

The Report of the Executive

The Executive met on Tuesday, Tuesday, 19 October 2010. County Councillor John Weighell in the Chair. County Councillors Gareth Dadd, Carl Les, Caroline Patmore, John Watson OBE, and Clare Wood.

Also in attendance: County Councillor(s) John Clark and John Fort BEM.

The Executive met on Tuesday, 9 November 2010. County Councillor John Weighell in the Chair. County Councillors Gareth Dadd, Carl Les, Chris Metcalfe, Caroline Patmore and Clare Wood.

Also in attendance: County Councillors Tony Hall and Mike Knaggs.

The Executive met on Tuesday, 16 November 2010. County Councillor John Weighell in the Chair. County Councillors Gareth Dadd, Carl Les, Chris Metcalfe, Caroline Patmore, John Watson OBE, and Clare Wood.

Also in attendance: County Councillors Keith Barnes, John Blackburn, Jim Clark, Tony Hall and David Jeffels.

The Executive met on Tuesday, 30 November 2010. County Councillor John Weighell in the Chair. County Councillors Gareth Dadd, Carl Les, Chris Metcalfe, Caroline Patmore, John Watson OBE, and Clare Wood.

Also in attendance: County Councillors Keith Barnes, John Clark, Polly English, Tony Hall, Roger Harrison-Topham, David Ireton, Patrick Mulligan, John Savage and Peter Sowray.

Others in attendance: David Portlock and Luan Kane

1. Award of a long term Waste Management Service Contract. Prior to agreeing the recommendations to be placed before the Council in respect of the award of a long term contract for a waste management service, the Executive considered lengthy and detailed reports:

- from the Members' Working Group established to review the PFI procurement process and proposed contract and advise the Executive: and
- from the Corporate Director – Business and Environmental Services.

In view of the complexity of the issues involved; the cost and duration of the proposed contract; and the responses and representations received in relation to the proposed award of contract since the announcement of the preferred bidder; all the information considered by the Executive in coming to its recommendations, including a supplementary schedule of responses, has also been circulated to all Members of the Council, as part of this agenda.

In addition, officers have carefully considered, as requested at the meeting of the Executive, whether it is possible to further separate information included in the appendices to the report marked "NOT FOR PUBLICATION" to minimise the information which is not in the public domain. It is considered that some of the information in the private appendix of redacted text relating to paragraphs 1.2(c) and 13.2 of Part A of the report to the Executive can be made public, together with some of the information in private appendices 9(a), 9(b) and 10(b) to Part B of that report. A further document, marked appendix 15, sets out the information which can now be made available to the public and a copy has been circulated with this agenda.

The Executive RECOMMENDS

- (i) that the County Council agrees to award the Waste Private Finance Initiative (PFI) contract to AmeyCespa for the service operation period of 25 years with an option to extend for up to 5 years, and, in that event;
- (ii) that the County Council commits to make sufficient budgetary provision for the contract for its term, and determines the limits of the affordability envelope within which financial close may be agreed, as set out in paragraph 7.3 of the report to the Executive.
- (iii) that delegated authority is given to the Corporate Director, Business and Environmental Services (acting in consultation with the Corporate Director, Finance and Central Services, and the Assistant Chief Executive (Legal and Democratic Services) to determine the final terms of the following documents at commercial and financial close as necessary:
 - (a) the Private Finance Initiative (PFI) contract between the County Council and AmeyCespa; and
 - (b) the Waste Management Agreement between the County Council and City of York Council; and
 - (c) the Funders Direct Agreement with AmeyCespa's funders; and
 - (d) the Novation Agreement; and
 - (e) any documents ancillary to the Private Finance Initiative (PFI) Contract, the Waste Management Agreement, the Funders Direct Agreement and the Novation Agreement, and any other documents necessary to give effect to this project
- (iv) that delegated authority is given to the Assistant Chief Executive (Legal and Democratic Services) to execute on behalf of the County Council the following documents at commercial and financial close stage as necessary;
 - (a) the PFI contract with AmeyCespa; and
 - (b) the Waste Management Agreement with City of York Council.
 - (c) the Funders Direct Agreement with AmeyCespa's funders
 - (d) the Novation Agreement
 - (e) any documents ancillary to the Private Finance Initiative (PFI) Contract, the Waste Management Agreement, the Funders Direct Agreement and the Novation Agreement, and any other documents necessary to give effect to this project.

