit (£000)		
<b>Catering</b>	Y	£000 274	£000 15,591	£000 15,092	£000 499	773	The Catering Service made an in-year operational deficit of £317k. After taking into account a "subsidy contribution" of £597k, the operational year end surplus balance is £277k. After adjusting for a non-recurring dividend from YPO of £219k, the overall in year traded balance is a surplus of £499k. This will be added to the £274k traded surplus brought forward from 2008/09 giving an overall balance of £773k to carry forward to 2010/11 to support the underlying recurring deficit in 2010/11 and subsequent years.
Premises Scheme		-454	4,916	4,716	200	-254	New framework contracts have resulted in greater than anticipated activity levels resulting in increased expenditure on general maintenance and equipment servicing. Despite this, an in-year surplus of £200K has been achieved arising from a planned reduction in planned maintenance. This reduces the accumulated traded deficit balance to £254K. Plans in 2010/11 will target a breakeven position as this will be the final year of the PREMISES scheme, to be replaced by MASS from 2011/12.
Staff Absence Insurance Scheme		550	4,436	4,436	0	550	A break-even trading year for this scheme
School's ICT		-28	4,619	4,531	88	60	The service made an in year traded surplus of £88k. This was due to increased income from Hardware Sales and additional funding of £50k in 2009/10. After taking into account the traded deficit of £28k brought forward from 2008/09, the overall year-end traded surplus balance of £60k will be carried forward to 2010/11.
<b>Outdoor Education</b>	Y	£000 391	£000 2,869	£000 3,056	£000 -187	£000 204	The service made an in-year traded deficit of £187k. This is mainly due to lower than anticipated income from Schools bringing fewer pupils and the Centres finding it difficult to obtain Extra Curricular bookings. There was also an overspend on maintenance. The service made savings on staffing, transport and supplies and services which partly net off the under achievement of income. A traded surplus of £391k was brought forward from 2008/09 resulting in an overall traded surplus balance of £204k being carried forward to 2010/11. The reducing surplus balance represents a risk to the Service given the increasing maintenance demands. Turnover consists of real income of £1,887K together with a contribution of £982K from the Outdoor Education Budget in C.Y.P.S.
FMS		62	1,241	1,273	-32	29	The service made an in-year trading deficit of £32k. The service brought forward a traded surplus balance of £61k resulting in an overall year-end traded surplus balance of £29k being carried forward to 2010/11.
Other Traded Services		581	2,599	2,530	70	650	
<b>GRAND TOTAL</b>		<b>1,376</b>	<b>36,272</b>	<b>35,635</b>	<b>637</b>	<b>2,013</b>	

FINANCE & CENTRAL SERVICES					
2009/10 REVENUE BUDGET OUTFURN					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (-) = under spend £000	COMMENTS
Financial Services		3,152	2,725	-427	Underspend mainly due to staff vacancies and reduced one-off funding required for Oracle server/upgrade. £59k will be used to fund TITAN and the remainder will be used to fund necessary software upgrades to Corporate Systems
Strategic Transformation and Integration Capability (Category 1&2)		504	453	-51	The outturn is net of initial costs of developing the central scanning bureau. There has been slippage in the programme, compared with the profile of funding agreed by the Executive in September 2009. The full sum is requested for carry-forward into 2010/11 in order to complete the work.
Corporate Procurement		468	459	-9	Request to carry-forward to 2010/11 to meet procurement initiatives in that financial year (eg. Supply Chain Readiness Network).
ICT Services		4,962	4,883	-79	Additional income from work for Directorates (£48k) and underspends on training (£24k) and staff vacancies etc. (£76k). £48k of the underspend will fund TITAN and £31k is requested for carryforward into 2010/11 for training commitments.
ICT Services - Developments		2,220	1,039	-1,181	Underspend is on funding relating to infrastructure projects pending the revised Corporate ICT Strategy. Request for carry-forward into 2010/11 to support one-off infrastructure projects as per ICT Strategy.
ICT Recharges		-1,734	-1,833	-99	The additional income is due to ICT recharges exceeding the costs incurred in ICT Services. Underspend will be used to fund TITAN.
Integrated telephony (TITAN) - one-off costs		-267	174	441	This one-off project has received no corporate funding. Therefore it has been funded by underspends elsewhere in FCS (WAN Revenue Budget £235k, ICT Recharges £99k, ICT Services - Operational £48k, Financial Services £59k). Ongoing costs will be funded by savings made in telephony costs across the County Council.
WAN Revenue Budget		2,594	2,359	-235	Planning issues and contractor negotiations resulting in delayed connections for final phase of sites. Underspend in 2009/10 will be used to fund one-off TITAN costs.
<b>ICT Services sub-total</b>		<b>7,775</b>	<b>6,622</b>	<b>-1,153</b>	
Risk Management		534	479	-55	Arising mainly from staffing (£20k); underspend against one-off items (£40k) - request to carry-forward into 2010/11.
Emergency Planning		129	126	-3	Relates to timing issues regarding purchase of server. Underspend requested for carry forward into 2010/11.
Health & Safety Risk		278	164	-114	Funds earmarked for Driver Training and related Vehicle Safety matters in 2010/11.
Risk Management Initiatives Fund		941	769	-172	
<b>Risk Management sub-total</b>					



FINANCE & CENTRAL SERVICES					
2009/10 REVENUE BUDGET OVERTURN					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2009/10 £000	OUTTURN 2009/10 £000	VARIANCE (-) = under spend £000	COMMENTS
<b>Facilities Management</b> Cleaning and Grounds Client		201	137	-64	Underspend linked to reduced costs of Arbotrack system plus additional income - request to carry forward as income review scheduled for 2010/11.
Grounds Maintenance DSO County Print Unit:		45	45	0	
- Identity Badge provision		32	25	-7	A carry forward is required to contribute to increased costs in 2010/11 linked to the identity badge three year renewal programme.
- In Year - surplus available to meet base budget requirement		-58	-58	0	
Corporate R&M	Y	1,891	1,555	-336	Underspend due to reprioritisation on Planned maintenance (£81k), delays with Care Servicing Schemes (£135k) due to contractor slippage on workload and consequently an underspend on associated fees (£77k). Carry forward needed to complete planned work in 2010/11.
Corporate Themed programme - Gas Ventilation, Glass filming, Air conditioning		200	633	433	Overspend due to increased costs of boiler and ventilation schemes on non-school properties, to be funded from CPLU underspend (see below).
Corporate Accommodation		528	63	-465	Underspend primarily on minor works/improvements (£420k). A carry forward is required to fund improvements which are committed but will not now take place until 2010/11 (Malpas Road fire detection and lighting £104k, B24 switch gear replacement at County Hall £71.5k, CCTV at County Hall £68k, access staircase £52k, power resilience (ICT) £45k, audio in the Grand £40k, NYH Car Park £30k, North Block kitchen £26k, Member's kitchen etc); plus minor cost variations arising from BOS programme (e.g. unforeseen asbestos works))
BOS Northallerton PIP		51	51	0	
BOS Skipton PIP		500	0	-500	Delays by developer in refurbishment of Skipton Belle Vue offices mean that spend will carry over to 2010/11. Carry forward needed to complete work in 2010/11
BOS Richmondshire		20	0	-20	Occupation delayed until May 2010 - underspend requested for carry forward into 2010/11.
CPLU		3,315	2,109	-1,206	Underspend primarily due to slippage on the Farms Improvement Scheme (£6659k) and repairs and maintenance (£67k), no Farms Compensation payments due in 2009/10 (£105k), less spend on redeployment properties than anticipated (£123k) and unexpected (low-value) capital receipts (£97k) credited to Revenue. The underspend is requested for carry-forward to fund the slipped farms minor improvements and repairs & maintenance programme, as well as to fund the overspend (£433k) on Themed programme (see above).
Gypsy site refurbishment PIP		206	2	-204	Underspend due to delays in procurement process for modules required. Carry forward needed to complete work in 2010/11
<b>Facilities Management sub-total</b>		<b>6,931</b>	<b>4,562</b>	<b>-2,369</b>	
VFM Proposals in Excess of 2008/09 and 2009/10 Targets		<b>16</b>	<b>0</b>	<b>-16</b>	This line is the cumulative total value of VFM budget adjustments in excess of the overall target to date. Request to carry-forward to assist in meeting VFM Plan in 2010/11
Unallocated		<b>26</b>	<b>0</b>	<b>-26</b>	To be carried forward and allocated to the Risk Management Initiatives Fund.
<b>TOTAL</b>		<b>19,813</b>	<b>15,590</b>	<b>-4,223</b>	
<b>Projected variance at Q3 Report</b>				<b>-2,736</b>	

**FINANCE & CENTRAL SERVICES**

TRADED SERVICE	High Risk?	Surplus/ Deficit (-) B/fwd from 2008/09 £000	2009/10 REVENUE BUDGET OUTTURN			Surplus/ Deficit (-) C/fwd to 2010/11 £000	COMMENTS
			In year surplus/deficit 2009/10		Surplus/ deficit £000		
			Income £000	Expenditure £000			
<b>Building Cleaning Services</b> In Year	Y		8,789	8,389	400	Surplus generated by increase in number of sites to include Children's Centres and large volumes of additional ad hoc work (£77k). This surplus will be used to fund a pilot to provide property related support to business support staff in a number of schools. If the pilot is successful it is expected that the service will be offered more widely on a traded basis.	
Equipment Fund	327	0	89	-89	238		
		<b>327</b>	<b>8,789</b>	<b>8,478</b>	<b>311</b>	<b>638</b>	
<b>Grounds Maintenance</b> In Year	Y		693	677	16	Non-recurring sale and purchase of equipment	
Equipment Fund	27	36	13	23	50		
		<b>27</b>	<b>729</b>	<b>690</b>	<b>39</b>	<b>66</b>	
<b>County Print Unit:</b> In Year			1,093	844	249	Increase in surplus primarily generated by completion of increased volumes of work in-house (prior to purchase of printing press it was necessary to outsource more work).	
Contribution to Base Budget		0	1,093	58	-58	The net £191k will be transferred to Equipment Fund (see below)	
			902	191	191		
CPU (Equipment Fund)		200		221	-221	Expenditure is £215k press, plus £6k other expenditure.	
		<b>200</b>	<b>1,093</b>	<b>1,123</b>	<b>-30</b>	<b>170</b>	
<b>GRAND TOTAL</b>		<b>554</b>	<b>10,611</b>	<b>10,291</b>	<b>320</b>	<b>874</b>	

## CORPORATE MISCELLANEOUS

## 2009/10 REVENUE BUDGET OUTTURN

BUDGET HEAD	High Risk ?	REVISED BUDGET 2009/10 £000	OUTTURN £000	VARIANCE (-) = under spend £000	COMMENTS
<b>Contingency</b>					
General provision		145	0	-145	
Special Inflation Provision		200	0	-200	
Inflation clawback from Directorates		2,520	0	-2,520	
		<b>2,865</b>	<b>0</b>	<b>-2,865</b>	For one off initiatives, unforeseen expenditure and emergencies. Initial budget of £500k less allocations of £355k = £145k underspend Provision for additional inflationary costs, particularly on Highways Maintenance contracts not ultimately required in 09/10 Estimated inflationary provisions in Directorate budgets for pay awards, transport costs and some contracts has now been re-assessed downwards and clawed back from their budgets. Results in a Corporate underspend in 09/10
<b>Capital Financing Costs</b>					
Revenue Provision for debt repayment		14,938	14,375	-563	
Interest		17,717	15,559	-2,158	
Debt Management		116	100	-16	
Recharges to Directorates etc		-1,492	-1,277	215	
<b>TOTAL</b>		<b>31,279</b>	<b>28,757</b>	<b>-2,522</b>	Overall net saving of £1,690k, principally as a result of premature repayment of external debt since January 2009 totalling £94.1m (of which £70m has subsequently been re-borrowed). This is covered in more detail in the separate Treasury Management section of this Outturn report. Other factors include: (i) continuing higher than forecast levels of surplus cash balances (ii) savings resulting from continuing to hold the residual Corporate Capital Pot rather than spend on new capital schemes (iii) not taking any new external borrowing to fund the County Council's 2009/10 capital borrowing requirement and funding on a temporary basis by running down surplus cash balances
<b>Interest Earned</b>					
Temporary Loans		-2,650	-1,693	957	
Other Interest Earned		-294	-274	20	
Interest Reallocated & paid out		714	569	-145	
<b>TOTAL</b>		<b>-2,230</b>	<b>-1,398</b>	<b>832</b>	
<b>Other</b>					
Continuing Pensions		45	50	6	Inherited pensions from 1974 LGR
DLO/DSO Pension Fund Costs		344	512	168	DLO Externalisation Pension Fund costs. 2009/10 charge includes £175k in relation to Jacobs, previously charged to Directorates.
External Audit Fees		304	223	-81	Fees for Accounts, Inspection, Use of Resources Assessment and Grant claims. Underspend mainly relates to fewer grant claims
YPO Surplus		-300	-315	-15	£576k dividend in 2009 less allocations to Cleaning (£11k) and Catering (£250k)
Bank Charges		83	74	-9	Barclays and Girobank charges for operating NYCC's accounts
Discontinued Services		-5	-6	-1	LSC contribution towards capital financing costs of former NYCC colleges
Probation - Residual costs		21	17	-4	Residual capital financing costs of Probation Service, net of Government grant and contribution from City of York
Mag Courts - Residual costs		65	66	1	Residual capital financing costs of Magistrates Courts Service, net of Government grant and contribution from City of York
Internal Trading Income		-200	-270	-70	Internal Financing and Trading Income from DLO's etc
Transformation Fund		1,048	747	-301	Initial £1m budget - £386k allocated + £434k from 2008/09. Underspend mainly due to delays in projects (mainly the encryption project)
Area Committee Budgets		402	316	-86	Agreed budget for 7 Area Committees £350k + £52k from 2008/09. £86k underspend requested for carry forward
Community Fund / Sec. Homes C. Tax		2,561	815	-1,746	For various initiatives. Budget includes £1,354k from 2008/09. Underspend relates to schemes approved in 2009/10 due to run over two years and LSP underspend to be allocated in 2010/11, mainly due to the timing of LSP meetings and how often each approves a local investment Plan
Job Evaluation Budget Allocations		-36	-36	0	Residual impact on Job Evaluation Fund of allocations agreed to date
Pay and Reward Fund		744	415	-329	Budget includes £375k from 2008/09. Underspend on specific initiatives ringfenced for the same use in 2010/11 + an unallocated sum of £115k
LABGI		0	-287	-287	2009/10 allocations based on a new scheme announced by DCLG in July 2009
Dedicated Schools Grant		-1,491	-1,491	0	Contribution to Corporate overheads from the Dedicated Schools Grant
Flooding allocation to BES		-170	0	170	Contribution agreed at Q2 in relation to Directorate spending pressures.
Road Repair Funding Allocations to BES		-1,000	0	1,000	Contribution agreed on 2/2/2010 by Executive in relation to Directorate spending pressures.
Contribution to BES Winter Reserve		0	1,000	1,000	Agreed contribution to BES Winter Reserve at Q1.
Residual balance of JE Fund		0	-308	-308	Agreed that this balance would be paid into the General Working Balances.
Rate Refunds		0	-115	-115	Previous years refunds from District Councils in relation to NYCC Non Domestic Rate Bills following appeal against valuations
Miscellaneous transactions		0	-108	-108	Net effect of various miscellaneous transactions including Corporate provisions such as bad debts
<b>TOTAL</b>		<b>2,413</b>	<b>1,299</b>	<b>-1,114</b>	
<b>Pending Issues Provision</b>		<b>1,001</b>	<b>0</b>	<b>-1,001</b>	Provision of £2,631k in 2009/10 + £1,021k unallocated funding carried forward from 2008/10 less allocations to date. £498k of underspend needed to fund BES Yowaste dividend shortfall with the remaining £503k being carried forward to 2010/11
<b>Residual VFM savings target</b>		<b>-221</b>	<b>0</b>	<b>221</b>	Target will be met from Treasury Management savings (Capital Financing costs and Interest Earned) identified above
<b>Precepts and Levies</b>					
Flood Defence		186	187	1	Paid to Environment Agency
North East Sea Fisheries		194	194	0	Precept levied by North East Fisheries Committee
<b>TOTAL</b>		<b>380</b>	<b>381</b>	<b>1</b>	
<b>TOTAL</b>		<b>35,487</b>	<b>29,039</b>	<b>-6,448</b>	
<b>Projected variance at Q3 report</b>				<b>-5,358</b>	

AREA BASED GRANT OUTTURN POSITION 2009/10

Grant	Gov	Total Grant 2009/10 £'000s	Spend 2009/10 £'000s	Variance Underspend/ Overspend £'000s
<b>Adults &amp; Community Services</b>				
Supporting People Administration	CLG	337.2	270.8	-66.4
Preserved Rights	DH	3,587.1	3,587.1	0.0
Carers	DH	1,836.5	1,836.5	0.0
Adult Social Care Workforce	DH	1,394.7	1,339.8	-54.9
Mental Capacity Act & Independent Mental Capacity	DH	299.4	25.6	-273.8
Mental Health	DH	1,284.5	1,284.5	0.0
Learning & Disability Development Fund	DH	382.7	363.4	-19.3
<b>Sub Total ACS</b>		<b>9,122.1</b>	<b>8,707.7</b>	<b>-414.4</b>
<b>Business &amp; Environmental Services</b>				
Road Safety Grant	DfT	1,956.6	517.3	-1,439.3
Detrunking	DfT	2,649.0	2,649.0	0.0
Rural Bus Subsidy	DfT	2,433.5	2,433.5	0.0
<b>Sub Total BES</b>		<b>7,039.1</b>	<b>5,599.8</b>	<b>-1,439.3</b>
<b>Chief Executive's Group</b>				
Local Involvement Networks	DH	222.5	222.5	0.0
Community Call for Action/Overview Scrutiny Committee		14.7	0.0	-14.7
<b>Sub Total Chief Executive's</b>		<b>237.1</b>	<b>222.5</b>	<b>-14.7</b>
<b>Children &amp; Young People's Service</b>				
Connexions	DCSF	4,218.3	3,419.9	-798.4
CWDC Project	DCSF	15.0	9.7	-5.3
School Travel Advisers	DCSF	112.0	112.0	0.0
School Development Grant	DCSF	1,093.7	1,009.1	-84.6
Extended Schools Start-Up Grants	DCSF	2,525.2	2,037.8	-487.4
Primary National Strategy - Central	DCSF	302.2	302.2	0.0
Secondary National Strategy - Central Co-ordination	DCSF	283.3	283.3	0.0
Secondary National Strategy - Behaviour and Attendance	DCSF	125.8	125.8	0.0
School Improvement Partners	DCSF	392.4	392.4	0.0
Education Health Partnerships	DCSF	178.2	109.7	-68.5
Choice Advisers	DCSF	32.9	32.9	0.0
School Intervention Grant	DCSF	259.1	252.5	-6.6
14 - 19 Flexible Funding Pot	DCSF	100.4	0.4	-100.0
Sustainable Travel - General Duty	DCSF	56.2	-26.8	-83.0
Extended Rights to Free Transport	DCSF	309.1	309.1	0.0
Children's Fund	DCSF	1,130.3	981.5	-148.9
Child Trust Fund	DCSF	7.7	7.7	0.0
Positive Activities for Young People	DCSF	192.5	112.5	-80.0
Teenage Pregnancy	DCSF	157.4	96.8	-60.7
Children's Social Care Workforce	DCSF	109.3	109.3	0.0
Care Matters White Paper	DCSF	317.1	317.1	0.0
Child Death Review Processes	DCSF	44.6	44.6	0.0
Young Peoples Substance Misuse	DCSF	96.6	94.8	-1.7
Designated Teacher Funding	DCSF	58.1	58.1	0.0
Social Care Checks Funding	DCSF	1.5	1.5	0.0
Child & Adolescent Mental Health	DH	593.8	526.8	-67.0
Carers	DH	339.1	303.6	-35.5
Young People Substance Misuse Partnership	HO	89.8	89.8	0.0
CYPS Priorities		239.9	-175.4	-415.3
<b>Sub Total CYPS</b>		<b>13,381.5</b>	<b>10,938.7</b>	<b>-2,442.8</b>
<b>External Partners</b>				
Aggregate Levy Sustainability Fund	Defra	308.0	308.0	0.0
Stronger Safer Communities	HO	635.2	595.9	-39.3
<b>Sub Total External Partners</b>		<b>943.2</b>	<b>903.9</b>	<b>-39.3</b>
<b>GRAND TOTAL</b>		<b>30,723.1</b>	<b>26,372.6</b>	<b>-4,350.5</b>

Note 1

Note 1 } £803.7k  
Note 1 }

Note 1

**Note 1:**

Explanation for these variances is provided in paragraph 8.33 of the main report.

PROGRESS ON NON RECURRING PIP ALLOCATIONS - 31 MARCH 2010

DIR	Item	Description	Costs				Key Milestones Delivered		
			Year	Revised Profile at 08/09 Outturn and Funding Allocations Approved by Executive During 2009/10 £000	09-10 Outturn £000	Latest Revised Profile (Outturn 09-10) £000	Milestone	By Date	
ACS		Radio Frequency Identification	2009/10	418	296	296		Planned	Achieved
									Contract awarded to Intellident. Self issue hardware now operational in all sites covered by this bid. Final site - Skipton installed 26.03.10
			2010/11	0	0	122		Q2 2010-11	
			<b>Total</b>	<b>418</b>	<b>296</b>	<b>418</b>			
ACS		Library in a Box	2009/10	143	8	8			North Stainley up and running Dec 2009. Bainbridge and Grassington leases agreed.
			2010/11	0	0	135		Q4 2010-11	
			<b>Total</b>	<b>143</b>	<b>8</b>	<b>143</b>			
ACS		Electronic Home Care Monitoring / Rostering System	2009/10	200	0	0			OJEC advert, agreed by ACSMB, issued Oct 2009, closing date for tenders 15.01.10.
			2010/11	0	0	200			
			<b>Total</b>	<b>200</b>	<b>0</b>	<b>200</b>			
ACS		Swift Development Project - Adult Integrated Solution	2009/10	99	86	86			* 3.5 FTE in post * AIS Early adopters live June 2009 * Full rollout began on time Q4 2009-10
			2010/11	75	0	88		Q4 2010/11	
			<b>Total</b>	<b>174</b>	<b>86</b>	<b>174</b>			
ACS		Contribution to Citizens Advice Bureaux	2009/10	150	150	150			
			<b>Total</b>	<b>150</b>	<b>150</b>	<b>150</b>			Fully paid to CAB early Q2
ACS		Reablement	2010/11	3,678		3,678			
			2011/12	2,783		2,783			Payment of PIP will be on a drawdown basis, monitored quarterly via the Quarterly reports.
			2012/13	646		646			
			<b>Total</b>	<b>7,107</b>	<b>0</b>	<b>7,107</b>			
ACS		Self Issue Technology within Libraries (Equipment and Tagging of Books)	2010/11	175		175			
			2011/12	95		95			
			<b>Total</b>	<b>270</b>	<b>0</b>	<b>270</b>			
ACS		Transitional Workers	2010/11	124		124			
			2011/12	124		124			
			<b>Total</b>	<b>248</b>	<b>0</b>	<b>248</b>			
ACS		Brokerage Capacity	2010/11	92		92			
			2011/12	92		92			
			<b>Total</b>	<b>184</b>	<b>0</b>	<b>184</b>			

PROGRESS ON NON RECURRING PIP ALLOCATIONS - 31 MARCH 2010

DIR	Item	Description	Costs				Key Milestones Delivered			
			Year	Revised Profile at 08/09 Outturn and Funding Allocations Approved by Executive During 2009/10 £000	09-10 Outturn £000	Latest Revised Profile (Outturn 09-10) £000	Milestone	By Date		
ACS	Telecare		2010/11	300		300				
			<b>Total</b>	<b>300</b>	<b>0</b>	<b>300</b>				
BES	Bedale Bypass – Fees II		2009/10	1,665	1,021	1,021	Programme Entry achieved in April 2010. Continue work to achieve Conditional Approval.	Mar-2010	Mar-2010	
			2010/11	273		857	Work to achieve Conditional Approval.	Mar-2011		
			2011/12			42	Work to achieve Conditional Approval.	Mar-2012		
			2012/13			18	Achieve Conditional Approval & Full Approval.	May-2012		
			<b>Total</b>	<b>1,938</b>	<b>1,021</b>	<b>1,938</b>				
BES	Street Lighting columns		2009/10	1,500	1,500	1,500	Accelerated works programme delivered. Additional capacity was put in place during 2008/09.	Mar-2010	Mar-2010	
			2010/11	1,500		1,500	Accelerated works programme to be delivered.	Mar-2011		
			2011/12	3,000		3,000	Accelerated works programme to be delivered.	Mar-2012		
			<b>Total</b>	<b>6,000</b>	<b>1,500</b>	<b>6,000</b>				
BES	Footways		2009/10	164	164	164	All works completed.	Sep-2009	May-2009	
			<b>Total</b>	<b>164</b>	<b>164</b>	<b>164</b>				
BES	Bedale Bypass - allocations to achieve conditional approval		2011/12	259		259	Work to achieve Conditional Approval.	Mar-2012		
			<b>Total</b>	<b>259</b>	<b>0</b>	<b>259</b>				
CYPS	Schools – capital works		2010/11	2,000	0	2,000	Will not progress - will be used to under-write shortfall in VFM Plan for 2010/11			
			2011/12	4,000	0	4,000				
			<b>Total</b>	<b>6,000</b>	<b>0</b>	<b>6,000</b>				
CEG	Customer Service Centre		2009/10	177	158	158	Lagan and Server upgrades	30/06/09		Delayed due to discussions re changing model - on going implication on other targets. Other work progressing
			2010/11	10		29	Lagan integration with Swift - decisions on way forward taken	30/09/09		
			<b>Total</b>	<b>187</b>	<b>158</b>	<b>187</b>	Lagan integration within Swift - solution in place	31/03/10		
CEG	HR System Changes - Project Management Support		2009/10	70	39	39	Implement Case Management System	08/08/09		Jan-10
			<b>Total</b>	<b>70</b>	<b>39</b>	<b>39</b>	Service Centre in place			
							£31k transferred to EDRMS (See below)			
							Underspend of staffing costs on HR System Changes - Project Management Support which is being utilised to provide additional support in the EDRMS team.			

