

NORTH YORKSHIRE COUNTY COUNCIL



QUARTERLY MEETING

12 November, 2014

**Summons, Agenda, Minutes
and Reports**

QUESTIONS

Council Procedure Rules 2.4 and 10 set out the procedures for asking questions at the County Council Meeting.

2.4 REPORTS, STATEMENTS AND QUESTIONS

- (a) Any reports of the Executive or committees shall, whenever possible, be printed and circulated to Members of the Council before the meetings at which they are to be considered.
- (b) The Leader of the Council may make a statement to the Council on any matters relevant to the Council and any portfolio holder (including the Leader if he/she holds a portfolio) or Chairman of any overview and scrutiny committee may make a statement to the Council on any matters relevant to that portfolio or the work of that overview and scrutiny committee. Members of the Council may, without notice, ask the Member who made the statement questions arising from matters raised in that statement or may ask any questions on matters in that portfolio not mentioned in the statement, but unless notice has been given by 10 am the previous day the person to whom the question has been put may respond in writing, with a copy being placed in Members' Group Rooms. The provisions of Council Procedure Rule 10 (b), (c), (d) and (e) shall apply to questions under this Council Procedure Rule.
- (c) No Member shall speak more than once or for more than two minutes on any statement made by the Leader or a portfolio holder or Chairman of the Scrutiny Board or of an Overview and Scrutiny Committee, except that one representative of each Group may speak for 5 minutes when responding to the statement made by the Leader. The Leader or portfolio holder or Chairman of the Scrutiny Board or of an Overview and Scrutiny Committee making the statement is not limited in the time allowed to make the statement or limited in time or frequency of speaking when responding to questions.

10. QUESTIONS BY MEMBERS

- (a) In addition to his/her right under Council Procedure Rule 2.4 to ask questions of the Leader or a portfolio holder or Chairman of an overview and scrutiny committee or in any report, a Member may ask the Chairman of any committee, other than an overview and scrutiny committee, any questions relating to the business of the Council or may ask the Chairman or nominated member of the North Yorkshire Police Authority, the North Yorkshire Fire and Rescue Authority, the North York Moors National Park Authority or the Yorkshire Dales National Park Authority, a question on the discharge of the functions of such Authority.
- (b) Every question shall be put and answered without discussion, but the person to whom a question has been put may decline to answer.
- (c) With the consent of the Chairman of the Council, the Member who has asked a question may ask a supplementary question arising out of the reply.
- (d) Where the information asked for in a question is contained in any of the Council's publications, it shall be deemed a sufficient reply if the publication containing the information is indicated.
- (e) Where the reply to any question cannot conveniently be given orally, it shall be deemed a sufficient reply if the answer is supplied to the Member asking the question as soon as reasonably possible and copies shall at the same time be placed in the Members' Group Rooms.
- (f) The Chairman shall call on Members to ask questions under this Council Procedure Rule in the order of respondent set out below and, within that order, in the order in which notice of questions was given to the Head of Legal and Committee Services by noon the previous day. In the absence of prior notice having been given, Members must inform the Chairman of their wish to ask a question and these will be called in the order received, but after questions of which prior notice was given.
- (g) The time limit for questions under this Council Procedure Rule for each respondent will be 5 minutes. Once the time allocated for any respondent has expired at any meeting, the Chairman shall not permit any further questions to be asked of that respondent under this Council Procedure Rule but, if a question or response has been started it may be completed, irrespective of the time limit, as may any response to any question being asked when the time limit is reached.

Order of questions

- (i) to the Chairman of the Standards Committee;
- (ii) to the Chairman of an Area Committee;
- (iii) to the Chairman of any other of the Council's committees;
- (iv) to the Chairman or other representative of:-
 - North Yorkshire Fire and Rescue Authority
 - North Yorkshire Police Authority
 - North York Moors National Park Authority
 - Yorkshire Dales National Park Authority



NORTH YORKSHIRE COUNTY COUNCIL

You are hereby summoned to attend the Meeting of the County Council to be held at County Hall, Northallerton, on **Wednesday, 12 November 2014 at 10.30 am**, at which the following business will be transacted.