- (v) that the Corporate Director, Finance and Central Services, is authorised to issue the certificates under the Local Government (Contracts) Act 1997 to confirm the County Council's powers to enter into the contracts referred to at paragraphs a), b), c) and d) of recommendation (iii) set out above.
- (vi) that an indemnity be given by the County Council to the Corporate Director, Finance and Central Services, against any claim that may arise out of or in connection with the issue of the certificates under the Local Government (Contracts) Act 1997;
- (vii) that the County Council note that, in the event that the above is agreed by the County Council, the Executive will take all such decisions as may be required out of or in connection with the implementation of the Council's decision to award the PFI Contract to AmeyCespa, including agreeing that financial close may proceed within the limits of the affordability envelope set by the County Council.

2. Local Transport Plan 3 (LTP3). Under the Transport Act 2000 (amended by the Local Transport Act 2008) all transport authorities in England are required to produce and maintain a Local Transport Plan. Following the election in May 2010, the Department for Transport (DfT) has reaffirmed this requirement. The first North Yorkshire Local Transport Plan (LTP1) covered the period 2001 - 2006 and LTP2 covered the period April 2006 to March 2011. In accordance with the statutory requirement to produce and maintain an LTP, the County Council is required to adopt a new plan (LTP3) to replace LTP2, before 31 March 2011.

Draft guidance on LTP3 was published by the Government in December 2008, with final guidance being published in July 2009. Both the draft and final guidance set out some key changes from the approach adopted for LTP2. Brief details of these are:

- New flexibilities to enable the preparation of a Plan which best meets the needs of individual areas rather than being prescriptive of what should be included.
- Removes the need to produce a new plan every five years by providing flexibility to update and renew the plan as and when appropriate for the local area.
- Removes the requirement to have a separate Bus Strategy.
- Sets Local Transport Plans in the context of the (previous) Government's Delivering a Sustainable Transport Strategy (DaSTS) goals of Supporting Economic Growth, Tackling Climate Change, Promoting Equality of Opportunity, Contributing to Better Safety Security and Health, Improving Quality of Life.
- Removes the reward funding for good performance. Members will recall that as a result of our 'Excellent' performance on LTP1 delivery and LTP2 planning we received a 25% uplift on our annual Integrated Transport Capital Block.
- Removes the 'assessment' of LTP's by the Government, sets the LTP as a local plan to meet local needs.
- Removes mandatory LTP indicators, though still expects LTP's to adopt appropriate National Indicators (NI's).

Preparatory work for the third North Yorkshire Local Transport Plan commenced early in 2009. Following the May 2010 General Election and the change in Government, there was some concern expressed, both nationally and locally, about the timing of LTP3. Representations were also made by some transport authorities to the coalition government, seeking a delay in the requirement to approve LTP3, until their policy on transport was made clear and the future funding allocations are announced. In response to these concerns, the Department for Transport wrote to all local transport authorities, in August 2010, setting out the position of the new coalition Government on Local Transport Plans. In this letter they stated:

- That the statutory requirement to produce a new LTP3 by April 2011 remains.
- That the process of reviewing LTP delivery with Government Offices has been removed and the DfT will no longer require progress reports or reviews.
- That the DaSTS Goals are no longer Government policy and that the key overarching policies highlighted by ministers are 'ones which help grow the economy and help tackle carbon emissions, while not neglecting other important priorities, including road safety, affordability, accessibility, and people's health and well being'.
- That 'LTPs are a vital tool to ensure that the right decisions are made about transport investment and services.'

In view of the above, it is clear that it is necessary to adopt a new LTP by April 2011. Whilst the DaSTS goals have been removed, the new Government's overarching policies for transport are not substantially different. It was, therefore, felt appropriate to continue with the development of LTP3, with a view to it being adopted by the County Council at the meeting on 15 December 2010. This will enable the County Council and partners a period of 3 months to set up new procedures and practices before LTP3 becomes fully operational, in April 2011.