**PROGRESS ON NON RECURRING PIP ALLOCATIONS - 31 MARCH 2010**

DIR	Item	Description	Costs				Key Milestones Delivered			
			Year	Revised Profile at 08/09 Outturn and Funding Allocations Approved by Executive During 2009/10 £000	09-10 Outturn £000	Latest Revised Profile (Outturn 09-10) £000	Milestone	Planned	By Date	Achieved
CEG	HR System Changes - Resourcelink Team		2009/10	25	16	16	Contributing to implementation of My View (see milestones in next section)			
			2010/11	20	0	29				
			<b>Total</b>	<b>45</b>	<b>16</b>	<b>45</b>				
CEG	HR System Changes – MY View & related My View Core Development £228k Online Appraisal £14k Total £242k		2009/10	144	196	196	Recruitment clearances Online Appraisal Pilot Time sheets/Supply Create/amend posts Training system Recruitment self service Sickness Contracts/Appointment	31/05/09 30/06/10 30/06/10 01/12/09 31/05/10 01/06/10		Delay due to ICT resource Rollout now underway.
			<b>Total</b>	<b>144</b>	<b>196</b>	<b>196</b>	Overspend of £52k offset by savings on Manager's Reporting project			
			2009/10	155	207	207	Overspend of £75k due to delay in approval & implementation of EDRMS, and team required for longer period. Off set by savings of £31k (HR Proj Mgt Support); £15k (Managers' Reporting project); £29k (Casual & Relief staff project).			
CEG	HR System Changes – EDRMS (project team, & scoping)		2009/10	107	69	69	ICT install system Implementation (Phased rollout to staff April - Dec 2009)	28/02/09 01/04/09 - 31/12/09		
			2010/11	29	0	0				
			<b>Total</b>	<b>136</b>	<b>69</b>	<b>69</b>	Underspend of £67k due to decision to skill up the team to deliver the project internally. Saving utilised to offset overspend on EDRMS project team (£15k); My View (£52k).			
CEG	HR System Changes – Managers Reporting		2009/10	25	25	25	System Go Live in HR	28/02/10		
			2010/11	25	25	25				
			<b>Total</b>	<b>66</b>	<b>37</b>	<b>37</b>	Pilot ends & assessment of results	01/09/09 - 31/10/09		
CEG	HR System Changes – Casual & Relief Staff Project		2009/10	66	37	37	Underspend of £29k due to decision not to extend pilot any further following feedback from the staff involved, and refocus the project. Saving utilised to offset overspend on EDRMS team (£29k).			
			2010/11	217	8	8	Delays in approval of Scheme with knock-on effect to implementation roll-out.			
			<b>Total</b>	<b>380</b>	<b>198</b>	<b>198</b>	TAG Programme on schedule TAG Programme on schedule	31/03/2010 31/03/2011		
F&CS	ICT – Additional Staff re Transformation Projects (GPMO)		2009/10	150	198	182				
			2010/11	380	198	380				
			<b>Total</b>	<b>43</b>	<b>34</b>	<b>34</b>	Residual Lap-tops Roll out of hardware encrypted data	30/06/2009 30/09/2010		30/06/2009
F&CS	Data Encryption		2009/10	43	34	34				
			2010/11	43	34	43				
			<b>Total</b>	<b>43</b>	<b>34</b>	<b>43</b>				

PROGRESS ON NON RECURRING PIP ALLOCATIONS - 31 MARCH 2010

DIR	Item	Description	Costs				Key Milestones Delivered			
			Year	Revised Profile at 08/09 Outturn and Funding Allocations Approved by Executive During 2009/10 £000	09-10 Outturn £000	Latest Revised Profile (Outturn 09-10) £000	Milestone	By Date	Planned	Achieved
F&CS	Gypsy Sites		2009/10	206	2	2	4 * sites refurbished. Delays due to project variation mean that spend will carry over to 2010/11	31/10/2011		
			2010/11			204				
			<b>Total</b>	<b>206</b>	<b>2</b>	<b>206</b>				
F&CS	STIC - Corporate Infrastructure, including Project Team		2009/10	504	267	267	Core infrastructure products in place. Central scanning bureau in place.	30/04/2009	Good progress made in implementing the core system infrastructure. Building work for the scanning bureau completed. Commissioning to be carried out in Q1 of 2010/11.	
			2010/11	323		560				
			2011/12	510		510	Use for Directorate applications in line with plans	Ongoing		
			<b>Total</b>	<b>1337</b>	<b>267</b>	<b>1337</b>				
F&CS	STIC - 2012/13 Provision		2011/12	525		525				
			<b>Total</b>	<b>525</b>	<b>0</b>	<b>525</b>				
F&CS	STIC - 2013/14 Provision		2011/12	295		295				
			<b>Total</b>	<b>295</b>	<b>0</b>	<b>295</b>				
F&CS	WAN Allocations		2009/10	2000	2000	2000	MLL/Nynet transition completed	31/12/2009		31/12/2009
			2010/11	600		600				
			2011/12	400		400				
			2012/13	200		200				
			<b>Total</b>	<b>3200</b>	<b>2000</b>	<b>3200</b>				
Corporate	BOS @ County Hall, Northallerton		2009/10	51	51	51	Payroll/HR re-occupied	30/08/2009		30/08/2009
	(* funded from Capital £2.3m)		2010/11	1,450		1,450	South Block re-occupied	30/06/2010		
			<b>Total</b>	<b>1,501</b>	<b>51</b>	<b>1,501</b>				
Corporate	BOS - Skipton		2009/10	500	0	0	Delays by developer in refurbishment of Belle Vue offices mean that spend will carry over to 2010/11 and 2011/12.	30/06/2011		
			2010/11	0		375				
			2011/12	0		125				
			<b>Total</b>	<b>500</b>	<b>0</b>	<b>500</b>				
Corporate	BOS - Harrogate		2010/11	1,205		1,205				
			<b>Total</b>	<b>1,205</b>	<b>0</b>	<b>1,205</b>				



PROGRESS ON NON RECURRING PIP ALLOCATIONS - 31 MARCH 2010

Item	Costs				Key Milestones Delivered			
	Year	Revised Profile at 08/09 Outturn and Funding Allocations Approved by Executive During 2009/10 £000	09-10 Outturn £000	Latest Revised Profile (Outturn 09-10) £000	Milestone	Planned	By Date	Achieved
Overall Financial Position	Year	Revised Profile * (Outturn 08-09) £000	09/10 Outturn £'000	Revised Profile (Outturn 09-10) £000	Variance £000			
	2009/10	8,859	6,532	6,532	-2,327			
	2010/11	12,431	0	14,313	1,882			
	2011/12	12,198	0	12,625	427			
	2012/13	846	0	864	18			
Total	34,334	6,532	34,334	0				
Memo - *Breakdown of Revised Profile at end of 2008/09:	Year	Initial 09/10 Budget Allocation £000	Underspend Carry Forward from 08/09 £000	Revised Profile * (Outturn 08-09) £000				
	2009/10	8,525	334	8,859				
	2010/11	12,402	29	12,431				
	2011/12	12,198	0	12,198				
	2012/13	846	0	846				
Total	33,971	363	34,334					

## GENERAL WORKING BALANCE

(1) STATEMENT OF REVENUE BALANCES	£000s	£000s	£000s
<b>Balance at 31 March 2009</b>			<b>21688</b>
<b>Movement in 2009/10</b>			
Net revenue spend			-340359
Funding Income			
Revenue support grant		18626	
Share of national Business Rates Pool		80697	
Precept income from Districts for 2009/10		237046	
Precept income - previous years arrears		-129	
<b>Balance at 31 March 2010</b>			<b>17569</b>

(2) ANALYSIS OF REVENUE BALANCES BETWEEN	Earmarked	GWB	Total
<b>Balance as at 31 March 2009</b>	<b>9121</b>	<b>12567</b>	<b>21688</b>
<b>Movement in 2009/10</b>			
utilisation in 2009/10 budget		-2500	-2500
net underspend 2008/09 carried forward to 2009/10	-9121		-9121
2009/10 underspend / overspend	10175	-2673	7502
	<b>1054</b>	<b>-5173</b>	<b>-4119</b>
<b>Balance at 31 March 2010</b>	<b>10175</b>	<b>7394</b>	<b>17569</b>

(3) GENERAL WORKING BALANCE	Q3	% of net rev bud	Outturn	% of net rev bud	2% target
<b>Balance at 31 March 2009</b>					
Actual Balances 31 March 2009	21688		21688		
2008/09 net underspendings rolled forward	-9121		-9121		
= free working balance at 31 March 2008	<b>12567</b>	3.9%	<b>12567</b>	<b>3.9%</b>	
<b>Agreed Contribution to balance 2009/10 budget</b>	-2500		-2500		
<b>2009/10 Transactions impacting on the GWE</b>					
Residual balance of JE Fund	344		308		
Corporate Miscellaneous					
Net Treasury Management savings	1237		1469		
Inflation clawback from Directorate budgets	2720		2720		
LABGI Income	287		287		
PIP to fund BES Yorwaste dividend shortfall			498		
Other Corporate Miscellaneous	-196		371		
Contribution to Winter Maintenance Reserve	-1000		-1000		
Contribution to BES Flooding costs	-170		-170		
Contribution to Emergency Highways repairs	-1000		-1000		
Directorate overspends written off					
CYPS			-1637		
BES (2,170 winter + 498 Yorwaste Dividend)			-2668		
ACS			-1776		
CEG			-75		
Provision at Q 3 for such overspends	-4600				
= balance at 31 March 2010 (MTFS was 7,747)	<b>7689</b>	2.3%	<b>7394</b>	<b>2.2%</b>	<b>6,720</b>
<b>2010/11 (MTFS Year 1)</b>					
Contribution to / from budget	0		0		
= forecast at 31 March 2011 (MTFS was 7,747)	<b>7689</b>	2.2%	<b>7394</b>	<b>2.1%</b>	<b>7,000</b>
<b>2011/12 (MTFS Year 2)</b>					
Contribution to / from budget	0		0		
= forecast at 31 March 2012 (MTFS was 7,747)	<b>7689</b>	2.2%	<b>7394</b>	<b>2.1%</b>	<b>7,040</b>
<b>2012/13 (MTFS Year 3)</b>					
Contribution to / from budget	0		0		
= forecast at 31 March 2013 (MTFS was 7,747)	<b>7689</b>	2.2%	<b>7394</b>	<b>2.1%</b>	<b>7,090</b>

**RESERVES and BALANCES  
2009/10 OUTTURN**

Reserve	Actual 31st March 2009 £000s	+ / - in 2009/10 £000s	Actual 31st March 2010 £000s	Forecast reported to Exec Feb 10 £000s	Comments
<b>WORKING BALANCES</b>					
<b>Retained for Service Use</b>					
Children & Young People's	306	390	696	0	
Adult & Community	175	295	470	0	
Business & Environment	740	225	965	0	
Chief Executive	1,098	-242	856	181	
Finance & Central Services	3,566	657	4,223	311	£10,175k net underspend in 2009/10 carried forward to 2010/11 and consists mainly of savings to assist in 2010/11 and subsequent years budgets, planned savings to support developmental initiatives in 2010/11 and spending planned for 2009/10 being deferred until 2010/11 for a variety of reasons including committed but unspent PIP allocations totalling £2,328k.
Corporate Miscellaneous	3,236	-271	2,965	1,310	
<b>Sub Total</b>	<b>9,121</b>	<b>1,054</b>	<b>10,175</b>	<b>1,802</b>	
<b>General Working Balances</b>	12,567	-5,173	7,394	7,747	MTFS target is to maintain to 2% of net revenue spending - £7,394k is 2.2% although marginally below the £7.7m earlier forecast
<b>Total Working Balances</b>	<b>21,688</b>	<b>-4,119</b>	<b>17,569</b>	<b>9,549</b>	
<b>Reserves of Trading and Service Units</b>					
FMS	62	-32	30	24	In-year trading deficit to return the cumulative balance to break-even for financial services provided to school
Contents Insurance	217	175	392	300	Anticipated real-terms increase in premiums to support preventative measures in line with actuarial and insurance service advice
Insurance Services to Schools	-23	130	107	106	Surplus arising from claims history but returning to a break-even position in 2010/11
IT Trading	-28	88	60	-24	Balance of ICT trading with schools. In-year surplus taken into account in subsequent years
Health & Safety Training	13	11	24	13	Accumulated surplus of providing a Health & Safety service to Schools
Quality and Improvement	333	-73	260	242	Traded Advisory/CPD service to schools
Outdoor Education	391	-187	204	329	Accumulated position (surplus / deficit) of the trading operation of the Outdoor Education Service
Professional Clerking	41	14	55	25	Accumulated surplus of providing Professional Clerking services to Schools
Staff Absence Insurance	550	0	550	550	Surplus from staff absence scheme. Balance reflects actuarial assumptions
School Balances (LMS Reserves)	18,380	334	18,714	16,426	Unallocated ISB previously shown in LMS Reserve is now included in Schools Block DSG Reserve
School Premises	-454	200	-254	-208	Self-funded reserve for Schools premises repairs from delegated Budgets. Surplus/ deficit carried forward
Adult Learning	-607	362	-245	-657	Phased reduction of Adult Learning deficit to return the cumulative balance to a break-even position by 2012/13
Catering	274	499	773	0	Balance of resources from operating a School Meals Service. Surplus taken into account in subsequent years to meet underlying operational deficit
School Library Service	65	-69	-4	0	Accumulated position of the trading operation
Building Cleaning	327	311	638	388	Accumulated surplus of providing Building Cleaning and Caretaking Services to schools and other NYCC establishments. Fund to be utilised for purchase of equipment etc
Grounds Maintenance	27	39	66	42	Accumulated position of the trading operation. Increase in 09/10 due to one off sale of equipment
Print Unit	200	-29	171	32	Fund will be used to fund equipment in 2010/11 and future years
CYPS - HR Service	24	2	26	22	Accumulated position of the traded operation to be utilised in 2010/11
<b>Sub Total</b>	<b>19,792</b>	<b>1,775</b>	<b>21,567</b>	<b>17,610</b>	

**RESERVES and BALANCES  
2009/10 OUTTURN**

Reserve	Actual 31st March 2009 £000s	+ / - in 2009/10 £000s	Actual 31st March 2010 £000s	Forecast reported to Exec Feb 10 £000s	Comments
<b>Retained for Specific Initiatives</b>					
Asbestos	80	-80	0	60	Provision to support removal and/or containment of asbestos in school kitchens
Teachers Severance	1,600	898	2,498	1,840	To meet annual severance payments following Teachers losing access to early pensions in 1996
SEN	1,230	824	2,054	2,765	Phased implementation of the SEN & Behaviour review - revenue and capital elements
Children's Centre	718	-461	257	478	Utilisation of reserve in line with phased spending on Children's Centres
Schools Block / DSG	9,628	-115	9,513	10,540	Balance of earmarked Schools Block resources for multiple programmes
Management Information System (Catering)	20	0	20	20	Anticipated reserve closure by March 2011 given expected web-based module purchase for MIS
Building Schools for the future	0	110	110	100	To meet the pump-priming costs of preparing NYCC for entry into the Building Schools for the Future programme
Benefits	0	10	10	0	To meet the cost of higher education for looked after children
High Needs Prevention	0	380	380	0	To strengthen the strategic capacity, co-ordination of the LDD strategy, including development of cross-cutting service
Learning Difficulties & Disabilities	0	395	395	0	developments particularly around transition support and early support arrangements
Continuing Education / Transitional Funding	668	0	668	668	Provision for phased transfer of student responsibilities
Gas Ventilation	1,720	-1,720	0	1,300	Health & Safety requirements to invest significant resources on ventilation in boiler houses and school kitchens
16-19 Transfer (Machinery of Govt)	420	-7	413	420	To meet the strategic capacity for the phased transfer of responsibilities from the LSC for 16-19
Winter Maintenance	250	-250	0	0	Due to expenditure required on the winter service during 2009/10 the available reserve was fully utilised
Highways - Traffic Signals	420	-132	288	10	This reserve funds essential maintenance works to traffic signals identified in a risk assessment review
Local Development Framework / Minerals Core Strategy	0	457	457	150	This reserve funds work required to produce the LDF/Minerals Core strategy in line with new Government Guidelines. Total estimated cost is £579k and hence a further £122k funding must be identified; this is reflected in the planned movement for 2012/13 where the closing balance of £93k represents the required expenditure in 2013/14 to complete this activity
BES Directorate Initiatives and Transformation	0	977	977	762	The BES directorate has a number of initiatives and transformation projects for which this reserve has been established to fund. TI movements on the reserve reflect the projected profile of expenditure on this programme
Selby Swing Bridge	0	400	400	424	A reserve is being built up to meet future structural maintenance requirements of the Selby Swing Bridge which has become the responsibility of the County Council as part of the Highways Agency detrunking programme
Proceeds of Crime Act	0	122	122	0	This reserve relates to income received by the County Council under the Home Office incentive scheme for fraud cases involving Trading Standards as defined in the Proceeds of Crime Act; the reserve is earmarked for future expenditure on such cases, including any required enhancements, and coverage for exit costs should the incentive scheme be withdrawn
Yorkshire Dales & Harrogate Tourism Partnership	0	25	25	0	This reserve reflects the surplus from the previous tourism partnership contract less the 2009/10 deficit and is earmarked for future activities of the partnership. Future years forecast of the utilisation of this reserve will be reported when available
YDHTP Accountable Body	0	26	26	0	This reserve is earmarked to fund any exit costs related to the YDHTP that would be born by the County Council in its role as Accountable Body
Job Evaluation / Equal Pay Costs	345	-345	0	0	Fully utilised in 2009/10
Boilers and Kitchens	435	-35	400	185	Will be fully utilised in 2010/11
Area Based Grant (ABG)	4,485	-134	4,351	2,000	Technical reserve to comply with ABG accounting requirements. Represents unspent ABG allocations in 2009/10 reflected within Directorate Accounts
LAA Performance Reward Grant	0	4,118	4,118	1,700	Reflects PRG relating to audited interim PRG claim. There is likely to be approx. £12m PRG earned overall, depending on performance against stretch targets
Insurance Reserve	9,557	-143	9,414	10,000	Required for potential liability and motor claims. £3m contribution to PIP in 2010/11 as agreed during 2010/11 revenue budget / 2010/13 MTFS process
ICT - Future Development	1,102	-464	638	639	Reflects a number of areas where Directorates make funding contributions to ICT items purchased on a cyclical basis. The mechanism will continue to be required
BDM / Ceased Contractors Reserve	202	12	214	102	Reserve to meet costs arising from defects in property works undertaken by BDM or contractors that have ceased to operate. This reserve will continue to be required in the medium term
<b>Sub Total</b>	<b>32,880</b>	<b>4,868</b>	<b>37,748</b>	<b>34,163</b>	
<b>Total Earmarked Reserves</b>	<b>52,672</b>	<b>6,643</b>	<b>59,315</b>	<b>51,773</b>	
<b>TOTAL RESERVES</b>	<b>74,360</b>	<b>2,524</b>	<b>76,884</b>	<b>61,322</b>	



## ADULT AND COMMUNITY SERVICES

## 2009/10 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
<b>GROSS EXPENDITURE</b>					
Maintaining Fabric / Facilities of Properties	640	571	454	117 CR	Slippage in the early stages of the Fire Precautions works but now back on track and programme will be completed within original schedule. In addition new framework agreement has led to cost reductions on remedial works.
"Our Future Lives" Extra Care Scheme	595	389	324	65 CR	Lower costs of extra care implementation team plus only minor spend on Easingwold footpath scheme until final decision on most appropriate scheme
"Our Future Lives" Older People Resource	305	215	214	1 CR	
"Valuing People" Day Service Provision	1,866	-	-	-	
Crosshills Library & Information Centre	306	320	325	4	
Kirbymoorside Library & Information Centre	137	210	177	32 CR	Access ramp/door still to be completed
Catterick Library & Information Centre	131	166	180	13	
Harrrogate Library - Lottery Scheme	2,011	1,892	1,900	8	
Helmsley / Eastfield CRC	-	-	16 CR	16 CR	Lower final costs
Pending Issue Provision Allocations: Libraries - RFID Schemes	294	294	296	2	
Library in a Box schemes	50	45	8	37 CR	Delay in completing licence agreements for additional premises
IT infrastructure	317	376	159	217 CR	Decisions on further developments (e.g. practitioner portal) delayed until Adult Integrated Solution is fully bedded in
Mental Health Supported Expenditure	495	-	-	-	
Disability Respite Centre, Skipton	950	64	92	28	Phasing of fees in 2009/10 higher than in Plan
<b>TOTAL GROSS SPEND</b>	<b>8,097</b>	<b>4,542</b>	<b>4,112</b>	<b>430 CR</b>	

## ADULT AND COMMUNITY SERVICES

## 2009/10 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
<b>GRANTS AND CONTRIBUTIONS</b>					
Capital Grants					
- Adult Social Care IT Infrastructure	317 CR	376 CR	159 CR	217	Grant figure reflecting actual levels of spend
- Dept of Health Grants - Mental Health	182 CR	182 CR	182 CR	-	
- Dept of Health Grants - Social Care	315 CR	315 CR	315 CR	-	
Capital Contributions					
- Harrogate Library - Lottery Scheme	750 CR	738 CR	738 CR	-	
Revenue Contributions					
- Library Schemes (PIP Funding)	344 CR	339 CR	304 CR	35	Funding figure reflecting actual levels of spend
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>1,908 CR</b>	<b>1,950 CR</b>	<b>1,698 CR</b>	<b>252</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>6,189</b>	<b>2,592</b>	<b>2,414</b>	<b>178 CR</b>	

BUSINESS AND ENVIRONMENTAL SERVICES

2009/10 CAPITAL BUDGET - OUTFURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
<b>GROSS EXPENDITURE</b>					
New and Replacement Road Lighting	3,400	3,400	3,138	262 CR	Weather conditions led to a delay of 4 weeks during the final quarter. This was coupled with lower output due to issues with the contractor. Both of these items also had the impact of restricting ability to catch-up on delays to the programme that occurred in the earlier part of the year when there was a strike within the regional electric company from which jointer capacity is seconded to the programme.
Rationalisation of Depots	4,711	3,082	2,668	414 CR	A new contractor had to be appointed on the Richmond scheme due to the previous contractor going out of business - this led to slippage of £135k. Delays were also experienced on the Whitby site due to difficulties in relation to utility services, which amounted to £319k.
Waste Management Service	1,672	1,144	789	354 CR	The purchase of the West Harrogate site was completed on 31 March and therefore works of £232k did not take place in 2009/10 as expected. Works cost totalling £63k on the Sherburn-in-Elmet and Catterick Bridge sites will take place in 2010/11 - budgets for this work was contained in the Capital Forecast at Quarter 3 pending finalising the profile of works.
Waste Procurement Project	-	16	15	1 CR	
Advance Design Fees	10	10	10	-	
Scarborough Integrated Transport Scheme	522	984	978	6 CR	
Reighton A165 Bypass	-	348	377	29	
Local Transport Plan - Integrated Transport	8,835	8,306	6,392	1,914 CR	The final quarter of the year has effectively been lost due to the severe winter weather conditions experienced. Schemes have not been undertaken due to the inability to access the network, the focus of capacity on the immediate priority of undertaking emergency revenue works and the reprioritisation exercise designed to identify schemes to remove from the programme to release necessary funding to contribute to the cost of repairing the network. The total cost estimate of this work is in excess of £25m and is highly likely to rise as the full extent of damage continues to emerge. Further details are provided in paragraphs 9.36 (i) of this report
- Maintenance	22,497	26,991	21,126	5,866 CR	The same comments apply here as for the Integrated Transport programme noted above. In addition £2.6m of this gross cost variance is because an element of the detrunking programme was included in the Q3 Capital Forecast in error at Q3; the works will commence in 2010/11 and are funded from ring fenced grant, which will also be carried forward into 2010/11; the net impact on the capital budget for 2009/10 is therefore nil.
- Regional Funding Allocation	-	3,120	2,006	1,114 CR	A significant element of the slippage on this programme was caused by the weather conditions experienced. This programme is fully grant funded and that will be rolled forward into future years to match against the expenditure as it is incurred.



**BUSINESS AND ENVIRONMENTAL SERVICES**

**2009/10 CAPITAL BUDGET - OUTTURN POSITION**

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
Economic Development Unit Grants	-	263	207	55 CR	
- Renaissance Market Towns	-	230	232	3	
- Access to Opportunities	-	5	-	5 CR	
Other Minor Schemes	-	-	-	-	
<b>TOTAL GROSS SPEND</b>	<b>41,648</b>	<b>47,897</b>	<b>37,939</b>	<b>9,958 CR</b>	
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>					
Capital Grants					
- Transport Supplementary Grant	3,138 CR	2 CR	-	2	
- Local Transport Plan Grant	-	6,618 CR	5,006 CR	1,612	Variance reflects carrying forward grants in line with revised expenditure profiles
- Local Transport Plan Detrunking Grant	-	2,963 CR	56 CR	2,908	Ringfenced grant was included in the Q3 report in error, with associated programme of works commencing in 2010/11
- Waste Capital Grants	1,428 CR	874 CR	552 CR	322	} Variance reflects carrying forward grants in line with revised expenditure profiles
- Specific Road Safety Grant	435 CR	598 CR	489 CR	109	
- Economic Development Unit Grants	-	492 CR	440 CR	52	
Capital Contributions					
- Rationalisation of Highways Depots	-	215 CR	40 CR	175	Variance reflects carrying forward funding in line with revised expenditure profiles
- Structural Maintenance of Roads	-	-	1 CR	1 CR	
- ITBP	-	130 CR	202 CR	73 CR	
Revenue Contributions					
- Rationalisation of Highways Depots	-	394 CR	494 CR	100 CR	Additional contribution from earmarked budget for design fees
- Local Transport Plan	-	1,446 CR	1,598 CR	152 CR	Variance reflects additional contributions in relation to rural safety schemes
- Waste Management Service	245 CR	270 CR	237 CR	33	
- PIP for Road Lighting	1,500 CR	1,500 CR	1,500 CR	0	
- Other Revenue Contributions	800 CR	364 CR	363 CR	1	
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>7,546 CR</b>	<b>15,866 CR</b>	<b>10,978 CR</b>	<b>4,888</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>34,102</b>	<b>32,031</b>	<b>26,961</b>	<b>5,070 CR</b>	

## CHILDREN AND YOUNG PEOPLES SERVICE

## 2009/10 CAPITAL BUDGET - OUTFURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
<b>GROSS EXPENDITURE</b>					
<b>NYCC Managed Schemes</b>	1,443	299	306	7	
Major Capital Schemes at Schools Suitable for Purpose	3,031	3,906	4,323	416	School led Schemes at Harrogate Grammar and Ripon College were completed ahead of schedule in 2009/10, resulting in spend being brought forward from 2010/11.
Special Educational Needs/Behaviour Review	1,741	1,101	968	133 CR	This covers a number of schemes of which the main contributor to the variance was the tender for the Ermsay scheme coming in lower than the original estimate by £87k. The remaining variance of £46.5k has arisen from some minor delays to the programme and will be slipped to 2010/11.
Pupil Referral Units/Special Schools	2,479	1,453	6,579	5,126	The acquisition of a site at Forest Moor from Targeted Capital Grant for £5m for the re-provision of a special school was successfully completed on 31st March 2010, slightly earlier than expected bringing the spend forward from 2010/11.
School Capacity - Numbers Lead Accommodation	932	507	453	54 CR	The project at Whitley & Eggborough comprised a two phase project; the development of the children's centre was prioritised over a two classroom extension in order to maximise the use of time limited grant by 31st March 2011. Spend has slipped slightly due to planning delays but completion will still be achieved by the grant deadline.
Health and Safety	2,154	2,270	2,279	9	The variance relates to the infrastructure budget where surveys were carried out in anticipation of works, but the budget has been retained to meet commitments on other urgent works in 2010/11.
Other Block Sums	272	474	416	58 CR	The programme has benefited during 2009/10 from tenders coming in under the estimated price, however a number of suitability schemes have been identified that will need this additional funding in 2010/11.
Allocations to Programmes	2,850	-	-	-	
14-19 Rural Development Targeted Capital	810	155	276	121	A scheme at Settle College has progressed ahead of schedule in 2009/10.
Primary Capital Programme	500	1,145	1,014	131 CR	Four schemes are progressing well and are expected to start on site in the Summer of 2010. The variance relates to design fees and surveys costs incurred in 2009/10 where there has been slippage to 2010/11.
Minor Works	956	669	524	146 CR	The variance arises from slippage on Youth projects, where delays have been incurred to ensure that a robust strategy is in place for the development of Youth facilities. The spend is fully committed in 2010/11.
Capitalised Repairs and Maintenance	3,705	1,650	1,574	76 CR	This is a two year programme of maintenance projects in schools from 2009 to 2011. More of the spend will be incurred during 2010/11 than originally envisaged as Jacobs have waited for the County's framework contracts to be in place to deliver the schemes.
General Provisions	1,079	535	651	116	The gas ventilation is programme which experienced delays in 2008/09 is progressing well in 2009/10 and as each scheme is completed old and obsolete equipment is replaced. Expenditure on equipment has been higher in 2009/10 as it has been incurred earlier than expected.
Schools Access Initiative	1,579	672	702	30	
Grant-Funded Provisions:					
- Surestart - Extended Schools	1,190	1,567	1,459	108 CR	Spend for the Le Cateau Children's Centre has been funded from Children's Centre Grant in 2009/10 to maximise the use of this time-limited grant. The Extended Schools Grant will be used in 2010/11 including an additional project that can now be delivered by this programme of works.
- Childrens Centre Capital - Phase 2 & 3	6,310	3,873	3,363	510 CR	Delays have arisen due to planning requirements for phase 3 Children's Centres (including bat surveys which can only be undertaken between May to August and access issues arising from trees).