Recording is allowed at County Council, committee and sub-committee meetings which are open to the public, subject to:- (i) the recording being conducted under the direction of the Chairman of the meeting; and (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available to download below. Anyone wishing to record must contact, prior to the start of the meeting, the Officer whose details are at the foot of the first page of the Agenda. Any recording must be clearly visible to anyone at the meeting and be non-disruptive. <http://democracy.northyorks.gov.uk/>

BUSINESS

1. To move that the **Minutes of the meeting of the County Council held on 23 July 2014** having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.
(Pages 1 to 6)
2. To move that the **Minutes of the Extraordinary meeting of the County Council held on 24 September 2014** having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.
(Pages 7 to 10)
3. **Chairman's Announcements** - Any correspondence, communication or other business brought forward by the direction of the Chairman of the Council.
4. **A Statement by the Leader of the Council**
(Pages 11 to 12)
5. **Public Questions or Statements**

Members of the public may ask questions or make statements at this meeting if they have given notice to Barry Khan, Assistant Chief Executive (Legal and Democratic Services) – contact: barry.khan@northyorks.gov.uk) by midday on 7 November 2014, three working days before the day of the meeting. Each speaker should limit themselves to 3 minutes on any item.

If you are exercising your right to speak at this meeting, but do not wish to be recorded, please inform the Chairman who will instruct anyone who may be taking a recording to cease while you speak

6. To consider the **report and recommendations of the Executive** and make decisions on them. **(Pages 13 to 116)**
- Prudential Indicators **(Appendix 1A – Pages 18-28)**
 - Review of Contract, Finance and Property Procedure Rules **(Appendices 2A-2F – Pages 29-116)**
 - Appointments to Committees and Outside Bodies
7. To consider the **report and recommendations of the Audit Committee** and make a decision on them. **(Pages 117 to 124)**
- Annual Report
8. To consider the **report and recommendations of the Standards Committee** and make a decision on them. **(Pages 125 to 129)**
- Complaints Procedure
9. **Statements of Executive Members, in the order set out below, followed by Statements by the Chairmen of the Overview and Scrutiny Committees.**

(Pages 130 to 168)

Executive Members:

- (a) Highways and planning services. (Portfolio holder: County Councillor Gareth Dadd).
- (b) Rural Services, waste disposal, public passenger transport, trading standards, economic development and library services. (Portfolio holder: County Councillor Chris Metcalfe).
- (c) Public health and prevention. (Portfolio holder: County Councillor Don MacKenzie)
- (d) Central and financial services including assets, IT and procurement. (Portfolio holder: County Councillor Carl Les).
- (e) Children's services, special education needs youth justice, youth service and adult learning. (Portfolio holder: County Councillor Tony Hall).
- (f) Schools, 16-19 year old education and early years' provision. (Portfolio holder: County Councillor Arthur Barker).
- (g) Adult social care and health integration. (Portfolio holder: County Councillor Clare Wood).

Overview and Scrutiny Committee Chairmen:

- (h) Scrutiny Board (Chairman: County Councillor Elizabeth Casling).
- (i) Young People Overview and Scrutiny Committee (Chairman: County Councillor Elizabeth Shields)
- (j) Care and Independence Overview and Scrutiny Committee (Chairman: County Councillor Patrick Mulligan).
- (k) Corporate and Partnerships Overview and Scrutiny Committee (Chairman: County Councillor Derek Bastiman).
- (l) Transport, Economy and Environment Overview and Scrutiny Committee (Chairman: County Councillor David Jeffels).

(m) Scrutiny of Health Committee (Chairman: County Councillor Jim Clark).

Each statement may be followed by any questions arising from the statement, subject to notice having been given by 10.00 am on 11 November 2014, on matters in that portfolio not mentioned in the statement.