Executive Members for Business and Environmental Services agreed that, in line with best practice, two phases of public engagement and consultation be carried out. Phase 1 was intended to establish the views of the public and stakeholders on what they thought the key transport related issues facing North Yorkshire were. Phase 2 was intended to present to the public and stakeholders a Consultation Draft LTP3, taking on board the responses from phase 1. The first phase of LTP3 consultation was carried out between July and October 2009. This consisted primarily of a short questionnaire survey which asked for priorities to be attributed to the five DaSTS (Delivering a Sustainable Transport System) goals and then asked for consideration to be given to the way in which these goals could be delivered. Copies of the questionnaire were distributed to all County Council Members, all Town and Parish Councils and Meetings, the Chief Executives of the North Yorkshire District Councils and National Park Authorities, as well as Chief Executives of neighbouring authorities. The questionnaire was also posted or emailed to over 300 stakeholder groups representing a wide range of interests across the county. In addition, press releases in the mainstream press and in the August and September 2009 editions of the NY Times advised members of the public how they could receive a copy of the questionnaire and also of the LTP3 web page, which was developed on the County Council's website.

922 surveys were distributed to stakeholders across North Yorkshire, of which 225 were returned, representing a response rate of 25%. This is a relatively good response rate for a consultation of this type on strategic issues. In total 713 responses were received, 488 questionnaires having been received from the wider public. Response rates were:

- Parish Councils – 152 responses out of 626 consulted
- Other stakeholders – 73 responses out of 296 consulted
- Public – 488 responses

Full details of the analysis of the responses is available on the LTP page of the NYCC website, in the Phase 1 Consultation Feedback Report, or on request from the Transport and Land Use Strategy Team, Business and Environmental Services.

The key element of the phase 1 consultation was to establish stakeholder views on what the priorities for LTP3 should be. Question 1 (*Thinking about the future, please rank the objectives in order of which you think are the most important?*) of the consultation covered this issue. In general terms there was strong support for economy, accessibility, safety and quality of life, whilst protecting the environment was seen as slightly less important. Whilst the economy objective was ranked first by the highest number of respondents, this was still only approximately 25% of the total. All five objectives identified in the questionnaire were seen by stakeholders as being important and all were therefore adopted as the key objectives for the Consultation Draft LTP 3, with no specific priority order being proposed. The Objectives included in the Consultation Draft LTP3 are:

- supporting flourishing local economies by delivering reliable and efficient transport networks and services (**local economies**)
- reducing the impact of transport on the natural and built environment and tackling climate change (**environment and climate change**)
- improving transport safety and security and promoting healthier travel (**safety and healthier travel**)
- promoting greater equality of opportunity for all by improving people's access to all necessary services (**access to services**)
- ensuring transport helps improve quality of life for all (**quality of life**)

The results of the questions seeking public views on how we could deliver the above objectives were also considered in preparing the Consultation Draft LTP3. Further details are included in the Phase 1 Consultation Feedback Report.

In developing the Consultation Draft LTP3 it was clear that the available funding for the period of LTP3 would be significantly less than was available for LTP2. The indication from Government Office for Yorkshire and the Humber was that an overall 50% cut (from approx £32m p.a. to £16m p.a.) in capital funding was a realistic scenario. Initial indications from announcements made in the Comprehensive Spending Review are a little more optimistic. Notwithstanding the above, it is clear that in LTP3 it is necessary to ensure that the best possible use is made of our resources. The consultation draft LTP3 therefore proposed the adoption of a hierarchy of 'Manage, Maintain, Improve'. This recognises the fact that we have statutory duties for network 'Management' and highway 'Maintenance' but generally, excluding some elements of road safety, only powers to 'Improve' the network. This is regarded as a key concept for both the allocation of resources and in identifying alternative solutions to transport issues. It was therefore an important part of the Phase 2 public engagement which included:

- A letter or e mail to all 922 stakeholders included in phase 1 consultation.
- Where contact details were available, a letter or e mail to all respondents to phase 1.
- Press releases in the local media and the NY Times
- Seven public exhibitions, one held in each of the seven North Yorkshire Districts.
- Five focus groups of people who expressed an interest in further involvement as part of phase 1 consultation.
- Attendance and engagement with specific representative groups such as the North Yorkshire Youth Council and the North Yorkshire Older Persons Conference.
- The availability of all consultation material on the North Yorkshire LTP web pages.
- Reports to all seven County Council Area Committees and the Transport, Economy and Environment Overview and Scrutiny Committee.