## CHILDREN AND YOUNG PEOPLES SERVICE

## 2009/10 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
- Early Years Settings	4,287	2,500	1,506	994 CR	The grant-funded purchase of ICT software and equipment for early years providers has been deferred until 2010/11.
- Aiming High for Disabled Children	758	439	359	80 CR	East Bamby and The Ghyll schemes were delayed due to bad weather conditions in 2009/10.
- Building Schools for the Future	8,430	8,913	9,625	712	The Phase 1 Sixth Form Centre and Sports Hall are now in use. Phase 2 is progressing well with higher than anticipated spend occurring in March 2010, brought forward from 2010/11. Completion of the overall project is expected in January 2012.
- ICT Harnessing Technology	5,374	7,500	6,609	891 CR	The phased introduction of NYNET into schools was slower than anticipated during 2009/10, resulting in lower expenditure. This grant will be utilised in 2010/11.
Other Schemes	3,238	2,397	1,981	416 CR	Kitchen and Dining Facilities Grant was received late, which has led to delays in developing the programme which is expected to commence in July 2010. Also, the development of other integrated children's systems have been delayed and expenditure is being slipped into 2010/11.
<b>Schools Managed Schemes</b>					
Devolved Capital	9,390	9,002	9,669	667	Schools received advance funding of 40% from 2010/11 in 2009/10 this has resulted in expenditure being higher than anticipated.
Self Help Schemes	8,236	8,911	10,700	1,789	Capital Expenditure was higher than anticipated which is being funded from private income raised by schools and school revenue contributions
Other Schemes	661	976	598	378 CR	Several small schemes relating to schools causing concern, outdoor education centres and special schools are being progressed and are expected to be delivered in 2010/11
<b>TOTAL GROSS SPEND</b>	<b>71,405</b>	<b>60,914</b>	<b>65,932</b>	<b>5,018</b>	
<b>GRANTS AND CONTRIBUTIONS</b>					
<b>NYCC MANAGED SCHEMES</b>					
<b>Capital Grants</b>					
-Devolved Capital	1,689 CR	1,569 CR	1,409 CR	160	Modernisation grant allocation for 2009/10 was fully utilised. However the DCSF would not allow a capital debtor for projects completed ahead of time in 2009/10.
-NDS Modernisation - Primary/Secondary Grant	6,007 CR	3,997 CR	3,653 CR	344	
-0-19 Capital Funding	1,000 CR	1,000 CR	1,000 CR	-	Delays have arisen due to planning requirements for phase 3 Children's Centres (including bat surveys which can only be undertaken between May to August and access issues arising from trees). Grant is being carried forward to 2010/11 as agreed with the DCSF.
-Childrens Centre Capital Grant - Phase 3	5,461 CR	3,717 CR	3,211 CR	506	The Phase 1 Sixth Form Centre and Sports Hall are now in use. Phase 2 is progressing well with higher than anticipated spend occurring in March 2010, which resulted in utilising more grant in 2009/10.
-Building Schools for the Future Grant	8,320 CR	8,051 CR	8,757 CR	707 CR	
-Primary Capital Programme Grant	500 CR	1,145 CR	1,014 CR	131	
-Targeted Capital Fund	2,000 CR	1,077 CR	6,062 CR	4,986 CR	The acquisition of a site at Forest Moor from Targeted Capital Grant for £5m for the re-provision of a special school was successfully completed on 31st March 2010, slightly earlier than expected. The DCSF has confirmed this can be funded by a provision of a capital debtor in 2009/10, as the grant income will be received in 2010/11.
-National Digital Infrastructure/Harnessing Technology Grant	5,374 CR	5,781 CR	6,003 CR	221 CR	
-Early Years Settings Grant	4,287 CR	2,500 CR	1,506 CR	994	The grant-funded purchase of ICT software and equipment for early years providers has been deferred until 2010/11.
-Surestart Extended Schools Grant	1,070 CR	1,567 CR	1,459 CR	108	
-Other	2,364 CR	2,063 CR	1,969 CR	94	

## CHILDREN AND YOUNG PEOPLES SERVICE

## 2009/10 CAPITAL BUDGET - OVERTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
<b>Capital Contributions</b>					
-Other	1,182 CR	1,327 CR	1,463 CR	136 CR	
<b>Revenue Contributions</b>					
- R & M Budget	850 CR	478 CR	357 CR	121	
- National Digital Infrastructure/Harnessing Technology	-	957 CR	-	957	The phased introduction of NYNET into schools was slower than anticipated during 2009/10, resulting in lower expenditure. This revenue contribution will be utilised in 2010/11.
- Other	3,550 CR	2,730 CR	3,128 CR	398 CR	
<b>School Managed Schemes</b>					
Capital Grants	8,192 CR	9,568 CR	10,506 CR	938 CR	
-Devolved Capital	200 CR	548 CR	598 CR	50 CR	Schools have used more grant than anticipated in 2009/10.
- Other					
<b>Capital Contributions</b>					
-Private Contributions - Self Help	900 CR	1,244 CR	2,155 CR	912 CR	Schools have raised more private funding to finance capital projects than was expected in 09/10.
-Private Contributions - Self Help - LSC Grant	2,958 CR	3,212 CR	2,186 CR	1,026	The main reason for the variance relates to Harrogate Grammar school where the remainder of the LSE grant funding will be received in 2010/11, which is slightly later than expected.
<b>Revenue Contributions</b>					
-Revenue Contributions - School Budgets	5,500 CR	3,889 CR	5,521 CR	1,632 CR	Schools have used more revenue contributions to finance capital projects than was expected in 2009/10. As a comparison the amount was £3.4m in 2008/09.
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>61,405 CR</b>	<b>56,419 CR</b>	<b>61,957 CR</b>	<b>5,538 CR</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>10,000</b>	<b>4,495</b>	<b>3,975</b>	<b>520 CR</b>	

## OTHER COUNTY SERVICES

## 2009/10 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
<b>GROSS EXPENDITURE</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Material Damage Provision	500	250	7	243 CR	Few material damage incidents in 2009/10. Underspend will not be carried forward into 2010/11.
Public Access to Buildings for Disabled	361	120	95	25 CR	Underspend due to delays in works at Northallerton Library.
Affordable Housing Fund	1,938	577	171	406 CR	Due to late start on Tadcaster/Richmond Extra Care schemes.
Control of Legionella Bacteria in Water	195	205	48	157 CR	Underspend relates to legionella project to improve temperatures in schools due to commence in 2010
Purchase of Vehicles, Plant & Equip	800	400	68	332 CR	Little spend against this block provision due to lack of take up by Directorates. Underspend will not be carried forward into 2010/11.
North Yorkshire House - Car Parking	16	16	16	-	
Telephone Contact Centre	221	74	50	24 CR	
Wide Area Network	80 CR	-	-	-	
Carbon Reduction Initiative	160	110	127	17	
Travellers' Sites	495	20	-	20 CR	
Northallerton Bright Office Strategy	2,300	2,551	2,658	107	The Northallerton scheme is progressing quicker than anticipated. The overspend will be carried forward and recovered in 2010/11.
Skipton Bright Office Strategy	500	-	2	2	
Richmond Bright Office Strategy	-	221	36	185 CR	Two month project due to commence in February 2010 delayed by one month
Revenue-Funded Capital Provisions:	-	345	168	177 CR	Main spend on the implementation of the central scanning bureau. A review of the capital requirement for remaining aspects of the current programme will be dealt with at Q1
- STIC - ICT Equipment	-	345	168	177 CR	
- ICT Infrastructure (FCS)	1,000	583	742	159	Titan resilience work originally planned for 2010/11 carried out in 2009/10
- SDT Refresh (all Directorates)	500	529	428	101 CR	Due to timing of replacement PC's
- Corporate Accommodation Schemes	100	243	82	161 CR	Delays in various projects has led to expenditure being incurred later than anticipated
- White Rose House Alterations	-	47	77	30	
- Farms Improvement Scheme	269	150	16	134 CR	Delay in specification work requirement in relation to slurry storage at farms in nitrate sensitive zones
- Ventilation Scheme	350	712	741	29	
Safer Stronger Communities Fund	175	175	175	-	
Loans to Limited Companies etc.	1,100	1,914	200	1,714 CR	NYNET loan balance at 31 March 2010 of £4.8m much lower than anticipated.
Other Schemes and Provisions	-	-	3	3	
<b>TOTAL GROSS SPEND</b>	<b>10,900</b>	<b>9,241</b>	<b>5,910</b>	<b>3,331 CR</b>	

## OTHER COUNTY SERVICES

## 2009/10 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
<b>GRANTS AND CONTRIBUTIONS</b>					
Capital Grants	175 CR	175 CR	175 CR	-	
- Safer Stronger Communities Fund	345 CR	20 CR	-	20	Grant carried forward in line with revised expenditure profile.
- Travellers Sites Grant					
Capital Contributions	-	-	14 CR	14 CR	
- Material Damage Contributions					
Revenue Contributions	160 CR	110 CR	127 CR	17 CR	
- Carbon Reduction Initiative	69 CR	-	-	-	
- Telephone Contact Centre	150 CR	-	-	-	
- Travellers Sites	-	51 CR	51 CR	-	
- Northallerton Bright Office Strategy	500 CR	-	-	-	
- Skipton Bright Office Strategy	2,219 CR	2,609 CR	2,254 CR	355	Funding carried forward in line with revised expenditure profile.
- Capital Expenditure Funded from Revenue					
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>3,618 CR</b>	<b>2,965 CR</b>	<b>2,621 CR</b>	<b>344</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>7,282</b>	<b>6,276</b>	<b>3,289</b>	<b>2,987 CR</b>	

FINANCING OF CAPITAL EXPENDITURE IN 2009/10

	Original Plan to Exec 17/02/09 £000s	Latest Plan to Exec 23/02/10 £000s	Year End Outturn £000s	
<b>Borrowing</b>				
Supported Borrowing Approvals				
Education Single Capital Pot	9,388	9,388	9,388	Year end outturn position remains unchanged
Highways LTP	27,208	27,208	27,208	Year end outturn position remains unchanged
Social Services approvals	54	54	54	Year end outturn position remains unchanged
Unsupported Borrowing agreed by CC	11,193	11,709	11,120	Year end variation is vehicles (-332) & Material damage (-257)
Re-phased borrowing re slippage etc	-3,047	-7,478	-16,881	Year end variation (-9.4m) is ner under c/fwd less receipts slippage etc
= total capital borrowing requirement	44,796	40,881	30,889	
Surplus capital resources etc	-2,071	-637	-593	Reduces in year borrowing requirement
= adjusted borrowing requirement	42,725	40,244	30,296	
<b>Capital Grants &amp; Contributions</b>				
Directorate				
BES Waste Grant	1,428	874	552	Expenditure programme has slipped into 2010/11
BES LTP Grant	3,138	9,582	5,062	Expenditure programme has slipped into 2010/11
BES other grants & contribs.	435	1,437	1,173	Expenditure programme has slipped into 2010/11
CYPS Devolved schools grant	9,881	11,136	11,915	Additional funding made available to schools from 2010/11
CYPS Nat. Digital Infrastructure Grant	5,374	5,781	6,003	Expenditure programme has slipped into 2010/11
CYPS Primary Capital programme grant	500	1,145	1,014	
Modernisation programme grant	6,007	3,997	3,653	Allocation fully utilised, but unable to bring ringfenced grant forward
Building Schools for the future	8,320	8,051	8,757	Expenditure higher than anticipated in 2009/10
CYPS Targeted Capital Fund	2,000	1,529	6,538	Additional grant utilised in early acquisition of Forest Moor
CYPS Early Years settings	4,287	2,500	1,506	Expenditure programme has slipped into 2010/11
CYPS 0-19 Capital Funding	1,000	1,000	1,000	
CYPS Surestart	1,069	1,567	1,459	
CYPS Childrens Centre	5,461	3,716	3,211	Planning delays led to reduced expenditure, grant carried forward to 10/11
CYPS Self Help schemes contributions	3,858	4,456	4,341	
CYPS other grants and contribs.	3,748	3,486	3,554	
A & CS grants & contribs.	1,564	1,610	1,394	Expenditure programme has slipped into 2010/11
Other County Serv. grants & contribs.	520	195	189	Expenditure programme has slipped into 2010/11
	58,590	62,062	61,321	
Year end Financing arrangements				
LAA PRG			2,059	50% of interim grant has to be used for capital purposes
	58,590	62,062	63,380	
<b>Financed from Revenue</b>				
Directorate Revenue contributions				
BES LTP Maintenance	0	646	646	
BES Streetlighting (PIP)	1,500	1,500	1,500	
BES Footways (PIP)	800	800	800	
BES other	245	1,028	1,246	Additional contribution for depots design fees
CYPS School self help rev. contribs.	5,500	3,889	5,521	School contributions to capital projects higher than anticipated
CYPS National Digital Infrastructure	0	957	0	Reflects additional grant funding utilised.
CYPS capitalised structural R and M	850	478	357	
CYPS Other	3,550	2,730	3,127	Expenditure higher than anticipated on revenue funded schemes
ACS - various	344	339	304	
Other County Serv. - various schemes	3,098	2,770	2,432	Expenditure programme has slipped into 2010/11
ICT revenue financing adjustment	-616	-26	-26	Financing reduced in line with expenditure in 2009/10
sub total	15,271	15,111	15,907	
Year End Financing arrangements				
LAA PRG Grant financing adjustment			-2,059	Financing adjustment to transfer capital PRG into a revenue reserve
BES contrib. in lieu of cap receipts			804	Revenue contribution to compensate for earmarked capital receipts shortfall
	15,271	15,111	14,652	
<b>Available capital receipts</b>				
Sales of properties and land				
County Farms receipts	3,350	3,373	2,962	Slippage of receipts into 2009/10
Depots Rationalisation programme	5,416	700	700	Earmarked for Depots programme
Other receipts	5,198	1,103	960	Combination of slippage into 2010/11, new receipts and reduced values
sub total	13,964	5,176	4,622	
Company Loan repayments	1,500	0	943	NYNet loan reduced from 5,785 to 4,842. Treated as a capital receipt
	15,464	5,176	5,565	
Brought forward from 2008/09	0	0	0	No unapplied receipts brought forward from 2008/09
Carried forward to 2010/11	0	0	0	All receipts utilised in 2009/10
	15,464	5,176	5,565	
<b>Total Expenditure to be financed</b>	<b>132,050</b>	<b>122,593</b>	<b>113,893</b>	

# APPENDIX 3.1

## APPENDIX 1

### Further proposed amendments to Constitution 2010

July 2010

Where amendments are suggested to only part of a paragraph, only the relevant part is replicated in the amendment chart below.

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Article 4 – The Full Council</p> <p>Article 4.01</p>	<p><b>4.01 Meanings</b></p> <p>(a) <b>Policy Framework:</b> The policy framework means the following plans and strategies:-</p> <ul style="list-style-type: none"> <li>▪ Community Safety Strategy</li> <li>▪ Local Transport Plan</li> <li>▪ Plans and strategies which together comprise the Development Plan</li> <li>▪ Sustainable Community Strategy</li> <li>▪ Youth Justice Plan (Youth Offending Team Plan)</li> <li>▪ Council's Corporate Plan (aka the Council Plan)</li> <li>▪ Food Law Enforcement Service Plan</li> <li>▪ Admissions Policy for Community and Voluntary Schools</li> <li>▪ Asset Management Planning Framework</li> <li>▪ Asset Management Framework: Our Overall Approach to Property</li> <li>▪ Behaviour Support Plan</li> <li>▪ Children and Young People's Plan</li> <li>▪ Communications Strategy</li> <li>▪ Community Transport Strategy</li> <li>▪ Compact with the Third Sector</li> <li>▪ Corporate Procurement Strategy</li> </ul>	<p><b>4.01 Meanings</b></p> <p>(a) <b>Policy Framework:</b> The policy framework means the following plans and strategies:-</p> <ul style="list-style-type: none"> <li>▪ Community Safety Strategy</li> <li>▪ Local Transport Plan</li> <li>▪ Plans and strategies which together comprise the Development Plan</li> <li>▪ Sustainable Community Strategy</li> <li>▪ Youth Justice Plan (Youth Offending Team Plan)</li> <li>▪ Council's Corporate Plan (aka the Council Plan)</li> <li>▪ Food Law Enforcement Service Plan</li> <li>▪ Admissions Policy for Community and Voluntary Schools</li> <li>▪ Asset Management Planning Framework</li> <li>▪ Asset Management Framework: Our Overall Approach to Property</li> <li>▪ Behaviour Support Plan</li> <li>▪ Children and Young People's Plan</li> <li>▪ Communications Strategy</li> <li>▪ Community Transport Strategy</li> <li>▪ Compact with the Third Sector</li> <li>▪ Corporate Procurement Strategy</li> </ul>	<p>To update the Policies contained in the Policy Framework</p>



Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
	<ul style="list-style-type: none"> <li>▪ Corporate Risk Management Strategy</li> <li>▪ Definitive Map Modification Orders (including Guidance note for Members re DMMOs) - Policy</li> <li>▪ E-Government Strategy</li> <li>▪ Education Capital Local Policy Statement</li> <li>▪ Equality and Diversity Policy</li> <li>▪ Household Waste Recycling Centre Policies</li> <li>▪ Infant Class Size Plan</li> <li>▪ Learning Disability Plan 2005/08</li> <li>▪ “lets talk less rubbish” (Revised Joint Municipal Waste Strategy)</li> <li>▪ LMS Formula</li> <li>▪ Local Cultural Strategy</li> <li>▪ Mental Health Policy for Working Age Adults 2006-11</li> <li>▪ North Yorkshire Children’s Trust Governance Arrangements</li> <li>▪ Obstructions on Public Rights of Way – Policy on removal</li> <li>▪ OFSTED Post Inspection Action Plan</li> <li>▪ “Our Future Lives” (Strategy for Older People)</li> <li>▪ Physical Disability Strategy</li> <li>▪ Rights of Way Improvement Plan</li> <li>▪ Signing Policy for Tourist Destinations</li> <li>▪ Small Schools Policy Statement</li> <li>▪ Special Educational Needs Policy</li> <li>▪ Special Educational Needs Strategy</li> <li>▪ Supporting People Five Year Strategy</li> <li>▪ Sustainable Development Policy Statement</li> <li>▪ Treasury Management Policy and Strategy</li> <li>▪ Winter Maintenance of Highways - Policy</li> <li>▪ “95 Alive” Road Safety Strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate Risk Management Strategy</li> <li>▪ Definitive Map Modification Orders (including Guidance note for Members re DMMOs) - Policy</li> <li>▪ E-Government Strategy</li> <li>▪ Education Capital Local Policy Statement</li> <li>▪ Equality and Diversity Policy</li> <li>▪ Household Waste Recycling Centre Policies</li> <li>▪ Infant Class Size Plan</li> <li>▪ Learning Disability Plan 2005/08</li> <li>▪ “lets talk less rubbish” (Revised Joint Municipal Waste Strategy)</li> <li>▪ LMS Formula</li> <li>▪ Local Cultural Strategy</li> <li>▪ Mental Health Policy for Working Age Adults 2006-11</li> <li>▪ North Yorkshire Children’s Trust Governance Arrangements</li> <li>▪ Obstructions on Public Rights of Way – Policy on removal</li> <li>▪ OFSTED Post Inspection Action Plan</li> <li>▪ “Our Future Lives” (Strategy for Older People)</li> <li>▪ Physical Disability Strategy</li> <li>▪ Rights of Way Improvement Plan</li> <li>▪ Signing Policy for Tourist Destinations</li> <li>▪ Small Schools Policy Statement</li> <li>▪ Special Educational Needs Policy</li> <li>▪ Special Educational Needs Strategy</li> <li>▪ Supporting People Five Year Strategy</li> <li>▪ Sustainable Development Policy Statement</li> <li>▪ Treasury Management Policy and Strategy</li> <li>▪ Winter Maintenance of Highways - Policy</li> <li>▪ “95 Alive” Road Safety Strategy</li> <li>▪ New Look, No Shush! – Library and Information Services Strategy 2008 - 2023</li> </ul>	

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Article 4 – The Full Council</p>	<p><b>4.02 Functions of the Full Council</b></p> <p>.... (rest of text to stay same) ....</p> <p>(b) adopting the policy framework and the budget;</p> <p>.... (rest of text to stay same until) ....</p> <p>(i) through the Chief Officers Appointments Committee, making the appointment of the Chief Executive Officer (Head of Paid Service), and other Chief Officers;</p> <p>.... (rest of text to stay same) ....</p>	<p><b>4.02 Functions of the Full Council</b></p> <p>.... (rest of text to stay same) ....</p> <p>(b) adopting the policy framework and the budget;</p> <p>.... (rest of text to stay same until) ....</p> <p>(i) through the Chief Officers Appointments and Disciplinary Committee, making the appointment of the Chief Executive Officer (Head of Paid Service), and other Chief Officers;</p> <p>.... (rest of text to stay same) ....</p>	<p>Nomenclature: to amend the name of the Chief Officers Appointments Committee to the Chief Officers Appointments and Disciplinary Committee - see later suggested amendments arising out of the adoption of the Chief Executive Officer's Disciplinary Policy.</p>
<p>Article 13 – Decision Making</p> <p>Article 13.03 Types of Decision</p>	<p><b>13.03 Types of Decision</b></p> <p>(a) Decisions reserved to full Council. Decisions relating to the functions listed in Article 4.02 will be made by the full Council and not delegated.</p> <p>(b) Key decisions.</p> <p>(i) A key decision means a decision made in connection with the discharge of a function which is the responsibility of the Executive and which is likely:</p> <ul style="list-style-type: none"> <li>◆ to result in the Council incurring expenditure, or making savings, which are significant having regard to the Council's budget for the service or function to which the decision relates; or</li> </ul>	<p><b>13.03 Types of Decision</b></p> <p>(a) Decisions reserved to full Council. Decisions relating to the functions listed in Article 4.02 will be made by the full Council and not delegated.</p> <p>(b) Key decisions.</p> <p>(i) A key decision means a decision made in connection with the discharge of a function which is the responsibility of the Executive and which is likely:</p> <ul style="list-style-type: none"> <li>• to result in the Council incurring expenditure, or making savings, which are significant having regard to the Council's budget for the service or function to which the decision relates; or</li> </ul>	<p>To amend the financial threshold for key decisions.</p> <p>The designation of a decision as a key decision is important in that it seeks to ensure the transparency of decision making, particularly in relation to decisions which have significant implications for the Council and the area. It also requires a statutory procedure to be followed before and after the decision is made, involving:</p> <ul style="list-style-type: none"> <li>• inclusion on the Forward Plan,</li> <li>• notice of the decision being made,</li> <li>• the publication of a decision record with prescribed contents.</li> </ul> <p>It is important to set the financial</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
	<p>◆ to be significant in terms of its effects on more than one community.</p> <p>(ii) For the purposes of (i) above, savings or expenditure are significant if they are equal to or greater than £100,000 or 5% of the gross expenditure of the relevant Division of Service (as referred to in the Financial Procedure Rules relating to virement) whichever is the less.</p> <p>.....</p>	<ul style="list-style-type: none"> <li>• to be significant in terms of its effects on more than one community.</li> <li>(ii) For the purposes of (i) above, savings or expenditure are significant if they are equal to or greater than £500,000 or 20% of the gross expenditure of the relevant budget service area (as explained in the Financial Procedure Rules relating to virement), whichever is the less, but does not include: <ul style="list-style-type: none"> <li>• a decision taken for the purpose of implementing an earlier key decision;</li> <li>• a decision concerning a bid for funding;</li> <li>• a decision taken on expenditure within budget approved by Council on items necessary for normal operational service delivery.</li> </ul> </li> <li>(iii) A decision maker may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of this Constitution.</li> </ul>	<p>threshold proportionately to the circumstances of the authority involved, to secure appropriate transparency whilst avoiding unduly burdensome procedural requirements which can cause delay and inefficiency if the level is too low. The current level of £100,000 is very low compared to other authorities of a similar size, and given the number of high value transactions the Council undertakes. The amendment seeks to align the threshold with a level commonly used in similar Councils.</p>
<p>Part 3 Responsibility for Functions Contents page - Schedule 1 entry</p>	<p>Council Committees, their membership and their powers:</p> <ul style="list-style-type: none"> <li>◆ Planning and Regulatory Functions Committee</li> <li>◆ Standards Committee</li> <li>◆ Audit Committee</li> <li>◆ Appeals Committee</li> <li>◆ Employment Appeals Committee</li> <li>◆ Chief Officers Appointments Committee</li> </ul>	<p>Council Committees, their membership and their powers:</p> <ul style="list-style-type: none"> <li>◆ Planning and Regulatory Functions Committee</li> <li>◆ Standards Committee</li> <li>◆ Audit Committee</li> <li>◆ Appeals Committee</li> <li>◆ Employment Appeals Committee</li> <li>◆ Chief Officers Appointments and</li> </ul>	<p>Nomenclature: to amend the name of the 'Chief Officers Appointments Committee' to the 'Chief Officers Appointments and Disciplinary Committee' - see later suggested amendments arising out of the adoption of the Chief Executive Officer's Disciplinary Policy.</p>

Provision in Constitution	Current Wording	d Amendment	Reason(s)
Part 3 Responsibility for Functions 1. General 1.2	<ul style="list-style-type: none"> <li>◆ Pension Fund Committee</li> <li>◆ Area Committees</li> <li>◆ Governors Committee</li> </ul> <p>1.2 Functions which are the responsibility of full Council may be delegated to a committee, (including an area committee), a sub-committee, an Officer or another local authority.</p>	<ul style="list-style-type: none"> <li>◆ Disciplinary Committee</li> <li>◆ Pension Fund Committee</li> <li>◆ Area Committees</li> <li>◆ Governors Committee</li> </ul> <p>1.2 Functions which are the responsibility of full Council may be delegated to a committee, (including an area committee), a sub-committee, an Officer or another local authority, or to a member of the Council (to the extent that the function is exercisable in relation to the electoral division for which the member is elected), and in accordance with arrangements made by the Council.</p>	<p>To reflect the power to enable individual members to undertake functions affecting their division under arrangements by full Council, or arrangements by the Leader in the case of Executive functions, under Section 236 Local Government and Housing Act 2007.</p>
Part 3 Responsibility for Functions 1. General 1.3	<p>1.3 Functions which are the responsibility of the Executive may be discharged by the Leader or allocated by him/her to the Executive, a committee of the Executive, an individual member of the Executive, or an Officer. Executive functions may also be delegated to an area committee or another local authority or its executive, or joint arrangements entered into, in accordance with the relevant statutory requirements.</p>	<p>1.3 Functions which are the responsibility of the Executive may be discharged by the Leader or allocated by him/her to the Executive, a committee of the Executive, or an individual member of the Executive, or an Officer. Executive functions may also be delegated to an area committee, to a member of the authority under arrangements made by the Leader (to the extent that the function is exercisable in relation to the electoral division for which the member is elected), or another local authority or its executive, or joint arrangements entered into, in accordance with the relevant statutory requirements.</p>	<p>To reflect the power to enable individual members to undertake functions affecting their division under arrangements by full Council, or arrangements by the Leader in the case of Executive functions, under Section 236 Local Government and Housing Act 2007.</p>
Part 3 Responsibility	<p>2.7 Appointment of Chief Officers is dealt with by the Chief Officers Appointments Committee,</p>	<p>2.7 Appointment of Chief Officers is dealt with by the Chief Officers Appointments and</p>	<p>Nomenclature: to amend the name of the 'Chief Officers Appointments Committee'</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
for Functions 2. Functions of the Full Council	as set out in Schedule 1 and appointment of other staff is dealt with as set out in the Staff Employment Procedure Rules.	Disciplinary Committee, as set out in Schedule 1 and appointment of other staff is dealt with as set out in the Staff Employment Procedure Rules.	to the 'Chief Officers Appointments and Disciplinary Committee' - see later suggested amendments arising out of the adoption of the Chief Executive Officer's Disciplinary Policy.
Part 3 Responsibility for Functions  <b>5. DELEGATION OF FUNCTIONS BY THE COUNCIL</b>	<b>5.1</b> The Council delegates to the Planning and Regulatory Functions Committee, the Standards Committee, the Audit Committee, the Appeals Committee, the Chief Officers Appointments Committee, the Pension Fund Committee and the Governors Committee the powers set out as the delegated powers of those committees in Article 9.03 and Part 3 of this Constitution.	<b>5.1</b> The Council delegates to the Planning and Regulatory Functions Committee, the Standards Committee, the Audit Committee, the Appeals Committee, the Chief Officers Appointments Committee, the Pension Fund Committee and the Governors Committee the powers set out as the delegated powers of those committees in Article 9.03 and Part 3 of this Constitution.	To update the name of the 'Chief Officers Appointments Committee' to the 'Chief Officers Appointments and Disciplinary Committee' - see later suggested amendments arising out of the adoption of the Chief Executive Officer's Disciplinary Policy.
Part 3 Responsibility for Functions  Schedule 1  Contents page/list of committees	6. Chief Officers Appointments Committee	6. Chief Officers Appointments and Disciplinary Committee	Nomenclature: to amend the name of the 'Chief Officers Appointments Committee' to the 'Chief Officers Appointments and Disciplinary Committee' - see later suggested amendments arising out of the adoption of the Chief Executive Officer's Disciplinary Policy.
Part 3 Responsibility for Functions  Schedule 1  Appeals	<b>CONSERVATIVE</b>  1. TINDALL, Herbert 2. ARNOLD, Val 3. ARTHUR, Karl 4. BATT, John	<b>CONSERVATIVE</b>  1. TINDALL, Herbert 2. ARNOLD, Val 3. ARTHUR, Karl 4. BATT, John 5.	To enable the appointment of an increased number of substitutes to increase flexibility.

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Committee membership list 2. Substitute Members table		6.	
Part 3 Responsibility for Functions Schedule 1 Appeals Committee membership list 2. Substitute Members table	<b>LIBERAL DEMOCRAT</b>  1. 2. 3. 4.	<b>LIBERAL DEMOCRAT</b>  1. 2. 3. 4. 5. 6.	To enable the appointment of an increased number of substitutes to increase flexibility.
Part 3 Responsibility for Functions Schedule 1 Appeals Committee membership list 2. Substitute Members table	<b>NY INDEPENDENT</b>  1. BLACKIE, John 2. 3. 4.	<b>NY INDEPENDENT</b>  1. BLACKIE, John 2. 3. 4. 5. 6.	To enable the appointment of an increased number of substitutes to increase flexibility.
Part 3 Responsibility for Functions			<i>Amendments being suggested via a separate report (Part B to this report) to the Executive and Council at their May meetings.</i>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Schedule 1</p> <p>Chief Officers Appointments Committee membership list and terms of reference</p>			
<p>Part 3 Responsibility for Functions</p> <p>Schedule 2 Executive Members' Delegation Scheme</p>	<p>5. To make a formal response on behalf of the County Council, following appropriate consultation, to any White Papers, Green Papers, Government Consultation Papers or other consultative document.</p>	<p>5. To make a formal response on behalf of the County Council, following appropriate consultation, to any White Papers, Green Papers, Government Consultation Papers or other consultative document where it is appropriate that the response should be a member response.</p>	<p>To enable responses at member or officer level where appropriate.</p>
<p>Executive Members' Delegation Scheme</p>	<p>6. In respect of grant or other external funding:</p> <p>(a) Following consultation with the relevant Corporate Director and the CDFCS, to authorise the submission of bids for grant or other external funding in excess of £100,000; and</p> <p>(b) Following consultation with the relevant Corporate Director, the CDFCS and the ACE(LDS) to authorise the CDFCS to accept any offer of grant or other external funding in excess of £100,000 in line with the requirements of paragraph 8.4 of the Financial Procedure Rules;</p> <p>subject, in all cases, to the implications for the Council being consistent with the budget and policy framework.</p>	<p>6. In respect of grant or other external funding:</p> <p>(a) Following consultation with the relevant Corporate Director and the CDFCS, to authorise the submission of bids for grant or other external funding in excess of £100,000; and</p> <p>(b) Following consultation with the relevant Corporate Director, the CDFCS and the ACE(LDS) to authorise the CDFCS to accept any offer of grant or other external funding in excess of £100,000 in line with the requirements of paragraph 8.4 of the Financial Procedure Rules;</p> <p>subject, in all cases, to the implications for the Council being consistent with the budget and policy framework, and subject also to the</p>	<p>Additional Clause to reflect the requirement to observe the new provisions in the Financial Procedure Rules in relation to Partnership and Accountable Body status.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Part 3 Responsibility for Functions Schedule 2 Executive Members' Delegation Scheme</p>	<p>13. After consultation with the relevant Chief Officer to determine any matter which is of such urgency that it is not practicable to refer it to the Executive for determination.</p>	<p>requirements of the Financial Procedure Rules in relation to Partnerships and Accountable Bodies at Rule 8.0 et seq.</p> <p>13. After consultation with the relevant Chief Officer to determine any Executive matter which is of such urgency that it is not practicable to refer it to the Executive for determination.</p>	<p>To clarify that Executive Members' power to act relates to executive functions.</p>
<p>Part 3 Responsibility for Functions Schedule 2 Executive Members' Delegation Scheme</p>	<p>14. The Executive Member for Corporate Services, Finance, Performance Management and Procurement (or in his/her temporary absence such other member of the Executive as he/she may nominate) has the following specific responsibilities and powers in relation to property, in accordance with the Council's Property Procedure Rules:</p> <p>a) To approve the acquisition of property (other than by lease or licence or other agreement for a rent or licence fee or other annual payment or by option) where the acquisition is £1,000,000 or less in value.</p> <p>b) To approve the acquisition of property by lease or licence or other agreement for a rent or licence fee or other annual payment where the annual rent or fee is £100,000 or less.</p>	<p>14. The Executive Member for Corporate Services, Finance, Performance Management and Procurement (or in his/her temporary absence such other member of the Executive as he/she may nominate) has the following specific responsibilities and powers in relation to property, in accordance with the Council's Property Procedure Rules:</p> <p>a) To approve the acquisition of property (other than by lease or licence or other agreement for a rent or licence fee or other annual payment or by option) where the acquisition is £1,000,000 or less in value.</p> <p>b) To approve the acquisition of property by lease or licence or other agreement for a rent or licence fee or other annual payment where the</p>	<p>Consequential amendments to reflect the proposed changes to Property Procedure Rule 8.1.4 (disposals at undervalue) set out at Appendix 3 to this report.</p>



Provision in Constitution	Current Wording	Reason(s)
	<p>c) To approve the exercise of any option within the limits set for leases in Property Procedure Rule 6.1.4(b) or the limits set for other Property Contracts in Property Procedure Rule 6.1.3(b).</p> <p>d) To approve redeployments of property (other than for disposal) not held by the Council on a lease or licence, of £1,000,000 or less in value.</p> <p>e) To approve redeployments of property (other than for disposal) held by the Council on a lease or licence where the annual rent or fee is £100,000 or less.</p> <p>f) Subject to Rule 8.1.4 of the Property Procedure Rules (disposals of property at undervalue must be approved by full Executive), to approve the disposal of property (other than by lease or licence or other agreement for a rent or licence fee or other annual payment) of £1,000,000 or less in value.</p> <p>g) Subject to Rule 8.1.4 of the Property Procedure Rules (disposals of property at undervalue must be approved by full Executive), to approve the disposal of property by lease or licence or other agreement for a rent or licence fee or other annual payment where the annual rent or fee or other annual payment is £75,000 or less</p>	<p>annual rent or fee is £100,000 or less.</p> <p>c) To approve the exercise of any option within the limits set for leases in Property Procedure Rule 6.1.4(b) or the limits set for other Property Contracts in Property Procedure Rule 6.1.3(b).</p> <p>d) To approve redeployments of property (other than for disposal) not held by the Council on a lease or licence, of £1,000,000 or less in value.</p> <p>e) To approve redeployments of property (other than for disposal) held by the Council on a lease or licence where the annual rent or fee is £100,000 or less.</p> <p>f) Subject to Rule 8.1.4 of the Property Procedure Rules (disposals of property at undervalue), to approve the disposal of property (other than by lease or licence or other agreement for a rent or licence fee or other annual payment) of £1,000,000 or less in value.</p> <p>g) Subject to Rule 8.1.4 of the Property Procedure Rules (disposals of property at undervalue), to approve the disposal of property by lease or licence or other agreement for a rent or licence fee or other annual payment where the annual rent or fee or other annual payment is £75,000 or less</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
	<p>h) To approve any release or variation of restrictive covenants up to £1,000,000 in value.</p>	<p>h) To approve any release or variation of restrictive covenants up to £1,000,000 in value.</p> <p>i) To approve disposals of property at undervalue in accordance with the maximum market values and undervalue thresholds as set out in Property Procedure Rule 8.1.4.</p>	
<p>Part 3 Responsibility for Functions  Schedule 4  Officers' Delegation Scheme  <b>1.2 The Monitoring Officer – The Assistant Chief Executive (Legal and Democratic Services)</b></p>	<p>(a) Duty to prepare a report if it appears to her that any proposal decision or omission would give rise to any contravention of law or any maladministration or injustice.</p>	<p>(a) Duty to prepare a report if it appears to her that any proposal, decision or omission has or would give rise to any contravention of law or has caused any maladministration or injustice.</p>	<p>To align the delegation to the wording of the statutory duty.</p>
<p>Part 3 Responsibility for Functions  Schedule 4</p>		<p><i>Insert a new paragraph 1.6 as set out below:</i>  <b>1.6 The Scrutiny Officer - (Head of Scrutiny and Corporate Performance)</b></p>	<p>To reflect new legislative requirements under the Local Democracy, Economic Development and Construction Act 2009 in relation to the appointment of a Scrutiny Officer and to reflect the duties of the Statutory Scrutiny Officer as</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Officers' Delegation Scheme</p> <p>A NEW paragraph 1.6</p>		<p>(Section 21 ZA Local Government Act 2000)</p> <p>(a) to promote the role of the authority's overview and scrutiny committee or committees;</p> <p>(b) to provide support to the authority's overview and scrutiny committee or committees and the members of that committee or those committees;</p> <p>(c) to provide support and guidance to—</p> <p>(i) members of the authority,</p> <p>(ii) members of the executive of the authority, and</p> <p>(iii) officers of the authority,</p> <p>in relation to the functions of the authority's overview and scrutiny committee or committees.</p>	<p>introduced by the Act.</p>
<p>Part 3 Responsibility for Functions</p> <p>Schedule 4</p> <p>Officers' Delegation Scheme</p> <p><b>2.0 General</b></p>	<p>2.1 Delegated powers are exercised in accordance with:</p> <ul style="list-style-type: none"> <li>• Any statutory restrictions;</li> <li>• the budget and policy framework set by Council, and other Council policies;</li> <li>• any financial limits set out in the revenue or capital budgets and Financial, Contract and Property Procedure Rules;</li> <li>• the Codes of Member and Officer Conduct;</li> </ul>	<p>2.1 Delegated powers are exercised in accordance with:</p> <ul style="list-style-type: none"> <li>• Any statutory requirements and restrictions;</li> <li>• the budget and policy framework set by Council, and other Council policies;</li> <li>• any financial limits and procedures set out in the revenue or capital budgets and Financial, Contract and Property Procedure Rules;</li> <li>• the Codes of Member and Officer Conduct;</li> </ul>	<p>Clarification in drafting.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
	<p>and</p> <ul style="list-style-type: none"> <li>any provision contained in this Constitution.</li> </ul>	<p>and</p> <ul style="list-style-type: none"> <li>any provision contained in this Constitution.</li> </ul>	
<p>Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme</p> <p><b>3.0 (currently 1.0 – typo) - All Chief Officers</b></p>	<p><b>1.0 All Chief Officers</b></p> <p><b>3.1</b> To manage and promote the services for which they are responsible. This includes taking and implementing decisions which help to maintain the operational effectiveness of the services within their remit and which fall within a policy decision made by the Executive or the Council. It includes all powers and duties under all legislation present and future within those descriptions and all powers and duties incidental to that legislation;</p> <p>These powers are to be exercised:</p> <ul style="list-style-type: none"> <li>in accordance with any instructions given by the Chief Executive</li> <li>within any budgets or policies approved by the Council, and not committing the Council's budget to growth for future financial years.</li> <li>in accordance with financial, contract and property procedure rules; and</li> <li>having regard to any legal advice from The Assistant Chief Executive (Legal and Democratic Services)</li> </ul>	<p><b>3.0 All Chief Officers</b></p> <p><b>3.1</b> To manage and promote the services for which they are responsible. This includes taking and implementing decisions which help to maintain the operational effectiveness of the services within their remit and which fall within a policy decision made by the Executive or the Council. It includes all powers and duties under all legislation present and future within those descriptions and all powers and duties incidental to that legislation;</p> <p>These powers are to be exercised:</p> <ul style="list-style-type: none"> <li>in accordance with any instructions given by the Chief Executive;</li> <li>within any budgets or policies approved by the Council, and not committing the Council's budget to growth for future financial years;</li> <li>in accordance with financial, contract and property procedure rules;</li> <li>having regard to any legal advice from The Assistant Chief Executive (Legal and Democratic Services); and</li> <li>in accordance with any legal requirements</li> </ul>	<p>To correct heading numbering.</p> <p>To make it explicit that Chief Officers can enter into contracts to facilitate service delivery subject to compliance with the budget and policy framework, council rules and legal requirements.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
		and restrictions.	
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme NEW paragraph 3.3		<p><i>Insert a new paragraph 3.3 as set out below:</i></p> <p><b>3.3</b> Subject to complying with the matters set out at 3.1 above, Chief Officers are authorised to enter into contracts to facilitate service delivery or to procure works, services and supplies which are incidental to service delivery.</p> <p><i>Renumber following paragraphs accordingly.</i></p>	<p>To make it explicit that Chief Officers can enter into contracts to facilitate service delivery or procure works, services and supplies incidental to service delivery. subject to compliance with the budget and policy framework, council rules and legal requirements.</p> <p>This reflects current practice and provides a specific delegation as opposed to Directors relying upon implied powers.</p>
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme Existing paragraph 3.3 (proposed new para 3.4)	<p><b>3.3</b> The delegation includes authorisation of any document including those which require the common seal of the Council to be affixed</p>	<p><b>3.4</b> The delegation includes the authorisation of any document including those which require the common seal of the Council to be affixed</p>	<p>Improvement in drafting.</p>
Part 3 Responsibility	<p><b>3.5</b> In exercising delegated powers, Officers shall consult with such other Officers as they determine appropriate and shall have regard</p>	<p><b>3.6</b> In exercising delegated powers, Chief Officers shall consult with such other Officers as they determine appropriate and shall have</p>	<p>Clarification in drafting.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>for Functions</p> <p>Schedule 4</p> <p>Officers' Delegation Scheme</p> <p>Existing paragraph 3.5 (proposed new para 3.6)</p>	<p>to any advice given.</p>	<p>regard to any advice given.</p>	
<p>Part 3</p> <p>Responsibility for Functions</p> <p>Schedule 4</p> <p>Officers' Delegation Scheme</p> <p>Existing paragraph 3.7 (proposed new para 3.8)</p>	<p><b>3.7</b> Chief Officers are authorised to take any action with respect to the recruitment, appointment, promotion, training, grading, discipline, authorisation of senior managers to determine appeals against dismissal under the Council's Attendance Management Policy (in consultation with a member drawn from the Appeals Committee and an HR adviser), determination of wages and salary scales, determination and application of conditions of service, and determination of the establishment of the Business Unit which they manage, subject to the Corporate Director - Financial and Central Services being satisfied that adequate provision is made in the budget of the Business Unit and to the Assistant Chief Executive (Human Resources and Organisational Development) raising no objection to proposals affecting the grading, determination of wages and salary scales, or determination and application of conditions of service.</p>	<p><b>3.8</b> Chief Officers are authorised to take any action with respect to the:</p> <p>(a) recruitment, appointment, promotion, training, grading and discipline of staff;</p> <p>(b) the authorisation of senior managers to determine appeals against dismissal under the Council's Attendance Management Policy (in consultation with a member drawn from the Appeals Committee and an HR adviser);</p> <p>(c) the determination of wages and salary scales, determination and application of conditions of service, and determination of the establishment of the Business Unit which they manage, subject to the Corporate Director - Financial and Central Services being satisfied that adequate provision is made in the budget of the Business Unit and to the Assistant Chief Executive (Human Resources and Organisational Development) raising no objection to proposals affecting the grading, determination of wages and salary scales, or determination and</p>	<p>Clarification in drafting.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme NEW paragraph 3.9		<p>application of conditions of service.</p> <p><i>Insert new paragraph 3.9 after existing 3.8 as follows:</i></p> <p><b>3.9</b> To make a formal response on behalf of the County Council, following appropriate consultation, to any White Papers, Green Papers, Government Consultation Papers or other consultative document, where it is appropriate that the response should be an officer response. Chief Officers should firstly consult the relevant Portfolio Holder(s) in order to determine whether an officer or Member response is most appropriate.</p>	<p>New power to enable Chief Officers to respond to consultation papers where it is appropriate that the response should be an officer response. There is a similar power in the Executive Members' Delegation Scheme for Executive Members to respond where that is appropriate.</p> <p>Consultation should take place at the outset between the relevant Chief Officer and Portfolio Holder in order to determine who should respond.</p>
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme NEW paragraphs 3.10 and 3.11		<p><i>Insert new paragraph 3.10 and 3.11 after new 3.9 as follows:</i></p> <p><b>3.10</b> To accept the terms and conditions and governance documentation for a Partnership agreement in respect of a partnership involving the County Council, subject to Rule X (<i>to be numbered</i>) of the Financial Procedure Rules, to the implications for the Council of this Partnership being consistent with the Budget and Policy Framework, and subject to the approval of the partnership by the Executive where .</p> <p>a) it is considered to be high risk under the County Council's Partnership Governance Risk Assessment Framework</p>	<p>To enable Directors to agree arrangements for Accountable Body status, and partnerships, to ensure proper terms and conditions, and governance arrangements, and to ensure Executive involvement in respect of potentially high risk, or high value arrangements.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
		<p>and/or</p> <p>b) the annual financial contribution to the partnership exceeds £100k.</p> <p>and/or</p> <p>c) the County Council intends to apply for a grant or other external funding which will exceed £100k over the term of that funding, and for which the County Council intends to act as Accountable Body.</p> <p>3.11 To accept the terms and conditions of an Accountable Body agreement in respect of a partnership involving the County Council, subject to Rule Y (<i>to be numbered</i>) of the Financial Procedure Rules and in respect of grants and other external funding, to Clause 4.5(o) of this Delegation Scheme, and subject to the implications for the Council of this Accountable Body status being consistent with the Budget and Policy Framework.</p>	
<p>Part 3 Responsibility for Functions</p> <p>Schedule 4 Officers' Delegation Scheme</p> <p>4 – Specific</p>	<p><u>To the Corporate Director – Children and Young People's Service</u></p>	<p><i>Heading number needs to be inserted as follows:</i></p> <p><b><u>4.2 To the Corporate Director – Children and Young People's Service</u></b></p> <p><i>Numbering of sub-paragraphs setting out specific delegations requires amendment as goes away after (e).</i></p>	<p>Formatting and clarification purposes.</p>



Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Delegations 4.2			
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme 4 – Specific Delegations NEW Paragraph 4.3 (g)	<u>To the Corporate Director – Adult and Community Services</u>	(g) To act as accountable officer for the Joint Strategic Needs Assessment, pursuant to the Council's responsibilities set out in Section 116 Local Government and Public Involvement in Health Act 2007.	This amendment is associated with the Council's duty to undertake a Joint Strategic Needs Assessment under Section 116 Local Government and Public Involvement in Health Act 2007.
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme 4 – Specific Delegations	<u>4.4 To the Corporate Director – Business and Environmental Services</u> ... (d) To exercise all functions of the Council as Highway Authority and in relation to traffic and vehicle regulation, public transport, car parking and road safety related enforcement action.	<u>4.4 To the Corporate Director – Business and Environmental Services</u> ... (d) To exercise all functions of the Council as Highway Authority including but not limited to traffic and vehicle regulation, public transport, car parking and road safety together with any related enforcement action, making and entering into agreements pursuant to the Highways Act 1980.	To make it clear that the Corporate Director Business and Environmental Services is empowered to make and enter into agreements pursuant to the Highways Act 1980.

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
4.4	<p>(e) To exercise all of the functions in relation to town and country planning and development control including those Council functions listed in Part A of Schedule 1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (including any necessary enforcement action where this is considered expedient).</p>	<p>(e) To exercise all of the functions in relation to town and country planning (including minerals and waste planning) and development control including those Council functions listed in Part A of Schedule 1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (including any necessary enforcement action where this is considered expedient) and also including the authority to approve or refuse planning applications where there are objections which are <i>not</i> on material planning grounds, PROVIDED ALWAYS that where the Corporate Director Business and Environmental Services is minded to refuse a planning application, he/she shall firstly consult the Chairman of the Planning and Regulatory Functions Committee before doing so. The Corporate Director Business and Environmental Services shall be authorised to determine whether an objection is on material planning grounds and shall report back to the Planning and Regulatory Functions Committee on any planning applications determined by him/her under these delegated powers.</p>	<p>To enable the Corporate Director Business and Environmental Services to determine planning applications where there are no objections, or where there are objections which are not on material planning grounds (which are the only grounds which are relevant for consideration) and to make it clear that in cases where the Director is minded to refuse the application, s/he must firstly consult the Chairman of the Planning and Regulatory Functions Committee). The Corporate Director will be authorised to determine whether an objection is on planning grounds. This amendment aims to avoid the current situation where objections are submitted to planning applications which are not on material planning grounds, necessitating matters to be brought to Planning and Regulatory Functions Committee unnecessarily. This will streamline the Committee process and enable the more efficient handling of planning applications. A consequential amendment is made to exclusion (i).</p>
Part 3 Responsibility for Functions  Schedule 4 Officers' Delegation Scheme  4 – Specific	<p>(h) Obtaining information under Section 330 of the Town and Country Planning Act 1990 and Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 preliminary to the exercise of power to make compulsory purchase orders or other purposes.</p> <p>(i) The making of agreements under Section 278 of the Highway Act 1980.</p>	<p>(h) Obtaining information under Section 330 of the Town and Country Planning Act 1990, Section 5A Acquisition of Land Act 1981 and Section 16 of the Local Government (Miscellaneous Provisions) Act 1976, and undertaking surveys pursuant to Section 15 Local Government (Miscellaneous Provisions) Act 1976, preliminary to the exercise of power to make compulsory purchase orders or other purposes.</p>	<p>To update legislative references and clarify powers in relation to requesting information.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Delegations 4.4		<p>Delete following sub-paragraph (i).</p> <p>Re-number following sub-paragraphs, then insert the following new sub-paragraph (o) at end of this section:</p> <p>(o) To exercise the Authority's functions in relation to the Planning (Hazardous Substances) Act 1990.</p>	<p>As provisions incorporated elsewhere in the specific delegations for CDBES.</p> <p>To delegate powers in relation to the planning (Hazardous) Substances Act 1990.</p>
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme 4 – Specific Delegations 4.4 A NEW delegation		<p>(p) Functions and powers related to enforcement against unlawful works on registered common land; to protect unclaimed registered common land or town and village greens, and to institute proceedings for offences in respect of unclaimed land.</p> <p>Sections 41 and 45 Commons Act 2006</p>	<p>To delegate Council functions in relation to the protection of common land, village greens and unclaimed land.</p>
Part 3 Responsibility for Functions Schedule 4 Officers' Delegation Scheme	<p><b>NOTE: The following matters are excluded from this delegation:-</b></p> <p>(i) Giving permission or consent to development where there are unresolved objections, or the development is or would be significantly inconsistent with any provision or proposal of the Development Plan.</p> <p>(ii) Authorising the making of new street byelaws</p>	<p><b>NOTE: The following matters are excluded from this delegation:-</b></p> <p>(i) Giving permission or consent to development where there are unresolved objections on material planning grounds (the issue of whether the objection is on material planning grounds shall be determined by the Corporate Director Business and Environmental Services), or where the</p>	<p>To enable the CD BES to determine planning applications where there are objections, but where the objections are not on planning grounds.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>4 – Specific Delegations</p> <p>4.4 – Note</p>	<p>and orders;</p> <p>(iii) Authorising any of the following, where objections have been received from a person entitled under the relevant statute:</p> <ul style="list-style-type: none"> <li>• Traffic regulation orders, pedestrian crossings and speed limits;</li> <li>• Stopping up or diversion of highways;</li> <li>• Creation, stopping up or diversion of public footpaths and bridleways;</li> <li>• Provision of parking places off and on the highway; and</li> <li>• Private street works</li> <li>• The creation, stopping-up, extinguishment or diversion of public footpaths and bridleways</li> </ul>	<p>development is or would be significantly inconsistent with any provision or proposal of the Development Plan;</p> <p>(ii) Authorising the making of new street byelaws and orders;</p> <p>(iii) Authorising any of the following, where objections have been received from a person entitled under the relevant statute:</p> <ul style="list-style-type: none"> <li>• Traffic regulation orders, pedestrian crossings and speed limits;</li> <li>• Stopping up or diversion of highways;</li> <li>• Creation, stopping up, extinguishment or diversion of public footpaths and bridleways;</li> <li>• Provision of parking places off and on the highway; and</li> <li>• Private street works.</li> </ul>	
<p>Part 3 Responsibility for Functions</p> <p>Schedule 4</p> <p>Officers' Delegation Scheme</p> <p>4 – Specific Delegations</p> <p>4.4 – Note</p>	<p>(vii) Approval of sub-strategies and policies to implement the SRIP;</p>	<p>Delete sub-paragraph (vii) and re-number following sub-paragraphs</p>	<p>To remove out of date reference.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Part 3 Responsibility for Functions</p> <p>Schedule 4</p> <p>Officers' Delegation Scheme</p> <p>4 – Specific Delegations</p> <p>Existing 4.6</p>	<p><b>4.6 To the Corporate Director – Finance and Central Services</b></p> <p>...</p> <p>(c) To operate the Local Government Pension Regulations 1997 including the exercise of discretions.</p>	<p><b>4.5 To the Corporate Director Finance and Central Services</b></p> <p>...</p> <p>(c) To operate the Local Government Pension Scheme Regulations 1997 (as amended), the Local Government Pension Scheme Regulations 2007/2008 (as amended), the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (as amended), the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended), and the Local Government Pension Scheme (Administration) Regulations 2008 (as amended), including the exercise of discretions.</p>	<p>To correct heading numbering.</p> <p>To update the statutory references.</p>
<p>Part 3 Responsibility for Functions</p> <p>Schedule 4</p> <p>Officers' Delegation Scheme</p> <p>4 – Specific Delegations</p>	<p><b>4.7 To The Assistant Chief Executive (Legal and Democratic Services)</b></p> <p>...</p> <p>(c) To authorise officers of the Council to represent the Council before any Court, Tribunal or Inquiry.</p> <p>....</p>	<p><b>4.6 To The Assistant Chief Executive (Legal and Democratic Services)</b></p> <p>...</p> <p>(c) To authorise officers of the Council to represent the Council before any Court, Tribunal or Inquiry and to instruct Counsel or external legal advisers to undertake legal work, advise or represent the Council.</p> <p>....</p>	<p>To correct heading numbering.</p> <p>To enable the ACELDS to instruct Counsel or external legal advisers where it is in the Council's best interests to undertake legal work, advise or represent the Council. This reflects current practice and is only applied where the in-house legal team does not have specialist expertise, in times of unusually high demand upon capacity (the service is demand led) or where the in house team</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Existing 4.7	<p>(f) To arrange temporary appointments of other Authorities' Standards Committees' Independent Members to the Standards Committee.</p>	<p>Add 'Council' in the column next to sub-paragraph (f).</p> <p>Then insert new sub-paragraph (g) as follows:</p> <p>(g) To maintain the list of politically restricted posts.</p>	<p>does not have rights of audience.</p> <p>To clarify that the function listed in sub-paragraph (f) is a non-executive function.</p> <p>To comply with the requirement in the Local Democracy, Economic Development and Construction Act 2009 to revise and maintain the list of politically restricted posts.</p>
Part 3 Responsibility for Functions  Schedule 4  Officers' Delegation Scheme  4 – Specific Delegations  Existing 4.9	<p><u>4.9 To the Assistant Chief Executive (Human Resources and Organisational Development)</u></p> <p>...</p>	<p><u>4.7 To the Assistant Chief Executive (Human Resources and Organisational Development)</u></p> <p>...</p> <p><i>All cross references will need to be checked within the Officers' Delegation Scheme, given the proposed amendment to heading numbers.</i></p>	<p>To correct heading numbering.</p>
Part 3 Responsibility for Functions	<p><u>3. LOCAL BODIES (appointments expected to be of local Member – or their nominee)</u></p> <ul style="list-style-type: none"> <li>▪ Those appointed need not be Members of the</li> </ul>	<p><u>3. LOCAL BODIES (appointee expected to be a member of the local community (but may be the local Member)</u></p>	<p>Amendments to reflect, in particular, small Educational Trusts to which Area Committees currently appoint.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Schedule 5 Appointment to Outside Bodies Section 3	<p>Council.</p> <ul style="list-style-type: none"> <li>▪ The relevant Area Committee will make the appointment.</li> <li>▪ There will be no officer support.</li> <li>▪ There will be no report back (unless the local member deems it necessary).</li> <li>▪ Expenses will not be paid by the County Council.</li> </ul>	<p><u>nominated by the local Member</u></p> <ul style="list-style-type: none"> <li>▪ The person appointed is expected to be a member of the local community, but may be the local Member.</li> <li>▪ The local Member will make a nomination to the relevant Area Committee.</li> <li>▪ The relevant Area Committee will make the appointment.</li> <li>▪ There will be no officer support.</li> <li>▪ There will be no report back (unless the local Member deems it necessary).</li> <li>▪ Any report back will be to the Corporate Director Finance and Central Services.</li> <li>▪ Expenses will not be paid by the County Council.</li> </ul> <p><b><u>NB:</u></b> <b>The following outside bodies are not Partnerships for the purpose of Partnership Governance as they do not meet the relevant criteria.</b></p>	<p>There are many small Educational Trusts listed within Part 3 of the list of Outside Bodies within the Constitution. These Educational Trusts are Registered Charities with Deeds which require the Local Educational Authority to appoint one or more Trustees. Without the County Council's appointed Trustee, Trustee Board meetings might become inquorate.</p> <p>No County Council resources are used on any of the 59 Part 3 Outside Bodies, except for the resources used in making an appointment once every four years. The Constitution says that no expenses will be paid to the appointee for attending meetings, there is no officer support, and the appointees do not need to be Members of the Council. The County Council's only role is acting as an appointing mechanism. Consequently the Part 3 Outside Bodies would not be "Partnerships" for the purposes of the Council's Partnerships Governance work.</p> <p>The suggested amendments place an emphasis on the appointee not being the local Member, clarifies that these outside bodies are not "Partnerships", and that any reports back will be to the GDFCS.</p>
Part 3 Responsibility for Functions Schedule 5 Appointment to	<p><b><u>6. INSPECTIONS OF CHILDREN'S HOMES</u></b></p> <p>Members appointed to take part in inspections of Children's Homes –</p> <p>Corporate Parenting Working Group –</p>	<p><b><u>6. INSPECTIONS OF CHILDREN'S HOMES</u></b></p> <p>Members appointed to take part in inspections of Children's Homes –</p> <p>The Looked after Children Member's Group –</p>	<p>To update the reference to Looked After Children Member's Group, to reflect the changes to the Constitution agreed by Council on 19 May 2010.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Outside Bodies Section 6			
Part 3 Responsibility for Functions Schedule 5 Appointment to Outside Bodies NEW Section 7		<p><i>Insert a new Section 7 as follows:</i></p> <p><b>7. INDEMNITIES</b></p> <p>The Council has an agreed policy in relation to the indemnification of officers and Members carrying out activities as part of their official role. Where a Member or officer is acting on behalf of another organisation then the activities covered will be deemed to have arisen in the capacity as a “member or officer of the authority” for the purposes of the Council’s Indemnity Policy for Officers and Members, where:</p> <ul style="list-style-type: none"> <li>(a) the appointment to that outside body was made by the authority; or</li> <li>(b) the nomination to that outside body was made by the authority; or</li> <li>(c) such appointment to that outside body was specifically approved for the purpose of these indemnities.</li> </ul> <p>All appointments, nominations and approvals made or given by the Council to the bodies in this Schedule or any other external bodies to which appointments, nominations and approvals are or have been made from time to time, shall be deemed to be appointments and nominations, and approvals for the</p>	<p>To ensure that all appointments are deemed to be approved appointments for the purposes of, and therefore fall within, the Council’s Indemnity Policy for Officers and Members.</p>



Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Access to Information Procedure Rules</p> <p><b>10.5 Meaning of exempt information</b></p>	<p>Exempt information means information falling within the following 7 categories (subject to any qualifications):</p> <p style="text-align: center;"><b>PART 1</b> <b>DESCRIPTIONS OF EXEMPT INFORMATION:</b> <b>ENGLAND</b></p> <ol style="list-style-type: none"> <li>1. Information relating to any individual.</li> <li>2. Information which is likely to reveal the identity of an individual.</li> <li>3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)</li> <li>4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.</li> </ol>	<p>purposes of the Indemnity Policy.</p> <p>Exempt information means information falling within the following 7 categories (subject to any qualifications):</p> <p style="text-align: center;"><b>PART 1</b> <b>DESCRIPTIONS OF EXEMPT INFORMATION:</b> <b>ENGLAND</b></p> <ol style="list-style-type: none"> <li>1. Information relating to any individual.</li> <li>2. Information which is likely to reveal the identity of an individual.</li> <li>3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)</li> <li>4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.</li> </ol>	<p>To update following changes in the governing legislation.</p> <p>The specific extension of Part 1 of Schedule 12A to the Local Government Act 1972 (which sets out the categories of exempt information) in terms of the Standards Committee and its Sub-Committee determination hearings stems from the Standards Committee (England) Regulations 2008.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
	<p>5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p> <p>6. Information which reveals that the authority proposes –</p> <p>(a) to give any enactment a notice under or by virtue of which requirements are imposed on a person; or</p> <p>(c) to make an order or direction under any enactment.</p> <p>7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.</p>	<p>5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p> <p>6. Information which reveals that the authority proposes –</p> <p>(a) to give any enactment a notice under or by virtue of which requirements are imposed on a person; or</p> <p>(c) to make an order or direction under any enactment.</p> <p>7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.</p> <p>Where a meeting of a <b>standards committee</b>, or <b>sub-committee of a standards committee</b>, is convened to consider a matter under regulations 13 or 16 to 20 of the Standards Committee (England) Regulations 2008, or referred under section 58(1)(c) of the Local Government Act 2000, the provisions of paragraphs 1 to 7 above shall apply as if, after paragraph 7, the following descriptions of exempt information were inserted:-</p> <p>7A. Information which is subject to any obligation of confidentiality.</p> <p>7B. Information which relates in any way to matters concerning national security.</p> <p>7C. Information presented to a standards committee, or to a sub-committee of a standards committee, set up to consider any matter under regulations 13 or 16 to</p>	

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Access Information Procedure Rules</p> <p>Rule 22 – RIGHTS OF MEMBERS NOT SERVING ON A BODY TO ATTEND AND SPEAK</p> <p>22 (b)</p>	<p>(b) Members have the right to attend and address, for not more than five minutes, any meeting of a formal Member level body of the Council, on any matter on the agenda for that meeting, subject to having no prejudicial interest in the matter to be discussed, and may be invited to speak again, or for a longer period, at the discretion of the Chairman of that body.</p>	<p>20 of the Standards Committee (England) Regulations 2008, or referred under section 58(1)(c) of the Local Government Act 2000.</p> <p>(b) Members have the right to attend and address, for not more than five minutes, any meeting of a formal Member level body of the Council excluding the Assessment and Review Sub-Committees of the Standards Committee, on any matter on the agenda for that meeting, subject to having no prejudicial interest in the matter to be discussed, and may be invited to speak again, or for a longer period, at the discretion of the Chairman of that body.</p>	<p>General updating amendments.</p>
<p>Access Information Procedure Rules</p> <p><b>Appendix to the Access to Information Procedure Rules</b></p> <p><b>Explanatory Note</b></p>	<p>...</p> <p>2. <i>The Planning and Regulatory Functions Committee, Area Committees, Standards Committee, Appeals Committee, Chief Officers Appointments Committee, Pension Fund Committee and the County Council.</i></p>	<p>Amend the end, italicised Note 2 of the Notes as follows:</p> <p>Notes:</p> <p>...</p> <p>2. <i>The Planning and Regulatory Functions Committee, Area Committees, Standards Committee, Audit Committee, Appeals Committee, Chief Officers Appointments and Disciplinary Committee, Pension Fund Committee and the County Council.</i></p>	<p>General updating amendments.</p>
<p>Part 4 Rules of Procedure</p>		<p><i>Insert a new Rule 22 as follows:</i></p> <p><b>22. Overview and scrutiny of Local Area Agreements (LAAs)</b></p>	<p>To reflect the provisions of the Local Government and Public Involvement in Health Act 2007 and Local Government</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Overview and Scrutiny Procedure Rules</p> <p>NEW Rule 22</p>		<p>(a) Under the Local Government and Public Involvement in Health Act 2007, North Yorkshire County Council has a statutory duty to prepare a Local Area Agreement ("LAA"), in consultation with specified partner authorities (which includes the district/borough councils) and such others as the Council may choose. County Council Overview and Scrutiny Committees may, by written notice, require relevant LAA partners (excluding health service bodies, the Police Authority and the Chief Officer of Police) to have regard to their reports and recommendations in exercising their functions.</p> <p>(b) The overview and scrutiny committees of district/borough councils in North Yorkshire may make reports and recommendations to the County Council, or its Executive, which relate to any local improvement target which:</p> <ul style="list-style-type: none"> <li>• relates to a relevant partner authority, and</li> <li>• is specified in the County Council's Local Area Agreement.</li> </ul> <p>(c) Where the report or any recommendation relates to a local improvement target that relates to the district/borough council by which the overview and scrutiny committee is established, the overview and scrutiny committee must, by notice in writing, require the County Council or the Executive:</p> <ul style="list-style-type: none"> <li>• to consider the report or recommendation;</li> <li>• to respond to the overview and</li> </ul>	<p>Act 2000 (as amended) regarding the scrutiny of the area's Local Area Agreement; and also to reflect the Local Authorities (Overview and Scrutiny Committees) (England) Regulations 2009, which broaden the role of district/borough council overview and scrutiny committees in two tier areas in relation to the scrutiny of the area's Local Area Agreement.</p>

Provision in Constitution	Current Wording	Reason(s)
		<p>scrutiny committee indicating what (if any) action the County Council proposes, or the Executive proposes, to take; and</p> <ul style="list-style-type: none"> <li>if the overview and scrutiny committee has published the report or recommendations, to publish the response;</li> </ul> <p>and to do so within a period of two months beginning with the date on which the County Council or the Executive receives the report or recommendations or (if later) the notice.</p> <p>(d) It is the duty of the County Council or the Executive, to comply with the requirements specified in the notice.</p>
<p>Financial Procedure Rules</p> <p>Incurring expenditure/collecting income</p>	<p><b>6.10</b> Any changes to the existing staffing arrangements either in terms of the number of posts and/or their grade shall be approved by the Director in consultation with the Portfolio Holder if they generate additional full year costs in excess of £50,000. Where changes involve a package of changes, or cover more than one Business Unit or other service area within a Directorate a single approval should be sought before any commitments are made. The limit, for the purposes of this Rule, shall be determined by reference to the total value of the proposal including on-costs.</p>	<p><b>6.10</b> Any changes to the existing staffing arrangements either in terms of the number of posts and/or their grade shall be approved by the Director in consultation with the Portfolio Holder if they generate additional full year costs in excess of £250,000. Where staffing changes involve a package of changes, or cover more than one Business Unit or other service area within a Directorate a single approval should be sought before any commitments are made. The limit, for the purposes of this Rule, shall be determined by reference to the total value of the proposal including on-costs.</p> <p>Under the Officers' Delegation Scheme Directors have a general power to manage and promote the services for which they are responsible including the management of human, financial and material resources. Finance Procedure Rule 6 contains additional provisions requiring consultation with portfolio holders on changes to staffing arrangements valued above a certain level. Specifically, any changes to the existing staffing arrangements either in terms of the number of posts and/or their grade can be approved by the Director, in consultation with the portfolio holder if they generate additional full year costs in excess of £50,000.</p> <p>The current financial threshold is such that it covers a large number of staff restructuring and redundancies which take place as part of the usual business</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
			<p>of managing services in a way that responds to change and ensures they are efficient and fit for purpose. Depending on individual circumstances, many individual termination or retirement scenarios will fall within this requirement. The consequence of this, given the staffing complement of North Yorkshire, is an onerous requirement on managers to involve their executive member in staff reviews which result in individual or a small number of redundancies. This threshold is disproportionately low and a higher threshold for Executive Member consultation is proposed.</p>
Financial Procedure Rules Index		<p><u>X. Partnership Arrangements</u>  <u>Y. Accountable Body Status</u></p>	<p>Inclusion of <u>new text</u> on this subject matter. Actual numbering still to be agreed.</p>
Financial Procedure Rules Grants and External Funding	<p>8.1 The necessary authorisation to submit a bid for grant or other external funding, or accept an offer of such funding, must be obtained in advance of bid documents or acceptance documents being signed.</p>	<p>Authorisation to submit a bid for grant or other external funding, or accept an offer of such funding, must be obtained in advance of bid documents or acceptance documents being signed. This includes a situation where the County Council intends to act as Accountable Body in respect of partnership funding, in which case authorisation to accept this Accountable Body status must also be obtained (See 8.5 and Rule Y).</p>	<p>The amendment includes new text to reflect a reference to scenarios where the Council acts Accountable Body in relation to partnership funding.</p>
Financial Procedure Rules	<p>8.5 New rule</p>	<p>Where the application for grant, or other external funding, is being made on behalf of a partnership, for which the County Council will take on the Accountable Body role, the Director to whom the Accountable Body role is relevant,</p>	<p>A new rule to deal with the implications of the County Council taking on Accountable Body Status and enable the relevant Director to agree the terms and conditions</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Grants and External Funding  NEW RULE		<p>in consultation with the CDFCS and the Assistant Chief Executive (Legal and Democratic Services), will agree the terms and conditions of that Accountable Body role, and sign associated documentation on behalf of the County Council.</p> <p>Previous paragraphs 8.5 and 8.6 to be renumbered to 8.6 and 8.7.</p>	of the Accountable Body role.
Financial Procedure Rules  Grants and External Funding  <u>NEW RULE</u> <u>X.(to be numbered)</u>	<u>X. Partnership Arrangements</u>	<p>X.1 Where it is intended that the County Council should enter into a partnership arrangement to further the delivery of County Council policy and/or services, governance arrangements must be agreed in principle before any commitment is made to enter in to the partnership. No partnership should be considered unless it can be demonstrated that the County Council can gain some clear benefit to the delivery of Council Plan objectives.</p> <p>X.2 The County Council's Partnership Governance risk assessment must be carried out, and for any proposed partnership that is ranked High or Medium risk under that assessment, or in all cases where the County Council's financial contribution to the partnership exceeds £50k per annum, including any grant or external funding for which the County Council would act as Accountable Body, a full assessment must be carried out using the approved Partnership Governance guidance and toolkit.</p> <p>X.3 In such cases, the Director to whom the Partnership role is relevant, in consultation with the CDFCS and the Assistant Chief Executive (Legal and Democratic Services), will agree the terms and conditions and governance documentation</p>	<p>New Rule to ensure that there is a clear framework for the Council to work in partnership with other bodies, to ensure clear benefit from any partnership arrangements, to ensure that partnership arrangements are risk assessed, that proper governance arrangements are in place, and to provide for decision making by the Executive where the implications for the Council are high in terms of finance or risk.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
		<p>for the Partnership on behalf of the County Council. This framework must be agreed by all partners.</p> <p>X.4 In all cases where the risk assessment is ranked high, or where the financial contribution exceeds £100k, the approval of the Executive is required before any partnership is entered into. This £100k should relate to the annual financial contribution to the partnership and/or, the total value of the grants or other external funding for which the County Council intends to apply and act as Accountable Body.</p> <p>X.5 For low risk/ low financial value partnerships, not covered by paragraph X.2, less formal arrangements will apply, as such partnerships are likely to be co-ordinating forums rather than delivery partnerships. In all cases, however, the relevant Director must ensure governance arrangements are in place and documented as necessary to meet the effective management requirements of the partnership.</p> <p>X.6 Unless there is explicit agreement to the contrary, which must be documented fully in the governance documents, the partnership rules will be expected to follow the Financial, Contract and Property Procedure Rules agreed by the County Council.</p> <p>X.7 In all cases, where the partnership funding includes funding through grants or other external funding, the provisions of Rule 8 of these Financial Procedure Rules will apply.</p>	



Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Financial Procedure Rules Grants and External Funding <b>NEW RULE</b> <u>Y.</u> (to be numbered)	<u>Y. Accountable Body Status</u>	<p>Y.1 Where it is intended that the County Council should act as Accountable Body for a partnership and related funding, authorisation must be obtained before entering into such an arrangement.</p> <p>Y.2 The Director to whom the Accountable Body role is relevant, in consultation with the CDFCS and the Assistant Chief Executive (Legal and Democratic Services), will agree the terms and conditions of that Accountable Body role, and sign associated documentation on behalf of the County Council.</p> <p>Y.3 Unless there is explicit agreement to the contrary, which must be documented fully in the Accountable Body agreement, the governance rules of the partnership will be expected to follow the Financial, Contract and Property Procedure Rules agreed by the County Council.</p> <p>Y.4 In all cases, where the partnership funding includes grants or other external funding, then the provisions of Rule 8 of these Financial Procedure Rules will apply, including the need to seek Member approval where required.</p>	New rule to deal with authorisation of Accountable Body Status and ensure that terms and conditions, and governance arrangements are in place..
Part 4 Rules of Procedure Staff	<b>5. Right of the Leader to object to proposed senior appointments</b> (a) This Rule applies* to: (see list of posts covered on page 248)	<b>5. Right of the Leader to object to proposed senior appointments</b> (a) This Rule applies* to:	Under the Local Authority (Standing Orders) (England) Regulations 2001, the Leader has the right to object, on behalf of the Executive, to proposed

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
<p>Employment Procedure Rules</p> <p>Rule 5</p>	<ul style="list-style-type: none"> <li>all Chief Officers including the Chief Executive Officer;</li> <li>all Business Unit Heads;</li> <li>all staff (other than those undertaking purely clerical secretarial and support services) who report directly to The Assistant Chief Executive (Legal and Democratic Services)' Assistant Chief Executive (Legal and Democratic Services) Head of Personnel Services Head of Corporate Policy and Performance or the Catering DSO manager.</li> </ul>	<ul style="list-style-type: none"> <li>all Chief Officers including the Chief Executive Officer and all Corporate Directors;</li> <li>all Assistant Chief Executives;</li> <li>the Staff Officer to the Chief Executive Officer;</li> <li>all staff (other than those undertaking purely clerical secretarial and support services) who report directly to the Corporate Directors, the Assistant Chief Executives and Staff Officer to the Chief Executive Officer.</li> </ul> <p>...</p> <p><i>Remove the italicised list of posts which are subject to the right of the Leader to object to proposed appointments/dismissals (after paragraph 9).</i></p>	<p>appointments or dismissals in respect of certain posts (Head of Paid Service, Statutory Chief Officers, Non-Statutory Chief Officers and Deputy Chief Officers).</p> <p>Anyone who is directly responsible to the Head of Paid Service is, by definition for these purposes, a Chief Officer, and anyone directly responsible to a Chief Officer is a Deputy Chief Officer (excluding admin/clerical staff).</p> <p>The legislation is written in a very prescriptive way which means that a large number of NYCC posts are covered by these provisions. A list of the affected posts was therefore included in the Constitution. It is therefore proposed to remove the list from the Constitution, along with all references to it, to save having to repeatedly amend the Constitution in this respect each time there are structure changes.</p>
<p>Part 5 Codes and Protocols</p> <p>Guidance for Councillors and Officers on Outside Bodies</p> <p>Para 2.3 (b)</p>	<p>2.3 Your responsibilities will depend on the type of body in which you become involved. The main types are as follows:</p> <p>...</p> <p><b>b)</b> <b>Charities:</b> Some companies and unincorporated associations are also charities. To be a charity, it must have charitable objectives. As a charity, it gains relief from corporation tax, VAT and business rates, but is subject to stricter</p>	<p>2.3 Your responsibilities will depend on the type of body in which you become involved. The main types are as follows:</p> <p>...</p> <p><b>b)</b> <b>Charities:</b> Some companies and unincorporated associations are also charities. To be a charity, they must be established for charitable purposes only and are subject to stricter regulation by the</p>	<p>To clarify the provisions in relation to charities and their tax treatment. As currently drafted, paragraph 2.3(b) could be wrongly interpreted to mean that there is a blanket exemption for charities from VAT and business rates.</p> <p>The amendment makes it clear that charities do pay tax unless exempt and that VAT rules also apply to them.</p>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
	<p>regulation by the Charity Commissioners, to ensure that it is properly managed and that it is spending its money properly on the charitable objects.</p>	<p>Charity Commission, to ensure that they are properly managed and that their resources are used properly on the relevant charitable objects. Charities may carry on trading activities which contribute directly to the furtherance of their charitable objects or where the purpose is to raise funds for the charity which do not involve significant risk. Although charities may qualify for a number of tax exemptions and reliefs on income, gains, and on profits for some activities, charities do pay tax on trading profits and on some charity income unless specifically exempt. Additionally VAT rules apply as they do for any other business if the charity has business activities however, the charity may qualify for certain VAT reliefs and exemptions.</p>	
<p>Whole Constitution</p>			<p>Consequential amendments to the Constitution are required, arising out of the changes to the number of overview and scrutiny committee arrangements agreed in principle by Council at its May meeting, which were specifically to take effect from the July Council meeting, when replacement Overview and Scrutiny Committees are to be established and appointed.</p> <p>The amendments will</p> <ul style="list-style-type: none"> <li>- reflect the change to five Committees,</li> <li>- delete references to Transport &amp; Telecommunications, Economic Development &amp; Regeneration, Environment &amp; Heritage Overview and</li> </ul>

Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
			<p>Scrutiny Committees Corporate Affairs and Safe and Sustainable Overview and Scrutiny Committees</p> <ul style="list-style-type: none"> <li>- add reference to the Transport, Economy and Environment Committee and the Corporate and Partnerships Committee</li> <li>- set out the terms of reference of the Committees.</li> </ul>

## APPENDIX 3. 2

### EXAMPLES OF LOCAL AUTHORITY KEY DECISION FINANCIAL THRESHOLDS

<b>LOCAL AUTHORITY</b>	<b>£</b>
Buckinghamshire	500,000
Cambridgeshire	500,000
Cheshire West and Chester	1,000,000
Cornwall	500,000
Cumbria	250,000
Darlington	-
Derbyshire	500,000
Devon	-
Dorset	100,000
Durham	1,000,000
East Riding	500,000
Gloucestershire	140,000
Hampshire	1,000,000
Herefordshire	500,000
Hertfordshire	500,000
Kent	-
Lancashire	1,200,000
Leicestershire	-
Lincolnshire	500,000
Middlesbrough	75,000
Northamptonshire	100,000
Northumberland	-
Nottinghamshire	-
NYCC	100,000
Oxfordshire	500,000
Rutland	-
Shropshire	140,000
Stockton Borough Council	100,000
Suffolk	500,000
Surrey	1,000,000
Warwickshire	500,000
West Sussex	500,000

April 2010 (Revised June 2010)

## Property Procedure Rules

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[10. Compulsory Purchase and Compensation](#)

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~~[11. Exceptions to Property Procedure Rules](#)~~

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These Rules constitute the Council's Standing Orders in relation to property contracts and the redeployment of property.

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### 1.0 INTERPRETATION

1.1 These terms will have the following meanings in the Property Procedure Rules:-

**ACE(LDS)** The Assistant Chief Executive (Legal and Democratic Services)

**Acquisition** The acquisition of Property by the Council by whatever means, including:

- an option for a purchase or a lease
- a new lease for a **P**roperty previously leased in (a lease renewal), including an option to renew contained in an existing lease
- a Co-habitation Arrangement with another organisation in a non-Council Property
- the surrender or assignment of a lease to the Council, including the operation of a break clause

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but excluding:

- a mortgage of **P**roperty owned by a third party in favour of the Council
- **a licence with a term of no more than one year and at a fee of no more than £10,000**

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**Co-habitation Arrangement**

An arrangement with a third party to use space in a Council **P**roperty or for the Council to use space in a third party's **P**roperty without a lease or licence or the payment of a rent or fee, but normally with payments for a share of running costs. This often relates to space shared by cross-organisation teams.

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**Council** North Yorkshire County Council

**CDFCS** The Corporate Director- Finance and Central Services

**Director** A Corporate Director of the Council including the Chief Executive Officer for the purposes of his group

**Disposal** The disposal of Property by the Council by whatever means, including

- the surrender or assignment of a lease by the Council including the operation of a break clause

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- a Co-habitation Arrangement with another organisation in a Council Property
- the grant of a licence of all or part of a Property to a third party

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but excluding

- the granting of a mortgage in respect of Property owned by the Council
- a licence with a term of no more than one year and at a fee of no more than £10,000

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Licence  
from a third party

An agreement for the non-exclusive use of property owned by a third party. This is usually limited by hours of operation or by sharing occupation.

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Deleted: An arrangement for use of part or all of a Property for specific hours on specific days on the hirer's standard terms, whether or not a payment is made and whether or not it is documented (eg 10:00 to 12:00 every Wednesday for a payment of £50 secured by signing a hiring form)

Licence  
to a third party

An agreement for use of Council owned property by a third party. This is usually limited by hours of operation or by sharing occupation.

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**Officer**

A Council employee or other authorised agent

**Property**

Any estate or interest in land and/or buildings

**Property Contract**

A contract relating to Property including (but not limited to) transfers, leases, options, easements, (except easements for highway drainage granted under, or as a consequence of an agreement made under Section 38 (adoption of new highways) or Section 278 (development of existing highways) or the Highways Act 1980)<sup>1</sup> tenancy agreements, licences, and variations and releases from restrictive covenants, user rights granted under local government reorganisation arrangements and wayleaves, but excluding those contracts entered into by school governing bodies under their delegated powers.

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Deleted: An arrangement for the use of part or all of a Council Property by a third party on a regular basis, whether or not a payment is made and for which a lease or a licence does not exist

**Redeployment**

The re-allocation of a Property by the Council for a purpose different to that for which it has hitherto been used including to disposal.

**Surveyor**

A professionally qualified surveyor or valuer employed or otherwise retained by the Council to provide expert advice on Property Contracts

**Tenderer**

A person who has expressed an interest in tendering for a Property Contract or who has tendered for a Property Contract

<sup>1</sup> As approved by Audit Committee December 2009.

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1.2 References in these Rules to:-

- (a) any legislation (e.g. Act of Parliament, Statutory Instrument, EU Directive) include a reference to any amendment or re-enactment of such legislation;
- (b) the singular include the plural and vice versa;
- (c) the masculine include the feminine and vice versa;
- (d) Directors, the CDFCS and the ACE(LDS) shall be taken to include such Officers as are designated by them to undertake the duties and responsibilities set out in these Rules.

1.3 References in **Rules 6.1, 7.2 and 8.1** to values for the purpose of the approvals which are necessary for Acquisitions, Disposals and Redeployments of Property are to the values estimated at the time the approval is given; any such approval is not invalidated by the fact that the actual Acquisition or Disposal figure differs from the estimated figure. The value of any transaction shall be taken to be the Surveyor's opinion as to the open market value as between willing parties.