The engagement was based around a questionnaire which consisted of 6 open questions to help guide the format of consultees' responses. The questions asked were:

Q1) Do you understand what the LTP3 is trying to achieve?

Q2) Do you agree that the proposed objectives and priorities we have suggested are about right?

Q3) Broadly, what do you think will be the three main challenges for transport in North Yorkshire in the next five to ten years?

Q4) Do you think the types of solution we are proposing are the right ones to help achieve our objectives and priorities?

Q5) Are there any other types of solution you think we should consider?

Q6) Do you agree with our proposal that we should spend more on the management and maintenance of the existing network and services as a higher priority than making transport improvements?

537 responses consisting of 382 questionnaires and 155 other written or verbal responses were received. This included 75 from Parish Councils in North Yorkshire. In general, there was a high level of agreement with the approach and content of the Consultation Draft LTP3, including the proposal for a Manage, Maintain and Improve hierarchy. There were, however, a small number of responses which suggested changes or weaknesses with the consultation draft. Most of these were concerned with 3 themes. These were:

- The need to address accessibility in rural areas
- That the LTP should have more emphasis on Public Transport (Bus, Community Transport and Rail)
- The need to give full consideration to environmental issues (including carbon) especially through better promotion and provision for alternatives (walking and cycling).

A summary of the consultation response was reported to the Executive Members for Business and Environmental Services and to the Transport Economy and Environment Overview and Scrutiny Committee at its meeting on 29 September 2010. A copy of this summary is available on request, together with further details of the consultation responses. In addition to the three key themes raised through the consultation, there was some support from stakeholder groups and the Area Committees for the concept of Local Transport Partnerships to engage with district, town and parish councils, stakeholders and transport users. There was also some concern, however, that these should not overlap existing engagement forums or detract from the work of the Area Committees. Officers will, therefore, investigate these proposals in more detail in light of these comments and a further report on the proposals will be presented to the Transport Economy and Environment Overview and Scrutiny Committee and the Executive Members for BES early in 2011.

All consultation responses have been considered and, where appropriate, changes incorporated into the draft final LTP3. Whilst it should be noted that the three recurring themes referred to above were only identified by a small number of respondents (typically 20-30 representing approximately 5% of the total) it is worthwhile highlighting how these have been addressed in the draft final LTP3.

The need to address accessibility in rural areas - Access to services (accessibility) is one of the key objectives identified in LTP3. Rural accessibility is recognised as being one of the major transport related issues in North Yorkshire, given its predominately rural nature. The draft final LTP3 includes an Access to Services appendix which sets out the approach in much greater detail. Additionally, the final LTP3 clearly states that this is a high priority for the County Council and sets out how it will seek to address the issues, in the shorter term, recognising the current funding constraints and in the longer term, should more funding become available. The draft final LTP also includes a commitment to seek funding to address rural access to services from the recently announced Local Sustainable Transport Fund.

LTP should have more emphasis on Public Transport (Bus, Community Transport and Rail) – It is recognised that LTP3 concentrates on road / highway based transport and especially those areas where the County Council has direct powers, responsibilities or a significant influence. This is intentional, as the LTP is intended, primarily, to be a plan that the County Council and partners can deliver. Notwithstanding the above, further details of the County Council approach to public transport (including rail) issues have been included in the draft final LTP3. It must be recognised, however, that the County Council and local partners have few direct powers over public transport and its influence on rail services and infrastructure is limited.

The need to give full consideration to environmental issues (including carbon) especially through better promotion and provision for alternatives (walking and cycling). Environment and climate change is one of the key objectives of LTP3 and the consultation draft set out the County Council's approach to achieving this objective. The draft final LTP3 includes an Environment and Climate Change appendix, which sets out the approach in much greater detail. It must, however, be recognised that, in the shorter term, severe funding constraints will mean that the majority of LTP funding will need to be used to maintain the existing highway network and that funding for new provision for pedestrians and cyclists is likely to be very limited. Where appropriate, developer funding for these types of measures will be pursued as part of the planning process for new developments. Alternative modes of travel will continue to be pursued and, should greater funding become available, improved provision for sustainable transport modes will be sought.

The consultation draft LTP3 was based around a funding assumption of a 50% cut in funding, when compared to the allocation for 2010/2011 (the final year of LTP2). This was based on the best available advice from Government Office for Yorkshire and the Humber. Immediately following the CSR announcement, on 20 October 2010, the Department for Transport issued a press release setting out details of national allocations for various transport funding streams. The relevant figures for local government transport capital funding, drawn directly from Annex G of the DfT press release, are.

	10/11 (£m)	11/12 (£m)	12/13 (£m)	13/14 (£m)	14/15 (£m)	Total
Local Sustainable Transport Fund		30	40	60	80	210
Maintenance	871	806	779	750	707	3042
Integrated Transport	450	300	320	320	450	1390
Local Gov. Major Schemes	199	418	364	335	427	1544

Table 1 - DfT Capital Budgets 2011-2015

Local Sustainable Transport Fund is a new funding stream that, as well as providing the indicated £210m in capital, also provides £350m revenue, both over the next 4 years. This funding is available for Local Transport authorities in England through a bidding process. Further details are expected from the DfT before the end of the current year. Officers are currently considering options for potential bids into this fund, including potential bids to support rural access to services.

On 26 October the DfT made an announcement on the outcome of their review of Major Transport Schemes. The scheme for the A684 Bedale Aiskew Leeming Bar Bypass was not in the 'Supported Pool', but is included in the 'Development Pool' of 22 schemes competing for £600m of funding. These are schemes which the DfT feel they need to re-examine and update the evidence, to ensure that the schemes are being compared on an equitable basis, before making final decisions on which can be supported. Decisions on the future of these schemes are expected by the end of 2011. Further details are awaited from the DfT on what additional information is required for schemes in this pool.

Based on the above figures, the expected 50% reduction in the maintenance block has not been imposed. The latest available figures show an approximate 7.5% cut in year 1, increasing to a 19% cut by year 4. Whilst there appears to be a 33% cut in IT allocations in year 1, the quoted 2010/11 figure of £450m is actually post the 25% in year cut. The original figure was £602m. This, therefore, represents the expected 50% cut, but the allocations rise again by year 4.

The approach on overall maintenance and integrated transport is broadly in line with the Government's approach taken for the 2010/11, in year, 25% cuts, which cut integrated transport but protected maintenance. Allocation of both maintenance and integrated transport block funding to individual transport authorities is purely on a formulaic basis. Whilst there are possible minor potential changes proposed for these formulas, these are likely to have a small positive impact for NYCC allocations. It is, therefore, a fair assumption that the County Council's allocations will broadly follow the national trends. Based on this

latest information it is likely that the total allocation for this Council for 2011/12 will be of the order of £25m, compared to the original 2010/11 allocation of £31.7m. Members will, however, also be aware of the 1% increase in the public sector borrowing rate also announced in the CSR. The majority of local transport funding for this Council is in the form of borrowing approvals, however, DfT has recently consulted on the possibility of transport funding being provided through grant, in future, although confirmation of the outcome of this consultation is still awaited. DfT have also confirmed that there is no longer any provision for specific Road Safety Grant and that, in line with a number of ring fenced grants, this funding stream is being wrapped up into the wider local government settlement and allocated by formula. In recent years, this grant has provided the County Council and its 95 Alive partners with an opportunity greatly to expand casualty reduction work throughout North Yorkshire. It is clear that funding for road safety activity, in particular education, training and publicity, will reduce significantly. Once local financial settlements are known, following the recent Comprehensive Spending Review, it will be necessary to review activity relative to the available funding.