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1.4 Where these Rules refer to approvals being sought or given for the Acquisition, Disposal or Redeployment of Property, such approval may relate to one particular Property or to a particular description or class of Property; but where it relates to more than one Property, the value shall be calculated as the aggregate value of all of the Property of that description or class.

**1.5 Key Principles of Property Procedure Rules**

1.5.1 Subject only to the exception in 1.5.4 responsibility for all transactions relating to Council Property vests in the Corporate Asset Management Section ('CAM') in the Corporate Directorate of Finance and Central Services.

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1.5.2 In nearly all respects, therefore, individual Officers outside CAM have no authority to enter into any commitment relating to Property, or to conduct any negotiations in connection with Property even on an informal basis. Officers must therefore inform CAM about any impending Property matter at the earliest stage practicable and, wherever possible, before any contact is made with the owner of a Property or with a person who wishes to use the Council Property.

1.5.3 The CDFCS is responsible for either granting or obtaining all approvals for property transactions.

1.5.4 The only exceptions to the key principle are set out in Rule 4.4.

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**2.0 GENERAL**

2.1 These Rules are made by the Council on the advice of the CDFCS, in consultation with the ACE(LDS).

2.2 These Rules apply to all Property Contracts.

2.3 These Rules shall be applied in conjunction with the following documents:

- a) Asset Management Planning Framework: Acquisition Process
- b) Asset Management Planning Framework: Redeployment Process
- c) Asset Management Planning Framework: Disposals
- d) Asset Management Planning Framework: Rent and Rent Reviews

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- 2.4 The Council has made Financial Procedure Rules ('FPR') which apply to budgetary and other issues relating to property; the FPR shall be applied in conjunction with these Rules. The Council has also made Contract Procedure Rules, but they do not apply to Property Contracts.
- 2.5 The CDFCS (in consultation with the ACE(LDS)) shall review the application and effect of these Rules and make an annual report to the Audit Committee recommending such amendments to the Rules as are considered appropriate.
- 2.6 Property Contracts and documentation and correspondence relating to them shall be retained for the periods prescribed by the Council's Records Retention and Destruction Schedule.

2.7 Every Officer shall comply with these Rules unless a waiver is granted under Rule 11.1. Failure to comply may lead to disciplinary action.

2.8 Each Director shall ensure that Officers within their Directorate, and contractors working for the Council, are aware of and comply with these Rules and the documents referred to in Rule 2.3.

2.9 The CDFCS shall be responsible for monitoring adherence to these Rules.

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**3.0 COMPLIANCE WITH LEGISLATION**

3.1 Every Property Contract shall comply with all relevant applicable legislation and government guidance including:-

- (a) EU Law
- (b) Acts of Parliament
- (c) Statutory Instruments

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3.2 The ACE(LDS) shall ensure that the Council has the legal power to enter into any Property Contract and that the Council does not purport to enter into any such contract which is ultra vires.

**4.0 SIGNATURE/SEALING OF PROPERTY CONTRACTS**

4.1 No Property Contract shall be completed unless proper approval has been given in accordance with these Rules.

4.2 Subject to Rules 4.3 and 4.4, every Property Contract must be: -

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- (a) executed as a Deed by the ACE(LDS); or
- (b) signed by the ACE(LDS) (if the value is less than £50,000); or
- (c) signed by the ACE(LDS) and another officer authorised by ACE(LDS) (if the value is £50,000 or more).

4.3 The CDFCS is authorised to sign Property Contracts comprising wayleaves, agricultural tenancy agreements or agricultural licences provided that:-

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- (a) the Property Contract is in a nationally recognised form or in a form prepared or approved by the ACE(LDS); and
- (b) two signatories are required if the value is £50,000 or more.

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4.4 All Directors are authorised to approve and sign Licences to or from third parties provided that:-

- (a) the Licence is for a period not exceeding one year; and
- (b) the Licence is for a fee not exceeding £10,000.

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## 5.0 ROLE OF SURVEYOR

5.1 The CDFCS shall instruct the Surveyor to act on behalf of the Council in connection with Property Contracts in accordance with these Rules.

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## 6.0 ACQUISITIONS

### 6.1 Approval for Acquisitions

6.1.1 Subject to Rule 6.1.4(a) and Rule 10 whenever it is proposed that Property should be acquired by the Council, the CDFCS is responsible for seeking the approval which is necessary in accordance with this **Rule 6.1**.

6.1.2 No approval shall be sought or given for the Acquisition of any Property unless there is adequate budgetary provision for the Acquisition and any expenditure consequent upon the Acquisition.

6.1.3 In respect of the Acquisition of Property **other than** by lease or licence or other agreement for a rent or licence fee or other annual payment or by option:

- (a) the CDFCS may approve any Acquisition up to £250,000 in value;
- (b) the Executive Member for Corporate Affairs may approve any Acquisition up to £1,000,000 in value;
- (c) the Executive may approve any Acquisition and must approve any Acquisition over £1,000,000 in value.

For the purposes of this Rule, the value in relation to the surrender of a lease to the Council is the capitalised value of the rent or licence fee foregone as a result of the surrender.

6.1.4.1 Subject to Rule 6.1.4.2 in respect of the Acquisition of Property by lease or licence or other agreement for a rent or licence fee or other annual payment:

- (a) the CDFCS may approve any Acquisition where the annual rent or fee or other annual payment is £25,000 or less;
- (b) the Executive Member for Corporate Affairs may approve any Acquisition where the annual rent or fee or other payment is £100,000 or less;
- (c) the Executive may approve any Acquisition and must approve any Acquisition where the annual rent or fee or other annual payment is more than £100,000.

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For the purpose of this Rule, the annual rent or fee or other annual payment means the initial rent or fee or other annual payment payable by the Council (but ignoring any discount or rent-free period).

6.1.4.2 In the case of the payment of a premium by the Council for a lease the approvals required shall be sought according to the value bands in Rule 6.1.3.

6.1.5 In respect of the Acquisition of Property by option:

(a) the Corporate Director for the service acquiring the option may approve the securing of an option providing that the anticipated total cost payable to secure the option does not exceed the available budget provision.

(b) the Executive may approve the securing of an option and must approve the securing of any option for which the anticipated total cost payable to secure the option exceeds the available budget provision.

(c) the CDFCS may approve the exercise of any option within the limits set for leases in **Rule 6.1.4.1(a)** or limits set for other Property Contracts set in **Rule 6.1.3(a)**

(d) the Executive Member for Corporate Affairs may approve the exercise of any option within the limits set for leases in **Rule 6.1.4.1(b)** or the limits set for other Property Contracts set in **Rule 6.1.3(b)**

(e) the Executive may approve the exercise of an option and must approve any triggering of an option within the limits set for leases within **Rule 6.1.4.1(e)** or the limits set for other Property Contracts set in **Rule 6.1.3(c)**

For the purpose of this Rule, the relevant value for securing options is the cost of securing the option (as opposed to the value of any resulting transaction) and the relevant value for triggering options is the value of the transaction to be entered into (as opposed to the cost of securing the option).

### Approval for Rent Reviews

**6.1.6** The CDFCS may approve the completion of a rent review memorandum provided that the original lease included provisions for the rent review; in all other cases **Rule 6.1.4** shall apply.

### Variation of Lease Terms

**6.1.7** The CDFCS may approve any variation to the terms of an existing lease or licence (including the grant of a licence to assign or sublet), except that, if the variation would result in an increase to the rent or licence fee, **Rule 6.1.4** shall apply.

### 6.2 Terms of Acquisition

**6.2.1** The Surveyor is responsible for negotiating the terms for the Acquisition of Property and for any subsequent rent reviews, if relevant.

**6.2.2** The CDFCS is responsible for approving the terms for the Acquisition of Property, and shall report such terms to the ACE(LDS).

**6.2.3** The ACE(LDS) is responsible for preparing and completing the documentation for the Acquisition of Property in accordance with the terms referred to in **Rule 6.2.1**, subject to any variations agreed with the CDFCS and subject also to such further terms as the ACE(LDS) considers appropriate in the best interests of the Council.

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## 7.0 REDEPLOYMENT OF PROPERTY – OTHER THAN FOR DISPOSAL

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7.1 As soon as a Director identifies the fact that a Property used by his/her Directorate is no longer required for its current use, the Director shall inform the CDFCS. The CDFCS shall ~~then~~ enquire whether the Property is of use to any other Director in connection with the service(s) for which they are responsible and subject to the response received shall apply the redeployment process in Rule 7 or 8 as appropriate.

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## 7.2 Approval for Redeployment – other than for disposal

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7.2.1 Whenever it is proposed that Property should be redeployed other than for disposal by the Council, the CDFCS is responsible for seeking the approval which is necessary in accordance with this **Rule 7.2.**

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7.2.2 In the case of any Redeployment of Property other than for disposal which is **not** held by the Council on a lease or licence:

- (a) the CDFCS may approve any Redeployment of Property up to £500,000 in value;
- (b) the Executive Member for Corporate Affairs may approve any Redeployment of Property up to £1,000,000 in value;
- (c) the Executive may approve any Redeployment, and must approve any Redeployment of Property over £1,000,000 in value.

7.2.3.1 Subject to Rule 7.2.3.2, in the case of any Redeployment of Property other than for disposal which is held by the Council on a lease or licence:

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- (a) the CDFCS may approve any Redeployment where the annual rent or fee is £25,000 or less;
- (b) the Executive Member for Corporate Affairs may approve any Redeployment where the annual rent or fee is £100,000 or less;
- (c) the Executive may approve any Redeployment and must approve any Redeployment where the annual rent or fee is more than £100,000.

For the purpose of this Rule, the annual rent or fee means the rent or fee payable by the Council at the time of the Redeployment (but ignoring any discount or rent-free period).

7.2.3.2 In the case of a property held by the Council on lease where a premium has already been paid the approvals required shall be sought pursuant to 7.2.3.1.

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## 7.3 Terms of Redeployment – other than for disposal

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7.3.1 Once approval for Redeployment has been given, the CDFCS is responsible for arranging the Redeployment in accordance with the Redeployment Process Guidance which forms part of the Asset Management Planning Framework referred to in **Rule 2.3(b).**

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## 8.0 REDEPLOYMENT FOR DISPOSAL

### 8.1 Approval for redeployment for Disposal

8.1.1 Whenever it is proposed that Property should be disposed of by the Council, the CDFCS is responsible for seeking the approval which is necessary in accordance with this Rule 8.1.

8.1.2 Subject to Rule 8.1.4, in respect of the Disposal of Property other than by lease or licence or other agreement for a rent or licence fee or other annual payment:

- (a) the CDFCS may approve any Disposal up to £500,000 in value;
- (b) the Executive Member for Corporate Affairs may approve any Disposal up to £1,000,000 in value;
- (c) the Executive may approve any Disposal and must approve any Disposal over £1,000,000 in value.

For the purpose of this Rule, the value in relation to options means the value of the transaction resulting from the option and not the value of the option itself. For the purposes of this Rule, the value in relation to the surrender of a lease by the Council is the capitalised value of the rent or licence fee which would have been paid, but for the surrender.

8.1.3.1 Subject to Rule 8.1.3.2 and Rule 8.1.4, in respect of the Disposal of Property by lease or licence or other agreement for a rent or licence fee or other annual payment:

- (a) the CDFCS may approve any Disposal where the annual rent or fee or other annual payment is £25,000 or less;
- (b) the Executive Member for Corporate Affairs may approve any Disposal where the annual rent or fee or after annual payment is £75,000 or less;
- (c) the Executive may approve any Disposal and must approve any Disposal where the annual rent or fee or other annual payment is more than £75,000.

For the purpose of this Rule, the annual rent or fee or other payment means the initial rent or fee payable or other payment to the Council (but ignoring any discount or rent-free period). For the purposes of this Rule in relation to options, the annual rent or fee means the initial rent or fee payable to the Council under the lease or licence resulting from the option.

8.1.3.2 In the case of the Disposal of property by lease where a premium is payable to the Council the approval required shall be sought pursuant to the value bands referred to in Rule 8.1.2.

### 8.1.4 Disposals at an Undervalue

Where the disposal of any property is being considered which is likely to result in either a sale or long lease (seven years or more) at an undervalue the following provisions shall apply:-

- (a) In respect of Disposal of Property other than by lease or licence or other agreement for rent or licence fee or other annual payment the relevant approvals shall be sought in accordance with the following:

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<u>Approver</u>	<u>Maximum market value</u>	<u>Maximum undervalue authority</u>
<u>CDFCS</u>	<u>£25,000</u>	<u>100%</u>
<u>CDFCS</u>	<u>£250,000</u>	<u>50%</u>
<u>Executive Member for Corporate Affairs</u>	<u>£250,000</u>	<u>100%</u>
<u>Executive Member for Corporate Affairs</u>	<u>£500,000</u>	<u>50%</u>
<u>Executive</u>	<u>No limit</u>	<u>100% except where the undervalue is £2m or more</u>
<u>Secretary of State</u>	<u>No limit</u>	<u>No limit</u>

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(b) In respect of Disposal of Property by lease or licence or other agreement for rent or licence fee or other annual payment the relevant approvals shall be sought in accordance with the following:

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<u>Approver</u>	<u>Maximum annual rental value</u>	<u>Maximum undervalue authority</u>
<u>CDFCS</u>	<u>£5,000</u>	<u>100%</u>
<u>CDFCS</u>	<u>£25,000</u>	<u>50%</u>
<u>Executive Member for Corporate Affairs</u>	<u>£25,000</u>	<u>100%</u>
<u>Executive Member for Corporate Affairs</u>	<u>£100,000</u>	<u>50%</u>
<u>Executive</u>	<u>No limit</u>	<u>100% except where the undervalue is £2m or more</u>
<u>Secretary of State</u>	<u>No limit</u>	<u>No limit</u>

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(c) In respect of Disposal of Property by lease or licence involving the payment of a premium the approvals shall be sought according to the value bands in the table in paragraph (a) above.

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(d) For the purposes of this Rule, the undervalue is the difference between the unrestricted value of the property to be disposed of and the consideration for the disposal.

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(e) For all disposals of property at undervalue, the purpose for which the property is to be disposed of must be likely to contribute to the promotion or improvement of the economic, social or environmental well being of the whole or any part of the Council's area, or of all or any persons resident or present in its area.

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## Approval for Rent Reviews

**8.1.5** The CDFCS may approve the completion of a rent review memorandum provided that the original lease included provisions for the rent review.

### Variation of lease terms

**8.1.6** The CDFCS may approve any variation to the terms of an existing lease or other agreement (including the grant of a licence to assign or sublet) except that, if the variation would result in a decrease to the rent or licence fee, **Rule 8.1.3** shall apply.

### Release or variations of restrictive covenants

**8.1.7** In respect of the release or variation of restrictive covenants:

- (a) the CDFCS may approve any release or variation up to £500,000 in value;
- (b) the Executive Member for Corporate Affairs may approve any release or variation up to £1,000,000 in value;
- (c) the Executive may approve any release or variation and must approve any release or variation over £1,000,000 in value.

For the purposes of this Rule, the value is the value of the payment to effect the release or variation.

### The Right to Buy

**8.1.8** Where right to buy applications are made to the Council under the Housing Act 1985 the ACE(LDS), in consultation with the CDFCS, shall be responsible for the admission or denial of the application of the right to buy and, where the right to buy is admitted, the ACE(LDS) shall dispose of the Property in accordance with the said Act.

### External Consents to Disposal

**8.1.9** The CDFCS is responsible for obtaining such external consents (if any) as are required for a Disposal (except in relation to the disposal of school playing fields, for which the Corporate Director Children and Young People's Service shall be responsible for seeking any necessary approvals).

## 8.2 Terms of Disposal

**8.2.1** The Surveyor is responsible for negotiating the terms for the Disposal of Property and for any subsequent rent reviews, if relevant.

**8.2.2** The CDFCS is responsible for approving the terms for the Disposal of Property and shall report such terms to the ACE(LDS).

**8.2.3** The ACE(LDS) is responsible for preparing and completing the documentation for the Disposal of Property in accordance with the terms referred to in **Rule 8.2.1** subject to any variations agreed with the CDFCS and subject also to such further terms as the ACE(LDS) considers appropriate in the best interests of the Council.

**8.2.4** Except where an approval has been obtained in accordance with **Rule 8.1.4**, the CDFCS shall ensure that whenever terms for a Disposal of a Property are being

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determined, the best consideration for the Disposal shall be obtained by the Council pursuant to Section 123 of the Local Government Act 1972.

### 8.3 Method of Disposal

8.3.1 The CDFCS shall take such professional advice from the Surveyor as is necessary to ensure that the most appropriate disposal process is used.

8.3.2 The Surveyor's advice shall take account of all relevant factors relating to a Disposal including the following: -

- (a) the likely value of the Property;
- (b) the potential market for the Property;
- (c) the likelihood of obtaining alternative planning consents for the Property and their effect upon the valuation;
- (d) the costs of the Disposal process (including advertising and other marketing);
- (e) the time likely to elapse between offering the Property for Disposal and the projected completion date of the Disposal; and
- (f) all other relevant factors.

### 8.4 Disposals by Tender

8.4.1 This **Rule 8.4** applies to all Disposals of Property by tender whether the tender is subject to contract or is capable of immediate acceptance.

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8.4.2 A tender may only be considered if: -

- (a) it has been received in a sealed envelope marked "Tender" and indicating the Property referred to in the tender; and
- (b) the identity of the Tenderer cannot be ascertained from the tender envelope; and
- (c) subject to **Rule 8.4.5**, the tender has been returned to the ACE(LDS) before the tender closing date (which shall be a time and date when County Hall is open for business)

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8.4.3 The ACE(LDS) shall be responsible for the reception and safe custody of tenders until they are opened.

8.4.4 Tenders must be opened at the same time and in the presence of the ACE(LDS) who shall maintain a record of the tenders received. Such a record shall include the date and time of tender opening, the identity of the Officer present, the identities of Tenderers and the tendered amounts. A copy of such a record shall be provided as soon as practicable to the CDFCS.

8.4.5 If a tender is received after the specified tender closing date it may not be considered unless the ACE(LDS) is satisfied that the tender was posted or otherwise dispatched in sufficient time to be delivered before the specified time but that delivery was prevented by an event beyond the control of the Tenderer **and** that other tenders have not been opened.

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### Tender Evaluation

8.4.6 Tenders shall be evaluated by the CDFCS in consultation with the Surveyor. The CDFCS shall accept the tender which offers the best consideration for the Property in accordance with **Rule 8.2.3** above. The CDFCS shall ensure that the tender evaluation process is fair, and so far as consistent with the achievement of best consideration by the Council, that the basis on which tenders are to be evaluated has

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been established before tenders are opened. If all of the tenders are not submitted on the same basis (for example, if some tenders are conditional on planning permission being granted for a particular use of the property), then the CDFCS shall consult the Surveyor in relation to the evaluation of the bids, and a document will be produced by the CDFCS, setting out the reasoning which has been applied to determine which tender has been judged to offer the best consideration for the Property.

### Alterations to Tenders

8.4.7 Tenders may not be altered by Tenderers after the tender closing date except where the CDFCS is satisfied that arithmetical errors having been inadvertently made by the Tenderer, the Tenderer can be invited to correct them.

### Post Tender Negotiations

8.4.8 Post tender negotiation may be undertaken in accordance with the following conditions: -

- (a) The CDFCS considers that added value may be obtained;
- (b) the post tender negotiations are undertaken either with all Tenderers, or with such Tenderer(s) as the CDFCS considers it appropriate to invite having regard to the value of their tenders and any conditions attached to them;
- (c) the post tender negotiations are conducted by a team comprising the Surveyor and suitably experienced Officers approved by the CDFCS and trained in post tender negotiations;
- (d) a record of the negotiations and any added value obtained from them is kept by the CDFCS; and
- (e) any such added value obtained by the post tender negotiations is incorporated into the Property Contract with the successful Tenderer.

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## 9.0 MORTGAGES

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9.1 The CDFCS may instruct the ACE(LDS) to enter into a mortgage of property owned by a third party where it is considered appropriate for the Council to secure its interests in respect of a grant or loan made to such a third party.

9.2 In respect of mortgages of property owned by the Council:-

- (a) only the Executive may approve such a mortgage and
- (b) the terms of the mortgage shall be determined by the CDFCS in consultation with the ACE(LDS).

9.3 The ACE(LDS) shall take such steps as are necessary to discharge a mortgage (whether the Council is mortgagee or mortgagor) upon the instruction of the CDFCS.

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## 10.0 COMPULSORY PURCHASE AND COMPENSATION

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10.1 If a Director, in consultation with the CDFCS and the ACE(LDS), considers that it is necessary for compulsory powers to be exercised by the Council to acquire property in connection with a Council function then the Director shall seek all such approvals as are necessary (including, but not limited to, from the Secretary of State) to enable compulsory powers to be used but shall only do so after the Executive has approved the proposed exercise of such powers.

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10.2 An approval given by the Executive to use compulsory powers shall be deemed to include the approvals necessary to acquire the Property the subject of the Compulsory Purchase Order, this shall apply regardless of:-

(a) the number of sites to be acquired; and

(b) the value of such sites subject to the Executive having first given budgetary approval to the proposed expenditure in connection with their acquisition.

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10.3 Rule 6.2 shall apply to the approval of terms for the acquisition of interests under Compulsory Purchase Orders.

10.4 The CDFCS shall also be responsible for instructing the Surveyor to agree claims for compensation made by third parties as a consequence of the Compulsory Purchase Order; once the terms have been agreed and approved by the CDFCS they shall be reported to the ACE(LDS) who shall be responsible for preparing and completing the documentation.

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## **11.0 EXCEPTIONS TO PROPERTY PROCEDURE RULES**

**11.1** The CDFCS and the ACE(LDS) may agree specific waivers to the Property Procedure Rules, other than **Rules 6.1, 7.2, 8.1 and 9.2.**

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**Political Breakdown of Committees**

Seats Available	CONS	LIB DEM	NY IND	IND
72	48	11	9	4
	<i>Prop Rep</i>	<i>Prop Rep</i>	<i>Prop Rep</i>	<i>Prop Rep</i>

**COMMITTEE STRUCTURE**

**OVERVIEW AND SCRUTINY COMMITTEES**

Scrutiny of Health	13	8.67	1.99	1.63	0.72
Children & Young People	13	8.67	1.99	1.63	0.72
Care and Independence	13	8.67	1.99	1.63	0.72
Corporate and Partnerships	13	8.67	1.99	1.63	0.72
Audit Committee	8	5.33	1.22	1.00	0.44
Transport, Economy & Environment	13	8.67	1.99	1.63	0.72

**Totals for Overview and Scrutiny Committees**

<b>73</b>	<b>48.67</b>	<b>11.15</b>	<b>9.13</b>	<b>4.06</b>
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**OTHER COMMITTEES**

Planning & Regulatory Functions Cttee	11	7.33	1.68	1.38	0.61
Transport Appeals Committee	4	2.67	0.61	0.50	0.22
Employment Appeals Committee	4	2.67	0.61	0.50	0.22
Chief Officer Appointments Cttee	7	4.67	1.07	0.88	0.39
Pension Fund Committee	7	4.67	1.07	0.88	0.39

**Total for Committees**

<b>33</b>	<b>22.00</b>	<b>5.04</b>	<b>4.13</b>	<b>1.83</b>
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**Total for Scrutiny Cttes & Other Cttees**

<b>106</b>	<b>70.67</b>	<b>16.19</b>	<b>13.25</b>	<b>5.89</b>
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## Disciplinary Policy and Procedure for the Chief Executive Officer

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### Reference:

- Joint Negotiating Committee for Local Authority Chief Executives National Salary Framework & Conditions of Service for Local Authority Chief Executives (updated 2009)
- The Local Authorities (Standing Orders) (England) Regulations 2001

## Chief Executive Officer Disciplinary Policy

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### Purpose

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- 1.0 Under the National Salary Framework & Conditions of Service for Local Authority Chief Executives (“the JNC Framework”), there is a requirement to have a Disciplinary Policy and Procedure in place to deal with allegations/issues/complaints against the Chief Executive Officer relating to his/her conduct or capability.
- 1.1 This Policy can therefore be used when dealing with capability issues in respect of the Chief Executive Officer and for other substantial issues, including the breakdown in trust and confidence between the Chief Executive Officer and the County Council (see Appendix 1).
- 1.2 Regard should also be had to the Staff Employment Procedure Rules contained in the Council’s Constitution.

### Scope

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- 2.0 This Policy and Procedure applies solely to the Chief Executive Officer. There is a separate Disciplinary Policy and Procedure for all other employees of the County Council.
- 2.1 However, the Staff Employment Procedure Rules contained in the Council’s Constitution do contain specific provisions regarding disciplinary action in respect of the Monitoring Officer, Chief Finance Officer, Corporate Directors, Assistant Chief Executives and senior posts reporting directly to them.

### Definitions & Responsibilities

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In this document: -

- **Disciplinary Action** includes any proposal for dismissal/action short of dismissal for any reason other than redundancy, permanent ill health and, unless its renewal has been promised, failure to renew a fixed term contract.

No disciplinary action (other than suspension on full pay for not more than two months pending an investigation into alleged misconduct) in respect of the Chief Executive Officer may be taken by or on behalf of the County Council other than in accordance with a recommendation in a report made by a Designated Independent Person (DIP) under Regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001.

- The **Monitoring Officer (the Assistant Chief Executive (Legal and Democratic Services))** will receive, in the first instance, any allegation(s)/issue(s) made against the Chief Executive Officer and will, in

consultation with the Chair of the Chief Officers Appointments and Disciplinary Committee, decide whether the complaint is such that it should be referred to the Chief Officers Appointments and Disciplinary Committee (COADC) for consideration.

The Monitoring Officer is responsible for notifying the COADC and Chief Executive Officer where an allegation(s)/issue(s) is to be referred to the COADC for consideration.

The Monitoring Officer holds the power to suspend the Chief Executive Officer immediately in an emergency and/or where the circumstances are such that the issue of suspension needs to be addressed prior to any scheduled COADC meeting and will not await the convening of a special meeting.

- **Investigating and Disciplinary Committee Functions and the Chief Officers Appointments and Disciplinary Committee (COADC)**

The JNC Framework, taking into account the Local Authorities (Standing Orders) (England) Regulations 2001, recommends that authorities establish a politically balanced standing Investigating and Disciplinary Committee, comprising at least five Members (including one Member of the Executive) in order to:

- consider allegations relating to the conduct or capability of the Chief Executive Officer, or other substantial issue(s) which may require investigation, and determine whether they require any informal or formal action and/or the appointment of a Designated Independent Person (DIP) to investigate the allegation;
- consider whether precautionary action is required (eg suspension) and, if so, to determine the extent and terms of such precautionary action;
- receive and consider Designated Independent Person (DIP) reports;
- make a decision, at a Disciplinary Hearing, as to whether any disciplinary action is necessary after consideration of the DIP's report.

The JNC Framework acknowledges that the committee which performs the functions of the Investigating and Disciplinary Committee may be known locally by a different name and may also fulfil other functions. The County Council has resolved that the functions of the Investigating and Disciplinary Committee, within this authority, be delegated to the Council's existing Chief Officers Appointments Committee, re-named as the Chief Officers Appointments and Disciplinary Committee. This Policy and Procedure has been drafted on that basis.

- The **Chief Officers Appointments and Disciplinary Committee (COADC)** is a committee of the County Council and undertakes the functions of the Investigating and Disciplinary Committee as set out in the JNC Framework. It is politically balanced, including at least one Member of the Executive.

The COADC may, on occasion, need to make decisions and take appropriate actions as a matter of urgency.

The COADC has an important role in considering the report of the Designated Independent Person (DIP).

Arrangements for flexibility may be necessary in the event that a Member of the COADC is a witness or has some other direct involvement in the matter and therefore cannot be involved in the COADC, to avoid a potential conflict of interest (actual or perceived).