Whilst the above funding is potentially more positive than originally expected, the Council cannot be certain of the actual allocations until December, this year. The draft final LTP3 therefore retains the 50% cut scenario, but also includes planning assumptions based on the £25m allocation identified above. Following the publication of the actual allocations, further reports on the implications for LTP3 will be provided to the Executive Members for BES and the Executive.

The draft final LTP3 has been circulated with this agenda on CD. Printed copies are available if required. In line with the current guidance, this is a strategic document which sets out what the Council wishes to achieve in North Yorkshire through transport and how it is hoped to achieve it. Like LTP2, it does not include a list of specific schemes and initiatives, but sets out how they will be identified and prioritised throughout the LTP3 period. Subject to the Government's announcements on funding allocations, it is intended to continue to provide details of specific schemes through a rolling two year programme. Unlike LTP2, which was heavily influenced by the need to meet the very prescriptive Government guidance, LTP3 concentrates on the key issues for North Yorkshire and is not intended to be a comprehensive policy document setting out all of the County Council's transport policies.

Part 1 of the LTP comprises the Local Transport Strategy.

- Chapter 1 gives a geographic, demographic and political background to transport in North Yorkshire. This is essentially the same as LTP2 updated with latest available data.
- Chapter 2 sets out the LTP's vision, which is shared with the Sustainable Community Strategy, the proposed LTP objectives of local economies, environment and climate change, safety and healthier travel, access to services and quality of life and the commitment to the Manage, Maintain, Improve hierarchy.
- Chapters 3 to 7 provide further details of each of the 5 Objectives proposed for LTP3. These are supported by a series of more detailed appendices.
- Chapter 8 identifies and highlights some key links between the 5 Objectives to demonstrate that they will not be considered in isolation.
- Chapter 9 sets out our strategy for delivery of the Objectives including our approach to delivery of schemes and initiatives, namely the process of PROBLEM ⇒ SOLUTION ⇒ PRIORITISE ⇒ DELIVER ⇒ MONITOR.

Key Issues and Potential Interventions are identified for each of the Objectives in Chapters 3 to 7).

Part 2 of the LTP is the approach to delivering the plan for the next 5 years.

- Chapter 10 identifies the two possible funding scenarios for LTP3. An addendum to this chapter may be necessary when the government announce funding allocations following the Comprehensive Spending Review.
- Chapter 11 highlights and summarises many of the County Council policies and practices relating to transport. This is intended to give readers an overview and provide answers to some Frequently Asked Questions.
- Chapter 12 describes how the County Council identifies transport related problems with Chapter 13 setting out the approach to selecting the most appropriate solution. This chapter explains how the Manage, Maintain, Improve hierarchy will be applied.
- Chapter 14 explains the approach to maintenance, bridge and improvement scheme prioritisation and programming. The approach to maintenance and bridge scheme prioritisation remains essentially the same as in LTP2. With regards to changes to the prioritisation system for improvement schemes, as was the case with LTP2, it is proposed that the principles are adopted as part of LTP3, but that the specific details are considered and adopted as part of the implementation of the Plan. This approach means the details of the prioritisation system can therefore be more easily reviewed and adapted to take account of changing circumstances and funding.
- Chapter 15 describes some of the key partnerships necessary to the delivery of LTP3.
- Chapter 16 sets out the performance management regime for LTP3. This identifies Key Performance Indicators which are proposed for LTP3 but, until further details of funding allocations are available, targets for these Indicators cannot be identified. It is possible that an addendum to this chapter may be necessary when the Government announce actual funding allocations, following the Comprehensive Spending Review.

Subject to its approval by the County Council, LTP3 will become County Council policy with effect from 1 April 2011. Notwithstanding this, the implications of the funding cuts are already upon us. Many of the practices embedded in LTP3, such as the use of the Manage, Maintain, Improve hierarchy to prioritise funding, are already being used. The period between adoption of the plan and April 2011 will, however, be used to embed the new policies and practices in LTP3, so that full implementation can commence with effect from 1 April 2011. LTP3 does not need to be submitted to the DfT or Government office for any assessment or scoring. In line with this new status as a local policy document, and taking into account the current funding constraints, it is proposed that the final draft LTP3 approved by Members be subject to some basic re formatting and design work by in house staff and that it be published on the County Council's web site, with a limited number of paper copies available on request. For previous LTP's, the Government has required annual progress reports to be submitted for scoring or assessment. This is no longer a requirement for LTP3, but it is proposed to continue to produce a concise progress report for publication on the County Council website following the end of each financial year. This will highlight some of the main schemes implemented and achievements of the previous year, as well as providing

a regular report of progress against any indicators and targets adopted for LTP3. Additionally, as with previous LTPs, it is proposed that the County Council conduct a light touch mid term review and update of LTP3, working with stakeholders and partners to identify any necessary changes. This review will be carried out during year 3 of its implementation, 2013/14, or at some other time, should circumstances require it.

A series of Equality Impact Assessments were carried out to assess any differential impacts on different groups of the population. Details of these have been published on the County Council's website. In summary, the Equalities Impact Assessments found that there was no adverse impact on any of the six statutory groups of race, gender, disability, sexual orientation, religion or belief and age arising from the adoption of LTP3. The assessment further found that, in many cases, the policies and practices embedded within LTP3 were specifically intended to redress inequalities, especially those related to age and deprivation. Notwithstanding that the Equalities Impact Assessment relates to the adoption of LTP3 and there may be cases where specific schemes and initiatives will require separate Equalities Impact Assessments, as and when they are implemented.

The Executive RECOMMENDS

That the draft third North Yorkshire Local Transport Plan (2011-2016) be adopted.

3. Terms of Reference for Audit Committee. The Audit Committee has considered a report on the process and the outcomes of the 2009/10 Review of the Effectiveness of the County Council's system of Internal Audit and of the Audit Committee itself. When CIPFA released the latest version of the Code of Practice for Treasury Management in 2009 it included a best practice recommendation that a Committee of an authority should be responsible for ensuring effective scrutiny of the Treasury Management Strategy and its attendant policies. For the last two years, the Executive has referred the Treasury Management Strategy et al, prepared each year as part of the Budget / MTFS process to the Audit Committee for a detailed review. The Audit Committee has also put arrangements in place to receive reports from the Corporate Director – Finance and Central Services if the Strategy needs to change as the year progresses. The Audit Committee therefore considers that this role should now be reflected formally in its terms of reference in the Constitution and the Executive concurs.

The Executive RECOMMENDS

That the revised Terms of Reference (Appendix A) for the Audit Committee be adopted in order to formalise their role in respect of the Treasury Management activities of the County Council.

4. Local Code of Corporate Governance. The Audit Committee is responsible for approving the Annual Governance Statement (AGS) of the County Council and, as part of the preparatory work leading up to the approval of the AGS, the Audit Committee reviews any new guidance, etc, issued in relation to the format / content of this Statement.

During 2009/10 CIPFA published a statement on the *Role of the Chief Financial Officer in Local Government*. This required the Committee to:

- (a) undertake an assessment against 91 best practice criteria
- (b) reflect the results of that assessment in the AGS
- (c) refer to the new Statement, and its adoption, as part of the County Council's governance arrangements outlined in the Local Code of Corporate Governance.

The Local Code was last approved by the County Council in October 2008. It is reviewed annually by the Audit Committee as part of its remit to oversee the Corporate Governance arrangements of the County Council. As a result of the latest review, a revised Local Code has been recommended by the Audit Committee to the Executive and the Executive recommends the revised Local Code for approval by the County Council. A copy of the revised Local Code is attached as an Appendix B. The principal changes are to reflect:

- the adoption of the new CIPFA Statement relating to the *Role of the Chief Financial Services Officer in Local Government*
- procedural changes relating to the Standards Committee
- updated details of lead officers

The Executive RECOMMENDS

That the revised Local Code of Corporate Governance be approved and included in the Constitution.

5. Appointments to Committees and other bodies. The Executive makes the usual recommendation, below, to allow political groups or independent Members to put forward nominations for appointments to seats allocated to that group or, in the case of independent Members, seats which are allocated for those Members.

The Executive RECOMMENDS

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

JOHN WEIGHELL
Chairman