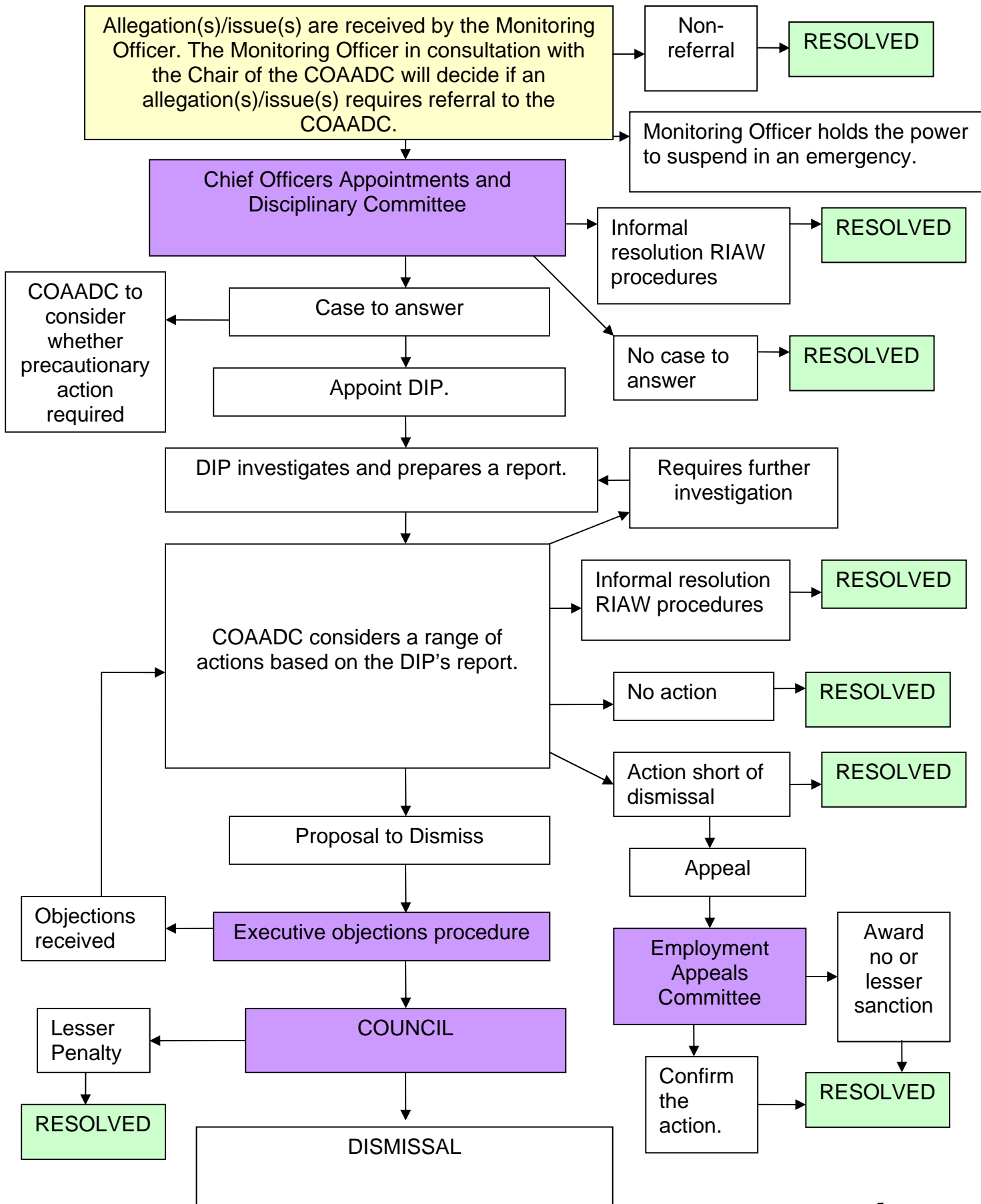
- The **Designated Independent Person (DIP)** is a person external to, and independent of, the County Council who is appointed when allegation(s)/issue(s) of a disciplinary or capability nature made against the Chief Executive Officer require investigation.

The DIP must report to the County Council as to whether (and, if so, the extent to which) any evidence obtained supports the allegation(s)/issue(s) made and recommend any appropriate disciplinary action. As this remains an internal process, there is no formal requirement upon the County Council to comply with any recommendation from the DIP. However, the County Council would not be able to exceed the degree of severity of any disciplinary action recommended by the DIP.

- The **Employment Appeals Committee (EAC)** is a politically balanced County Council Committee. The Members sitting on the EAC (on appeal from a decision of the COADC re disciplinary action short of dismissal) to consider the allegation(s)/issue(s) must not have previously sat on the COADC when considering the same allegation(s)/issue(s).
- Where the COADC is proposing dismissal, the **Assistant Chief Executive (Human Resources and Organisational Development)** will notify all Members of the Executive of their right to object to the proposed dismissal, via the Leader of the Council. At the end of the objection period, the Monitoring Officer will inform the COADC of any objections received.
- The **Council** must approve any proposal by the COADC to dismiss the Chief Executive Officer before notice of dismissal is given to him/her.



## Chief Executive Officer: Summary of Disciplinary Procedure



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## Considering allegations or other issues under investigation

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☞ Where child protection or vulnerable adult concerns come to light and/or criminal offences are suspected, those procedures will normally take precedence over internal disciplinary procedures. As a consequence any disciplinary investigation may have to be delayed while matters are considered under statutory/criminal procedures. However, this would not prevent precautionary action being taken under this Disciplinary Procedure, if deemed appropriate (see paragraphs [4.0- 4.6](#)).

☞ Where matters of financial irregularity are suspected (or other matters within the Internal Audit remit e.g. internet misuse, falsification of records, misuse of County Council equipment and resources) Internal Audit must be informed and they may carry out a separate audit investigation (or investigate jointly with the Monitoring Officer/DIP).

- 3.1 Any allegation(s)/issue(s) against the Chief Executive Officer will be received by the Monitoring Officer. The Monitoring Officer, in consultation with the Chair of the COADC, will then decide whether the matter should be referred to the COADC for formal consideration under this Procedure. The Monitoring Officer will gather the preliminary facts, identify potential witnesses and obtain readily available relevant documentary and any other evidence for the initial meeting of the COADC.
- 3.2 Where it is decided to refer the matter to the COADC, the Monitoring Officer will inform the Chief Executive Officer in writing without unreasonable delay (but at such time as s/he may deem most appropriate) that the matter is to be considered by the COADC and of the general nature of the allegation(s)/issue(s). The Monitoring Officer will also provide him/her with any evidence that the Committee will consider, including the right to hear oral evidence, and will invite the Chief Executive Officer to submit written representations and any evidence (including evidence from witnesses) which he/she wishes the Committee to take into account.
- 3.3 A meeting of the COADC will be convened, to which the Chief Executive Officer will be invited to attend. Reasonable notice of this investigatory meeting will be given by the Monitoring Officer. At the meeting, the Chief Executive Officer will be given the opportunity to answer questions related to the allegation(s)/issue(s) and the evidence gathered. The Chief Executive Officer, if s/he so wishes, may be accompanied by a representative of his/her choice. Witnesses who supply evidence in support of the investigation may also be required to attend.
- 3.4 Where the Chief Executive Officer's chosen representative is unavailable to attend the investigatory meeting and the Chief Executive Officer does not wish to attend alone, the Chief Executive Officer may propose another date

and time which should, where possible, be no more than five working days later than the original date.

- 3.5 Both the Chief Executive Officer and any witnesses must be made aware that what they say will be recorded in writing and may be used as evidence in any disciplinary proceedings. Witnesses should also be made aware that they may be required to appear in person at a Disciplinary Hearing and/or Appeal Hearing.
- 3.6 The COADC will give careful consideration to the allegation(s)/issue(s), supporting evidence and the case put forward by the Chief Executive Officer. The COADC shall decide whether:
  - the allegation(s)/issue(s) require any further formal action under this Procedure; or
  - the allegation(s)/issue(s) should be referred to a DIP for investigation.

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#### Precautionary Action (suspension/alternative arrangements)

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- 4.0 Precautionary action includes suspension from work or temporary alternative working arrangements.
- 4.1 Although precautionary action is not disciplinary action in itself, it is a serious step in the process. The COADC will need to consider whether it is appropriate to suspend the Chief Executive Officer and, if so, the terms of the suspension. This may be necessary if an allegation/issue is such that if proven it would amount to gross misconduct (see [Appendix 2](#)). It may also be necessary in other cases if the continuing presence of the Chief Executive Officer might compromise the investigation or impair the efficient exercise of the County Council's functions. Where leave has been pre-booked it is expected that this will be taken within any suspension period.
- 4.2 Where the COADC proposes to suspend the Chief Executive Officer, he/she should be informed of the reason for the proposal and have the right to present information before such a decision is taken.
- 4.3 The Monitoring Officer holds the delegated power to suspend the Chief Executive Officer immediately in an emergency, for example where there are exceptional circumstances whereby allegations of misconduct by the Chief Executive Officer are such that his/her remaining presence at work poses a serious risk to the health and safety of others or the resources, information or reputation of the County Council, and/or where the circumstances are such that the issue of suspension needs to be addressed prior to any scheduled COADC meeting and will not await the convening of a special meeting. In these circumstances it is always open to the Monitoring Officer to consult with the Chair of the COADC.
- 4.4 The suspension of the Chief Executive Officer may come immediately to the attention of the local or even national media with potentially damaging consequences for the reputation of the Chief Executive Officer and the

County Council. Therefore, before suspension, consideration should be given to whether there are any other suitable alternative ways of managing the situation. This might include agreeing a particular work arrangement such as working from home.

- 4.5 Any suspension for the purposes of investigating an allegation/issue must be on full pay and terminate no later than two months from the day the suspension has taken place. This period can only be extended by the DIP. The DIP also holds the power to direct the County Council to terminate the suspension if he/she feels this is not appropriate action.
- 4.6 During the suspension period, arrangements should be made to give the Chief Executive Officer updates on significant developments at work and involve him/her in consultations, as far as possible, within the terms of the suspension.

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#### Sickness Absence

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- 5.0 The Chief Executive Officer may be absent due to sickness during the disciplinary process. The County Council should determine the nature and likely duration of the absence. If a short period of illness occurs then reasonable efforts should be made to rearrange any missed meetings under this Procedure. If the sickness becomes more persistent or the absence is likely to become longer, then the County Council will take steps to identify whether the Chief Executive Officer is fit enough to take part in the investigation or Disciplinary Hearing.
- 5.1 If necessary the COADC and, where appropriate, the DIP will have to make a judgement as to how long to wait before proceeding. The County Council will, in most cases, need to progress the investigation and proceedings without undue delay, given the importance of resolving issues due to the nature and high profile role of the Chief Executive Officer.
- 5.2 Where the process continues in the Chief Executive Officer's absence, a written statement may be provided by him/her and a representative will be allowed to speak on behalf of the Chief Executive Officer at any meeting or hearing as part of this process.

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#### Appointment of the Designated Independent Person ("DIP")

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- 6.0 If the COADC decides the allegation(s)/issue(s) should be referred to a DIP for investigation, the specific appointment of a named individual as DIP must be agreed between the COADC (or the Monitoring Officer on behalf of the COADC) and the Chief Executive Officer. In default of agreement, a DIP will be nominated by the Secretary of State for formal appointment by the County Council. The Joint Negotiating Committee ("JNC") holds a list of individuals who could act as a DIP.
- 6.1 Once appointed, it is the responsibility of the DIP to investigate the allegation(s)/issue(s) and to prepare a report to the COADC and the Chief

Executive Officer (to be sent to them simultaneously), stating whether, in the DIP's opinion, the evidence supports the allegation(s)/issue(s) made and whether he/she recommends any disciplinary action or range of actions.

- 6.2 The Monitoring Officer must make the DIP aware of the precise allegation(s)/issue(s) to be investigated, facilitate the DIP's access to sources of information and people relevant to the case and make the DIP aware of timescales for the investigation.
- 6.3 The DIP will require agreed contact and reporting arrangements with the parties involved. The Monitoring Officer will administer/facilitate these arrangements.
- 6.4 The County Council must pay reasonable remuneration to the DIP, including any reasonable costs incurred. The Monitoring Officer will agree the terms of remuneration and working methods for the DIP with the individual appointed.
- 6.5 The DIP may delegate some of the investigation work to an assistant of his/her choice, with the prior agreement of the Monitoring Officer. The Chief Executive Officer should also be informed. If the work is delegated to another individual outside of the County Council, this might also require further discussion on any difference in terms of remuneration for the assistant compared to the DIP.
- 6.6 Investigations should be concluded as quickly as possible. The Chief Executive Officer must be informed where there is unforeseen delay.

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## Disciplinary Hearing

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- 7.0 The COADC is required to make a decision, at a Disciplinary Hearing, on whether any disciplinary action is necessary after consideration of the DIP's report. Unless the Chief Executive Officer is exonerated by the report, the Chief Executive Officer should be given the opportunity to state his/her case at a Disciplinary Hearing (see [Appendix 3](#)).
- 7.1 The Monitoring Officer will notify the Chief Executive Officer of the date of the Disciplinary Hearing, giving (where possible) at least ten working days' notice of the Disciplinary Hearing. This notification should also include:
  - details of the allegation(s)/issue(s) to be heard;
  - all documents to be relied upon at the Disciplinary Hearing;
  - a reminder of the right to be accompanied by a representative of his/her choice;
  - the names of the COADC Members due to attend the Disciplinary Hearing;
  - and the names of any witnesses to be called.

The Assistant Chief Executive (Human Resources and Organisational Development) will also attend the Disciplinary Hearing to advise the COAADC on the process of making its decision.

7.2 Documentary evidence to be used by the Chief Executive Officer and the names of any witnesses to be called on his/her behalf must be submitted to the Monitoring Officer no later than five working days prior to the Disciplinary Hearing.

7.3 The admissibility of late documents will be at the COAADC's sole discretion.

☞ If there is new evidence produced at the Hearing which is relevant to the allegation(s)/issue(s) and may alter the outcome, the COAADC may:

- a) take this into account in making its decision, or
- b) request that the DIP undertake some further investigation and incorporate the impact of the new evidence into an amended report. If further investigation is required the Hearing should be adjourned.

7.4 Where there is no one obvious action and the DIP has recommended a range of alternative actions, the COAADC must consider the appropriate action to be taken (if any). The Committee may:

- (a) Take no further action;
- (b) Recommend informal resolution or other appropriate procedures;
- (c) Refer the matter back to the DIP for further investigation and report;
- (d) Take disciplinary action against the Chief Executive Officer short of dismissal;
- (e) Recommend dismissal of the Chief Executive Officer to the Council.

7.5 It is open to the COAADC to impose a lesser sanction than is recommended in the DIP's report, but it cannot impose a greater sanction.

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#### Levels of Action (sanctions)

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8.0 All sanctions imposed by the COAADC and the reasons for them will be confirmed in writing to the Chief Executive Officer by the Assistant Chief Executive (Human Resources and Organisational Development), along with details of the stage in the Disciplinary Procedure reached, the sanction period after which the sanction will be disregarded for future disciplinary purposes and confirmation that a copy will be kept on his/her personal file.

☞ If any financial settlements are considered, it is important that such an arrangement:

- a) Falls within the County Council's discretions under the Local Government Regulations 2006, or

b) Is a payment in consideration of an agreement that compromises a genuine legal claim that the Chief Executive Officer might have at a Court or Employment Tribunal.

The Monitoring Officer holds the power to negotiate a settlement and a process by which any settlement would be sanctioned including liaison with the District Auditor.

8.1 **Mutual Termination:** It is possible at any stage to consider mutual termination of the employment contract and sometimes this will be a suitable alternative for all concerned.

8.2 **Action Short of Dismissal:** The action will be decided by the COADC. There is no requirement to seek confirmation by the Council or to check whether there are any objections raised by Members of the Executive. The Terms of Reference of the COADC include the delegated power to take disciplinary action in these circumstances.

8.3 **Dismissal:** If an allegation/issue is considered serious enough by the DIP and COADC, the Chief Executive Officer (with the Council's approval) may be dismissed. Regard must also be had to the Council's Staff Employment Procedure Rules in this situation (as reflected later in this Procedure).

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#### Proposal for Dismissal

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9.0 If, after consideration of the DIP's report and the information presented at the Disciplinary Hearing, the COADC has decided that dismissal is the appropriate disciplinary action, the Chair of the COADC will inform the Assistant Chief Executive (Human Resources and Organisational Development) of its decision, as there are additional procedures, set out in the Staff Employment Procedure Rules, which must be followed. These prescribe that **the Executive must be given the opportunity to raise any objections** to the proposed dismissal and that ultimately **full Council must approve the dismissal** before notice is issued to the Chief Executive Officer.

9.1 The procedure by which the Executive may object to the dismissal, as set out in the Staff Employment Procedure Rules, will then commence.

☞ The Assistant Chief Executive (Human Resources and Organisational Development) will notify all Members of the Executive in writing of:

a) the fact the COADC is proposing the dismissal of the Chief Executive Officer;

b) any other particulars relevant to the dismissal;

c) the fact that within three clear working days any objection to the dismissal may be made by the Executive Leader on behalf of the Executive to the Assistant Chief Executive (Human Resources and Organisational Development).

- 9.2 Notice of the dismissal must not be given to the Chief Executive Officer until the above steps have been taken by the Assistant Chief Executive (Human Resources and Organisational Development) and either:
- the Executive Leader has, within the period, notified the Assistant Chief Executive (Human Resources and Organisational Development) (on behalf of the COADC) that neither s/he nor any other Member of the Executive has any objection to the dismissal; or
  - the Assistant Chief Executive (Human Resources and Organisational Development) has notified the COADC that no objection was received by him/her within that period from the Executive Leader; or
  - the COADC is satisfied that any objection received from the Executive Leader within that period is not material or is not well founded.
- 9.3 Where there are no objections to the proposed dismissal by the Executive Leader on behalf of the Executive, the Chief Executive Officer will be informed of that fact and the proposal to dismiss will be submitted to full Council for approval.
- 9.4 Where there are objections to the proposed dismissal by the Executive Leader on behalf of the Executive, the COADC will meet to consider the objections raised, in order to satisfy itself as to whether or not the objections are material or well founded. If they are material or well founded, further investigation will need to be considered. If not, the COADC will inform the Chief Executive Officer of its decision and outline the proposal to the Council for dismissal, along with any necessary supporting documentation, for example the DIP's report.
- 9.5 Full Council will then consider the proposal to dismiss. **It must approve the dismissal before notice of dismissal is issued to the Chief Executive Officer.** Given the thoroughness of the previous stages, consideration by the Council will take the form of a review of the case and the recommendation to dismiss. It will, therefore, also fulfil an appeals function. The Chief Executive Officer will have the opportunity to attend and be accompanied by his/her representative at the Council meeting and to put forward his/her case before a decision is reached.
- 9.6 If the Council does not agree with the COADC's proposal to dismiss, it may ask for further clarification of the DIP's report or further information before reaching a final decision. The Council's decision is final.



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## Right of Appeal

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- 10.0 Where the COADC takes action short of dismissal, the Chief Executive Officer may appeal to the Employment Appeals Committee (EAC) (see [Appendix 4](#)) which will hold an Appeal Hearing. The Chief Executive Officer must submit a written notice of appeal within ten working days of receipt of the letter confirming the outcome of the Disciplinary Hearing. Appeals will be heard at the earliest available opportunity. The Chief Executive Officer will be notified in writing by the Monitoring Officer of the date of the Appeal Hearing.
- 10.1 Appeal Hearings will normally focus upon the Chief Executive Officer's reasons for challenging the decision of the COADC. They will not usually be a full re-hearing of the case and, as such, may not necessitate the calling of all witnesses. The EAC will consider the DIP's report and any other relevant information considered by the COADC. The Chief Executive Officer will have the opportunity to state his/her case.
- 10.2 The EAC will give careful consideration to these matters and request, if necessary, any further investigation/information it considers appropriate to reach a decision.
- 10.3 The Chair of the COADC will attend the Appeal Hearing as a witness in order to explain how the COADC reached its decision and to answer questions. The Assistant Chief Executive (Human Resources and Organisational Development) will also be present to advise the EAC.
- 10.4 The decision of the EAC is final.

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## Resignations

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- 11.0 There may be occasions where the Chief Executive Officer offers to resign prior to a Disciplinary Hearing taking place in circumstances where dismissal is the likely outcome of this process.
- 11.1 Where such offers of resignation are accepted it should be made clear to the Chief Executive Officer that the matter will need to be:-
- Referred to in any references provided;
  - Reported to any professional bodies which require the reporting of misconduct issues in such circumstances.

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## Record Keeping

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- 12.0 Records of Disciplinary cases must be kept in accordance with the County Council's Records Retention Schedule.

APPENDIX 4.1A

Potential Reasons for dismissal of the Chief Executive Officer

ACTION	REASON FOR TERMINATION						
	Misconduct	Capability- Performance	Capability- Health (long term or, frequent intermittent absence)	Some other substantial reason	Capability- Permanent ill health	Redundancy	Expiry of Fixed Term Contract
Dismissal	Yes	Yes	Yes	Yes	Maybe- could be mutual termination	Yes	Yes
DIP Required	Yes	Yes	Yes	Yes	No	No	No- if County Council has not given commitment to renew
Required to follow Statutory Dispute Resolution Procedures	Yes	Yes	Yes	Yes	Yes- if dismissal	Yes	Yes
Appropriate Procedure to follow	JNC	JNC	JNC	JNC	Local	Local	Local

## Example of types of misconduct and probable consequences

This is not an exhaustive list of those instances which could be construed as **misconduct** sufficiently serious to warrant formal disciplinary action. The list is provided to give examples of the types of behaviour which could be regarded as such.

### Misconduct

- i) Unjustified refusal of a lawful and reasonable instruction.
- ii) Persistent lateness, unauthorised absence, failure to notify sickness absence.
- iii) Verbal assault or threat of violence in the workplace.
- iv) Negligence in carrying out duties in accordance with relevant policies and procedures.
- v) Negligence in the performance of duties and responsibilities not covered by iv) above (except where due to incapability).
- vi) Unauthorised use of the County Council's resources, or confidential information gained whilst in the employment of the County Council (except where employees are protected by the provisions of the County Council's Whistle-blowing Policy/Public Interest (Disclosure) Act 1998).
- vii) Acceptance of gifts and hospitality in contravention of the County Council's Policy.
- viii) Personal misconduct occurring outside of the workplace, sufficiently serious to affect an employee's position at work.
- ix) Inappropriate use of email or internet access facilities.
- x) Failure to abide by professional codes of conduct/standards.

**Note: Incidences described above would normally result in a written warning (which may be a final warning). Continued/repeated incidences of misconduct may however lead to dismissal.**

## Example of types of gross misconduct and probable consequences

This is not an exhaustive list of those incidences which could be construed as **gross misconduct**, but is provided as an example of the types of behaviour which could be regarded as such.

### Gross Misconduct

- i) Theft or attempted theft, fraud or fraudulent falsification of accounts, or other official records.
- ii) Deliberate damage to the property of the County Council or that of any other employee.
- iii) Physical or indecent assaults sufficiently serious to affect an employee's position at work.
- iv) Serious breaches of the County Council's Policy on the acceptance of gifts and hospitality.
- v) Serious breaches of confidentiality (unless subject to the protection afforded by the Council's Whistle-blowing Policy/Public Interest (Disclosure) Act 1998).
- vi) Sexual, racial or personal harassment of a wilful and/or sustained nature
- vii) Being incapable of work, or of working safely due to the influence of alcohol or drugs (unless the Capability and/or Occupational Health Procedures are deemed to apply).
- viii) Serious negligence or wilful failure to comply with legal requirements of the County Council/Directorates' various policies and procedures such as Health and Safety, Equalities, Data Protection, or any other legal or statutory requirement.
- ix) Serious negligence which causes, or might cause, or might have caused unacceptable loss, damage or injury.
- x) Behaviour which has brought the County Council or its services into serious disrepute.
- xi) Serious breach of computer security and/or abuse of the IT system including the use of email and/or internet facilities.
- xii) Personal misconduct occurring outside of the workplace, including actions which result in the employee being unable to conduct, or unsuitable for, their type of work.
- xiii) Serious and sustained insubordination.
- xiv) Actions or behaviours that result in a complete breakdown of trust and confidence between the County Council and the employee, even where any individual act in itself would not constitute gross misconduct.
- xv) Serious breach of professional codes of conduct/standards.

**Note: Allegations of potential gross misconduct will normally result in immediate precautionary action, pending investigation. Where allegations of gross misconduct are proven, dismissal without notice will normally result unless there are significant mitigating circumstances (nor will payment in lieu of notice be made).**

## **Disciplinary Hearing Procedure**

North Yorkshire County Council

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### **Monitoring Officer's Introduction**

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1. The Monitoring Officer should:
  - Introduce all those present and explain their roles in the Hearing.
  - Explain reasons for convening the Hearing.
  - Explain that the Hearing will be carried out in accordance with this Procedure and confirm the sequence to be followed.
  - Where the Chief Executive Officer is unaccompanied, check that he/she was informed of the right to be accompanied by a Trade Union Official or some other person of their choice at their own cost.
  - Where the Chief Executive Officer is accompanied, explain that the accompanying representative has a statutory right to address the Hearing but no statutory right to answer questions on the Chief Executive Officer's behalf.
  - Explain that an adjournment can be requested at any point during the Hearing (whether it is granted would be at the COADC's discretion).
  - Indicate that witnesses will only be present when giving evidence. When witnesses have given their evidence consideration will be given to the need for them to remain available (but outside the Hearing room) for possible recall. If the parties agree, witnesses should be allowed to leave when their evidence is concluded.

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### **Sequence of Hearing**

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1. The DIP presents the case, outlining the allegation(s)/issue(s) and supporting evidence, including details of the investigation. Witnesses can be called as appropriate; however a written statement from a witness may be sufficient. A written statement should support witness testimony.
2. The Chief Executive Officer or his/her representative, can then question (or seek clarification from) the DIP and any witnesses called by the DIP, after each has given their testimony.
3. The COADC can ask questions of (or seek clarification from) the DIP and/or any of the DIP's witnesses at any stage.
4. The DIP has the opportunity of clarifying any points that have arisen out of the questions raised by the Chief Executive Officer or his/her representative or the COADC.

5. The Chief Executive Officer or his/her representative presents the Chief Executive Officer's case. Witnesses can be called as appropriate, but written statements may be sufficient. A written statement should support witness testimony.
6. The DIP can then question (or seek clarification from) the Chief Executive Officer or his/her representative and any witnesses after each has given their testimony.
7. The COAADC can ask questions of (or seek clarification from) the Chief Executive Officer or his/her representative and any witnesses, at any stage.
8. The Chief Executive Officer or his/her representative then has the opportunity of clarifying anything that has arisen out of the questions raised by the DIP or the COAADC.
9. The DIP should then be given the opportunity to briefly summarise his/her case.
10. The Chief Executive Officer or his/her representative should then be given the opportunity to briefly summarise the Chief Executive Officer's case.
11. Both parties and any accompanying representative will then be asked to withdraw from the room to allow the COAADC to consider the evidence presented to it and to reach a decision on whether any disciplinary action is necessary. Should the COAADC wish to recall one of the parties (to seek clarification or additional information) both parties and any representative must be called back into, and be present at, the Hearing.
12. The COAADC should then, in the absence of the parties and any representative, reach a decision on whether any disciplinary action is necessary, based on the evidence presented to it.
13. Should the COAADC determine that disciplinary action is necessary, it must, in private, then consider the employment record and any previous relevant sanctions against the Chief Executive Officer before deciding on an appropriate sanction. The Assistant Chief Executive (Human Resources and Organisational Development) will be present to advise the COAADC.

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### **The final decision**

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1. Both parties and any representative will then be called back into the Hearing room, when the Chair of the COAADC will announce the COAADC's decision, which will be confirmed in writing following the meeting, where possible within five working days of the date of the Hearing.

NOTE:

1. Throughout the Hearing it is essential that those giving evidence be allowed to speak without interruption. Opportunities are provided at appropriate times for those present to raise questions and seek clarification.
2. Whenever possible, recording equipment should be used in Hearings.
3. Regardless of whether or not recording equipment is used, a competent note taker who is neither presenting to, nor advising the COADC, should be present during the Hearing to ensure that an accurate record is made of the proceedings.



## Disciplinary Appeal Hearing Procedure

North Yorkshire County Council

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### Monitoring Officer's introduction

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The Monitoring Officer should:

- Introduce all of those present and explain their roles and reasons for convening the Appeal.
- Explain that the Appeal will be carried out in accordance with this Procedure and confirm the sequence to be followed.
- Where the Chief Executive Officer is unaccompanied, check that he/she was informed of the right to be accompanied by a Trade Union Official or some other person of their choice at their own cost.
- Where the Chief Executive Officer is accompanied, explain that the accompanying representative has a statutory right to address the Appeal Hearing but no statutory right to answer questions on the Chief Executive Officer's behalf.
- Explain that an adjournment can be requested at any point during the Appeal (whether it is granted would be at the EAC's discretion).
- Indicate that witnesses will only be present when giving evidence. When witnesses have given their evidence consideration will be given to the need for them to remain available (but outside the Hearing room) for possible recall. If the parties agree witnesses should be allowed to leave when their evidence is concluded.

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### Sequence of the Appeal

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1. The Chief Executive Officer or his/her representative, briefly explains the grounds on which the Appeal has been submitted i.e. whether;
  - on the facts of the case and/or;
  - on the sanction imposed and/or;
  - due to procedural fault(s) and/or;
  - new evidence has emerged.

Please note: The Appeal is not necessarily intended to be a rehearing of the case presented to the COAADC. Where it is not a rehearing it is unlikely that witnesses will need to be called, other than the Chair of the COAADC.

2. The Chair of the COAADC presents the COAADC's position, focusing on the basis for the COAADC's decision and taking into account the grounds for appeal. It is expected that witnesses will be called in person, as appropriate, unless the Chief Executive Officer accepts the written statements of witnesses and does not wish to cross-examine them. A written statement should support witness testimony.

3. The Chief Executive Officer or his/her representative, can then question or seek clarification from the Chair of the COAADC and any witnesses called on behalf of the COAADC.
4. The EAC can ask questions or seek clarification from the Chair of the COAADC and/or any witnesses.
5. The Chair of the COAADC has the opportunity of clarifying any points that have arisen in the questions raised by the Chief Executive Officer or the EAC.
6. The Chief Executive Officer or his/her representative presents the Chief Executive Officer's case, covering the grounds for their appeal by elaborating on the facts of the case which are in dispute and/or reasons for challenging the sanction and/or procedural fault(s). Witnesses can be called as appropriate, but statements may be sufficient. A written statement should support witness testimony.
7. The Chair of the COAADC can then question or seek clarification from the Chief Executive Officer or representative and any witnesses.
8. The EAC can ask questions or seek clarification from the Chief Executive Officer or representative and any witnesses.
9. The Chief Executive Officer or his/her representative then has the opportunity of clarifying anything that has arisen during the questions raised by the Chair of the COAADC or the EAC.
10. The Chair of the COAADC should then be asked if they wish to briefly summarise their case.
11. The Chief Executive Officer or his/her representative should then be asked if they wish to briefly summarise the Chief Executive Officer's case.
12. Both parties and any accompanying representative will then be asked to withdraw from the room to allow the EAC to consider the evidence presented to them. Should the EAC wish to recall one of the parties (to seek clarification or additional information) both parties and any representatives must be called back into, and be present at, the Appeal Hearing room.
13. In the interests of reaching a balanced decision, the EAC can seek clarification from witnesses who were called during the Disciplinary Hearing, but did not attend the Appeal Hearing. All parties and representatives should be present if this is necessary.

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## **The final decision**

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1. Both parties and any representative will be called back into the Appeal Hearing room at which point the Chair of the EAC will announce the decision, which will be confirmed in writing, following the meeting, where possible within five working days of the date of the Appeal.

### **NOTE:**

1. Throughout the Appeal Hearing it is essential that those giving evidence be allowed to speak without interruption. Opportunities are provided at appropriate times for those present to raise questions and seek clarification. Appeals will always involve the Assistant Chief Executive (HR and OD) advising the EAC.
2. Whenever possible, recording equipment should be used in Appeal Hearings.
3. Regardless of whether or not the Appeal Hearing is recorded, a competent note taker who is neither presenting to nor advising the EAC should be present during the Appeal Hearing to ensure that an accurate record is made of the proceedings.

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## Performance Appraisal Guidance for the Chief Executive Officer

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### Reference:

- Joint Negotiating Committee for Local Authority Chief Executives National Salary Framework & Conditions of Service for Local Authority Chief Executives (updated 2009).

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## Introduction

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The purpose of this Guidance is to explain the purpose, objectives and guiding principles of the NYCC appraisal process for the Chief Executive Officer.

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## Purpose

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The performance appraisal of all staff within NYCC, including the Chief Executive Officer, is an integral part of the organisation's performance management process. Appraisal provides vital information regarding the performance and potential of the Council's workforce. The Chief Executive Officer's appraisal should be set in the context of the Council's objectives, priorities and targets expressed in the community and corporate plans. Consequently, appraisal targets should be related to agreed targets for the Council as a whole.

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## Objectives

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The main objectives of appraisal for the Chief Executive Officer are to:

- Clearly identify the nature and scope of the Chief Executive Officer's role, to ensure that the job description is accurate.
- Discuss positive achievements over the previous year and identify reasons for good performance.
- Discuss instances over the previous year where targets have not been met, identifying the factors preventing the achievements of agreed goals.
- Be clear what the major issues/challenges over the following year will be by identifying and clarifying key objectives, priorities and targets of the Council and appropriate timescales for their achievement.
- Agree what the Chief Executive Officer should personally achieve over the following year and identify required standards of performance, in order to deliver the Council's key objectives, priorities and targets. Wherever possible, standards of performance should be expressed in ways which can be monitored objectively.
- Identify developmental needs. The Chief Executive Officer will have strengths and weaknesses and the Leader of the Council, in consultation with others involved in the appraisal process, should identify the professional development necessary to equip the Chief Executive Officer with the requisite skills to meet the Council's objectives. The Leader should be proactive and anticipate, as far as possible, future developmental needs in the context of the Council's changing priorities.

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- Inform incremental pay progression.

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### Responsibility for Appraisal

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The Chief Executive Officer's performance appraisal will be conducted by the Leader of the Council in consultation with Members of the Executive and other Group Leaders.

Where the outcome of the appraisal of the Chief Executive Officer is likely to affect the terms and conditions on which s/he holds office, the matter will be referred to the Chief Officers Appointments and Disciplinary Committee for it to determine any necessary changes to such terms and conditions; however, issues such as the award (or non-award) of an increment within the grade band of the Chief Executive Officer would not amount to a change in his/her terms and conditions necessitating a referral to the Committee.

The appraisal must take place at least annually, with monitoring meetings to review targets held on a regular basis. A formal system of appraisal should not prevent continuous review of progress and performance.

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### Key Elements of the Appraisal Process

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1. An appraisal interview should be held at least annually between the Leader and Chief Executive Officer where recent and current performance is discussed.
2. Both the Leader and Chief Executive Officer should be well informed and prepared for the appraisal interview.
3. The interview should be free from interruptions and notes should be taken when necessary.
4. Both the Leader and Chief Executive Officer should focus, as far as possible, on established facts rather than unsubstantiated opinions.
5. Targets which are realistic and capable of being monitored should be agreed with appropriate timescales set.
6. Any agreed development plans should be implemented within agreed timescales.
7. A record will be kept of the appraisal discussion, including all agreed actions, and be signed off by both the Leader and the Chief Executive Officer.
8. The record will be a 'live' document that can be updated if required as a result of ongoing dialogue, for example at monitoring and review meetings.

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9. The appraisal process will not be used as a mechanism for dealing with capability or disciplinary issues. These will be dealt with using the appropriate procedures. However, information recorded in appraisals may be referenced in capability or disciplinary cases.
  10. One of the criteria for incremental pay progression is dependent on having a satisfactory appraisal. Where it is decided that an increment should not be awarded, the Chief Executive Officer will have a right of appeal under statutory grievance processes. The determination of any such appeal will be undertaken by the Employment Appeals Committee.

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## The Behaviour and Skills Framework

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An assessment is made against the core Competencies set out in the NYCC Behaviour and Skills Framework as part of the appraisal process. The core Competencies are:

1. Effective Performance
2. Keeping it Professional
3. Working together
4. Community and Customer Focus
5. Know and develop yourself and others
6. Managing Change
7. Inspiring Others
8. Focus on the Future

Each Competency is described at 4 levels – broadly the levels are defined as:

- Level 1** Applies to all staff who do not have supervisory/management responsibilities
- Level 2** Applies to staff who allocate day to day tasks to others but do not have direct line management responsibility
- Level 3** Applies to managers up to and including Band 15
- Level 4** Applies to managers at Band 16 and above

These levels are cumulative and so, for the Chief Executive Officer, he/she should be able to demonstrate competence at Levels 1, 2, 3 and 4.

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## Assessment of Core Competencies

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The level at which each Competency will be assessed should be recorded against each competency at the required Level.

After due consideration of the evidence available, a fair and honest assessment of performance should be made and an assessment rating recorded. The rating system to be used is as follows:

- 
- Exceeds the required standard **(E)**
  - Fully meets required standard **(F)**
  - Partially meets required standard **(P)**
  - Does not meet the required standard **(D)**

A rating should be given for each Competency.

It should be noted that an assessment of F is a completely acceptable standard. An assessment of E would generally only be given occasionally and it is very unlikely that an individual would exceed the required standard across all or most Competencies.

An assessment of P or D suggests a learning need which should be reflected in the appraisal record.

Evidence of the demonstration of competence should be recorded as well as any areas for further development. Any interventions/action required to improve performance should also be recorded.

The [Behaviour & Skills Framework](#) document contains a list of positive and negative examples against each Competency which are designed to generate thought and discussion at appraisal and may assist in the assessment.

Assessment against Competencies only needs to be carried out once per year, usually at the time of the first annual appraisal discussion.

Improvements against Competencies, for example following development activities, would be reflected in the appraisal record for the following year.

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### The Appraisal Process

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An overview of the appraisal process is given below.

Activities for the Leader	Timescale
Prepare for appraisal discussion including: <ul style="list-style-type: none"> <li>• Review the previous year's appraisal if applicable</li> <li>• Check that the Council's objectives are available</li> <li>• Gather evidence regarding performance</li> <li>• Arrange date, time and place</li> <li>• Notify Chief Executive Officer</li> </ul>	April to June
Hold appraisal discussion: <ul style="list-style-type: none"> <li>• Review progress against the previous year's objectives and overall assessment of performance</li> <li>• Review performance against Competencies</li> <li>• Agree objectives for the following year</li> <li>• Agree development needs for the following year</li> </ul>	April to June



Activities for the Leader	Timescale
<p>Finalise the previous year's appraisal record</p> <ul style="list-style-type: none"> <li>• Make final record of progress against objectives and personal development plan</li> <li>• Record overall assessment of performance for the year</li> <li>• Add any final comments</li> <li>• Send to the Chief Executive Officer to add his/her comments and sign off</li> <li>• File record and notify Members that an appraisal interview has taken place</li> </ul>	April to June
<p>Start new appraisal record</p> <ul style="list-style-type: none"> <li>• Record performance against NYCC's core Competencies</li> <li>• Record objectives for the current year including any carried over from the previous year</li> <li>• Record development needs for the current year including any carried over from the previous year</li> <li>• Send copy to the Chief Executive Officer to add his/her comments and sign off</li> </ul>	April to June
<p>Conduct monitoring review</p> <ul style="list-style-type: none"> <li>• Hold review discussion including: performance against core Competencies, particularly those where development needs were identified; progress to date on objectives and progress against the development plan</li> <li>• Update appraisal record form as required</li> <li>• Send copy to the Chief Executive Officer to add his/her comments and sign off</li> <li>• File record</li> </ul>	October to December
<p>Consider incremental progression *(The procedure for incremental progression is set out in <a href="#">A Guide to Incremental Progression</a> on the Intranet. This includes the need to verify that an employee has had a satisfactory appraisal). The Leader should</p> <ul style="list-style-type: none"> <li>• Review the previous year's appraisal record, and current appraisal/six monthly review records</li> <li>• Consider if requirement regarding satisfactory appraisal has been met</li> </ul>	March/April
<b>Back to start</b>	

**\*Note on incremental progression**

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Incremental salary progression is partly dependent on the Chief Executive Officer's appraisal being of an acceptable standard (see [A Guide to Incremental Progression](#) on the Intranet). The Leader is required to determine whether the Chief Executive Officer has had a satisfactory appraisal in March/early April in order for this to be implemented in the April payroll. This may be prior to the annual appraisal discussion during which the previous year's appraisal would usually be finalised.

The Leader can either:

- Complete the annual appraisal discussion before mid April. However, this should not generally take place before 1 April to ensure that objectives set are linked to the annual Council Plan

OR

- Hold two separate appraisal meetings – one to finalise the previous year's appraisal before mid April and then another one before the end of June to start the new appraisal round.

OR

- Make a judgement regarding incremental progression using information known at that time. This will include information from the six monthly monitoring/review records.

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## Guidance for the completion of an appraisal record document

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### **Council Objectives**

This information should include the Council's key objectives, priorities and targets over the following year.

### **Record of Agreed Performance Targets**

Clearly defined performance targets which link to the Council's objectives should be identified and agreed between the Leader and the Chief Executive Officer.

#### **Smarter Model for setting objectives**

- **Specific:** unambiguous, clear
- **Measurable:** how much? Specific action?
- **Achievable:** challenging but realistic
- **Relevant:** to the job, business objectives
- **Time related:** milestones, deadlines
- **Enjoyable:** challenging but fun
- **Recorded:** by both parties

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## Overall Assessment of Performance

The Leader must consider the overall assessment of performance at the end of the appraisal process. The Leader needs to consider all elements of the appraisal in order to make this judgement, including achievement against Competencies, objectives and the Chief Executive Officer's development needs. For this reason, an overall assessment rating cannot be given until the end of the year in which the appraisal record applies.

The same rating scale should be used as for individual Competencies to indicate if the Chief Executive Officer exceeds, meets, partially meets or does not meet the requirements for a satisfactory appraisal (see [assessment of core competencies](#)). A satisfactory appraisal means that:

- All objectives have been achieved or there is an agreed rationale for targets not achieved (e.g. re-prioritisation of work);
- All Competencies are met or development activities to meet competency standards are progressing as planned;
- Other development activities identified are progressing as planned.

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## Appraiser/Appraisee Comments and Sign Off

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These should be completed in line with the appraisal process described earlier in this document.

In the unlikely event that agreement cannot be reached between the Leader and Chief Executive Officer, or that a conflict situation arises which leads to the either party being unhappy with the process or the outcome of the appraisal meeting, this should be referred to the Employment Appeals Committee for determination.

## CHIEF OFFICERS APPOINTMENTS AND DISCIPLINARY COMMITTEE

### Delegated Powers

#### Appointments

1. Where a vacancy occurs in the position of Chief Executive Officer, to:
  - (a) interview all qualified applicants for the post; or
  - (b) select a shortlist of such qualified applicants and interview those on the shortlist;

and (in either case)

  - (c) having carried out such interviews, either appoint (*NB Note 1 below*) one of the candidates to the vacancy, or decide not to appoint any of the candidates, but instead to take such further action in relation to the filling of the post as the committee may determine.
  
2. Where a vacancy occurs in the position of any Chief Officer other than the Chief Executive Officer, to appoint a sub-committee (*NB Note 4 below*) to perform the functions set out at 1 (a)-(c) above in relation to that vacant post.

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3. To consider the outcome of the annual appraisal of the performance of the Chief Executive Officer by the Leader of the Council where the outcome will affect the terms and conditions of the Chief Executive Officer and to determine any necessary changes to such terms and conditions. Where, on appraisal of the Chief Executive Officer, the Leader and/or the Chief Officers Appointments and Disciplinary Committee determines that an increment should not be awarded, the Chief Executive Officer will have a right of appeal to the Employment Appeals Committee.

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*Note: for the avoidance of doubt, issues such as the award (or non-award) of an increment within the grade band of the Chief Executive Officer will not amount to a change in his/her terms and conditions necessitating a referral to this Committee.*

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4. To consider from time to time the terms and conditions of Chief Officers and make necessary changes to them.

#### Disciplinary

5. To exercise all functions (save as may be delegated elsewhere) of investigating and disciplinary committee as prescribed in the Joint Negotiating Committee National Salary Framework & Conditions of Service for Local Authority Chief Executives and as detailed in the Council's Disciplinary Policy and Procedure for the Chief Executive Officer, in relation to disciplinary action in respect of the Chief Executive Officer on the grounds of conduct, capability or for other substantial reasons; in this regard such delegation including, but not limited to:

(a) the initial investigation and consideration of allegation(s) relating to the conduct or capability of the Chief Executive Officer, or other substantial issue(s) which may require investigation;

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(b) the determination of whether the allegation(s) require any informal or formal action and whether the appointment of a Designated Independent Person to investigate the allegation(s) is required;

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(c) where necessary, the appointment of a Designated Independent Person to investigate the allegation(s);

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(d) the consideration of whether precautionary action is required (including the power to suspend the Chief Executive Officer, subject always to the legal requirements regarding such suspension) and, if so, the determination of the extent and terms of such precautionary action;

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(e) the receipt and consideration of Designated Independent Person reports;

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(f) where appropriate, the referral of the matter back to the Designated Independent Person for further investigation and report;

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(g) the hearing and determination of the allegation(s) at a disciplinary hearing, including the decision as to whether any disciplinary action (including dismissal) is necessary after consideration of the Designated Independent Person's report.

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1. Full Council must approve, in advance, any offer of appointment as, or any notice of dismissal to, the Chief Executive Officer.

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2. *Action under 2 above is to be reported to full Council at the first available opportunity.*

3. *NB also Rules 5 and 6 of the Staff Employment Procedure Rules.*

4. *Any Sub-Committee must include at least one member of the Executive.*

## EMPLOYMENT APPEALS COMMITTEE

### TERMS OF REFERENCE OF THE EMPLOYMENT APPEALS COMMITTEE

1. To hear and determine appeals against decisions of officers of the Council, where provision exists for appeals to a member level body, or of relevant decisions of the Governing Bodies of voluntary aided schools where the Governing Body so requests in respect of:-

- All dismissals, except
  - (a) appeals against dismissals on the ground of redundancy and against selection for redundancy, which shall be determined by a Chief Officer or Senior Manager s/he has authorised to act in his/her place in consultation with an HR adviser, and
  - (b) appeals against dismissals under the Council's Attendance Management Policy shall be determined, in consultation with a Member to be drawn from the Appeals Committee and an HR Adviser, by a senior manager who has not previously been involved in the matter, and who is duly authorised to determine the appeal in accordance with paragraph 3.7 of the Officers' Delegation Scheme.
- Group grievances or collective disputes.

2. To exercise all functions (including, but not limited to, hearing and determination) in relation to appeals by the Chief Executive Officer against decisions of the Chief Officers Appointments and Disciplinary Committee to take disciplinary action against him/her short of dismissal.

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3. To exercise all functions (including, but not limited to, hearing and determination) in relation to appeals by the Chief Executive Officer against decisions of the Leader and/or the Chief Officers Appointments and Disciplinary Committee, on appraisal of the Chief Executive Officer, not to award an increment.

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Notes:

1. No member of the Chief Officers Appointments and Disciplinary Committee shall sit on the Employment Appeals Committee when the Employment Appeals Committee is hearing appeals by the Chief Executive Officer against decisions of the Chief Officers Appointments and Disciplinary Committee to take disciplinary action against him/her short of dismissal.

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<p><b>4.7 To The Assistant Chief Executive (Legal and Democratic Services)</b></p>	<p>Deleted: .</p>
<p><i>(...earlier text to remain same...)</i></p>	<p>Formatted: Font: Italic</p>
<p>(h) <u>In relation to allegations made against the Chief Executive Officer relating to capability issues, disciplinary action and proposals for dismissal (for any reason other than redundancy, permanent ill health and, unless its renewal has been promised, failure to renew a fixed term contract):</u></p>	<p>Formatted: Font: Italic</p> <p>Formatted: Indent: Left: 0 pt, Hanging: 36 pt</p>
<p>(i) <u>To receive, in the first instance, such allegations against the Chief Executive Officer and to decide, in consultation with the Chair of the Chief Officers Appointments and Disciplinary Committee, whether the complaint is such that it should be referred to the Chief Officers Appointments and Disciplinary Committee for consideration;</u></p>	<p>Formatted: Indent: Left: 36 pt, Hanging: 36 pt</p>
<p>(ii) <u>Subject always to the legal requirements regarding such suspension, to suspend the Chief Executive Officer immediately in an emergency if an exceptional situation arises whereby such allegations against the Chief Executive Officer are such that his/her remaining presence at work poses a serious risk to the health and safety of others or to the resources, information or reputation of the Council, and/or where the circumstances are such that the issue of suspension needs to be addressed prior to any scheduled meeting of the Chief Officers Appointments and Disciplinary Committee and will not await the scheduling of a special meeting of that Committee;</u></p>	<p>Formatted: Indent: Left: 36 pt</p> <p>Formatted: Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 2 + Alignment: Left + Aligned at: 36 pt + Tab after: 72 pt + Indent at: 72 pt</p>
<p>(iii) <u>Where the Chief Officers Appointments and Disciplinary Committee so directs, to agree the specific appointment of a named individual as Designated Independent Person with the Chief Executive Officer;</u></p>	<p>Formatted: Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 2 + Alignment: Left + Aligned at: 36 pt + Tab after: 72 pt + Indent at: 72 pt</p>
<p>(iv) <u>To agree the terms of remuneration and working methods for the Designated Independent Person with the individual appointed.</u></p>	<p>Formatted: Indent: Left: 36 pt</p>
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# Delegation of Executive Functions

Any functions which, under Executive arrangements, are the responsibility of the Executive, may be discharged by the Leader personally or allocated by him/her to the Executive, individual Executive Members, Executive Committees or Officers. Sub-delegations may also be made, eg to area committees.

This list is maintained under Article 7.06 of the Constitution, and records delegation of executive functions to:

- committees of the Executive
- individual Executive Members
- area committees
- joint committees
- officers
- other local authorities
- the Appeals Committee

## 1. Committees of the Executive

1.1 The Council's Executive arrangements delegate to the committees set out in the Register of Executive Committees the executive functions there specified.

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## 2. Individual Executive Members

2.1 The Council's Executive arrangements delegate to individual Executive Members the Executive functions set out in the Executive Members Delegation Scheme.

2.2 Before taking decisions within his or her delegated authority, individual Executive Members will seek advice from relevant officers.

2.3 Individual Executive Members exercising decision making powers will ensure that proper records are kept of all decisions they take, in accordance with legal requirements.

2.4 Where an individual Executive Member has a prejudicial interest (as defined in the Members' Code of Conduct) in relation to any decision, the Member will not take that decision, but will ask the relevant Officer to refer the matter to the Executive for determination.

2.5 Individual Executive Members with decision making powers may delegate decisions to area committees, or to Officers.

## 2A Leader

2A.1 On an annual basis a formal appraisal of the Chief Executive Officer shall be carried out by the Leader of the Council. The appraisal shall be conducted following consultation by the Leader with the members of the Executive and the leaders of the political groups upon the Council.

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2A.1.1 Where the outcome of the appraisal will affect the terms and conditions of the Chief Executive Officer, the matter will be referred to the Chief Officers Appointments and Disciplinary Committee for it to determine any necessary changes to such terms and

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conditions (as the power to determine the terms and conditions on which staff hold office is a non-executive function).

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*Note: for the avoidance of doubt, issues such as the award (or non-award) of an increment within the grade band of the Chief Executive Officer will not amount to a change in his/her terms and conditions necessitating a referral to the Chief Officers Appointments and Disciplinary Committee.*

2A.1.2 Where, on appraisal of the Chief Executive Officer, the Leader and/or the Chief Officers Appointments and Disciplinary Committee determines that an increment should not be awarded, the Chief Executive Officer will have a right of appeal to the Employment Appeals Committee.

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### **3 Area Committees.**

- 3.1 The Executive delegates to the area committees named in Article 10 the executive functions listed in the delegated powers of area committees in Part 3 of this Constitution and not marked \*. (This marking is to distinguish executive and non-executive functions in the area committees powers).
- 3.2 The delegation of these powers operates under Section 18 of the Local Government Act 2000 and all other powers enabling the Executive.
- 3.3 When area committees are discharging functions which are the responsibility of the Executive, they must do so within the budget and policy framework set by full Council.

### **4 Officers**

- 4.1 The Council's Executive arrangements delegate to Officers the executive functions which are contained in the Officers Delegation Scheme and not marked \*. (This marking is to distinguish executive and non-executive functions in the Officers Delegation Scheme).
- 4.2 The delegation of these powers operates under Section 15 of the Local Government Act 2000 and all other powers enabling the Executive.
- 4.3 The Executive powers delegated to Officers are subject to the general provisions in the Officers' Delegation Scheme.

### **5 Other local authorities**

- 5.1 The Executive delegates to the Executives of Harrogate Borough Council and Scarborough Borough Council certain functions in relation to Highways which are functions of the Executive. This delegation operates within the areas and in relation to the powers, specified in agency agreements between the Council and Harrogate Borough Council, and between the Council and Scarborough Borough Council.
- 5.2 The Executive delegates to the Yorkshire Dales National Park Authority and the North York Moors National Park Authority certain functions in relation to public rights of way which are functions of the Executive. This delegation operates within the areas of the National Parks and in relation to the powers specified in agreement between the Council and the National Park Authorities.

### **6 [Not used]**

- 6.1 [Not used]

**7. Outside Body Appointments**

- 7.1 Insofar as the making of appointments to outside bodies is an executive function, the Executive agrees that those appointments should be made as set out in Schedule 5.

**8. Adoption Panels**

- 8.1 The Executive will appoint one or more panels to discharge the functions of adoption panels under the Adoption Agencies Regulations 2005. Each such panel must include at least one member of the Executive (being an Executive member for Children's Services) or of the Young People Overview and Scrutiny Committee.

*Note: There are currently two such Panels:*

- *The Harrogate Child Placement Panel*
- *The Northallerton Child Placement Panel*

- Amend the Contents page to the Staff Employment Procedure Rules as follows:

# Staff Employment Procedure Rules

## CONTENTS

1. [Recruitment and Appointment: general](#)
2. [Appointment of Head of Paid Service](#)
3. [Appointment of Chief Officers](#)
4. [Other Appointments](#)
5. [Right of the Leader to object to proposed senior appointments](#)
- 5A. [Appraisal of the Chief Executive Officer](#)
6. [Disciplinary Action and Dismissal](#)
7. [Interests of Officers in Contracts](#)
8. [Equalities Policy](#)
9. [Interpretation of Rules 5 and 6](#)

- Insert a new section 5A after the existing section 5 (“Right of the Leader to object to proposed senior appointments”) as follows:

### 5A. Appraisal of the Chief Executive Officer

(a) On an annual basis a formal appraisal of the Chief Executive Officer shall be carried out by the Leader of the Council. The appraisal shall be conducted following consultation by the Leader with the members of the Executive and the leaders of the political groups upon the Council.

(b) Where the outcome of the appraisal will affect the terms and conditions of the Chief Executive Officer, the matter will be referred to the Chief Officers Appointments and Disciplinary Committee for it to determine any necessary changes to such terms and conditions (as the power to determine the terms and conditions on which staff hold office is a non-executive function).

NOTE 1: for the avoidance of doubt, issues such as the award (or non-award) of an increment within the grade band of the Chief Executive Officer will not amount to a change in his/her terms and conditions necessitating a referral to the Chief Officers Appointments and Disciplinary Committee.

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(c) Where, on appraisal of the Chief Executive Officer, the Leader and/or the Chief Officers Appointments and Disciplinary Committee determines that an increment should not be awarded, the Chief Executive Officer will have a right of appeal to the Employment Appeals Committee.

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