9. Council Procedure Rule 10 Questions

10. Motion – The outflow of young people and young families from the rural and deeply rural areas in North Yorkshire

County Councillor John Blackie to move and County Councillor Stuart Parsons to second

“North Yorkshire County Council:

This Council recognises there is an increasingly worrying outflow of young people and young families from the rural and deeply rural areas in North Yorkshire which if not arrested will result in failing communities a generation or two from now, and pledges to work through its Stronger Communities policy initiative, and by using its considerable influence in economic and social well-being, on its own account and with its partners, to help shape a rural offer that encourages those contemplating leaving these areas to stay.”

RICHARD FLINTON
Chief Executive Officer

BARRY KHAN,
Assistant Chief Executive
(Legal and Democratic Services)

County Hall,
NORTHALLERTON
4 November 2014

- NOTES:
- (a) Coffee will be available in meeting Room 4 before the meeting.
 - (b) A buffet lunch will be provided in the Grand.
 - (c) Tea and coffee will be available in the Meeting Room 4 at the conclusion of the meeting.

Meetings of the County Council - Evacuation in Emergency

Although it is very unlikely that there will be a fire, or any other emergency, on the day of a meeting of the County Council, it remains a possibility that such an emergency will arise. The following guidance notes are intended to assist Members of the Council and the public to evacuate the building safely, in such circumstances.

The Council Chamber, and the associated Public Gallery, pose a number of difficulties for rapid evacuation in an emergency, not least being the considerable number of people who can be in the Chamber and the Gallery at any time, but also because of evacuation routes from the building. If, in the case of a fire or other emergency, the main staircase were to be impassable, it would be necessary to evacuate the Council Chamber through the Public Gallery and, from there, down the staircase that leads from the Public Gallery to the central courtyard. It is not possible, however, to know which route is most appropriate, if an alarm is sounded, without a quick preliminary examination being made.

(a) Therefore, if the fire alarm is sounded during a meeting of the County Council:-

- the Democratic Services Manager (or another Democratic Services Officer) will act as Fire Evacuation Warden and will issue instructions on the appropriate exit to use, as soon as it is established by a Democratic Services officer whether the main staircase is clear of fire or obstruction;
- please leave your seat without delay, so that you are ready to leave the Chamber when the evacuation route is clear;
- if evacuation is via the main staircase, please leave the building by the main doors, but assemble on the south side car park (with Members' parking bays marked in red);
- if evacuation is via the Public Gallery, please leave the Chamber via the doors in the Labour/Liberal Democrat corner of the room, through the Public Gallery and down the staircase to the centre courtyard, from there via the courtyard gate to assemble in the north side car park (by the Superintendent's house on Racecourse Lane);
- Democratic Services staff will ensure that the Chamber and Public Gallery are cleared, that windows and doors are closed wherever possible, and will report to the Fire Evacuation Controller.

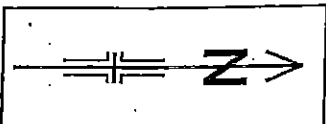
(b) If the fire alarm is sounded during Group meetings:-

- please close all windows and proceed to the nearest exit (subject to that being free of fire or other obstruction) closing any doors behind you;
- check that no-one has been left in the room in which you are meeting;
- assemble on the south side car park (with Members' parking bays marked in red); and
- ask one of the Group to report to the Fire Evacuation Controller who will be at the main entrance doors, (without re-entering the building) that the room you evacuated was clear of people.

(c) If you are in another room when the fire alarm is sounded, for example your Group Room, the Members' Lounge or Dining Room:-

- please ensure that no-one else remains in the room;
- check (as far as reasonably practicable) that windows and adjoining doors are closed;
- close the door after leaving the room and leave the building by the nearest exit
- then, without re-entering the building, report to the Fire Evacuation Controller at the main entrance doors that the room which you evacuated was clear of other persons.

(NOTE: These notes and the plan overleaf seek to do no more than give outline guidance to Members on action they should take if the fire alarm is sounded while they are in the building. It is not possible to provide detailed guidance which will cover every eventuality. The core purposes of the guidance note are to assist with the safe evacuation of all persons in the building and to ensure that the officer acting as Fire Evacuation Controller is able to give the Fire and Rescue Service, when they attend any fire, the best achievable information about whether any persons may remain in the building and, if so, their likely location. Every report of a room being clear of persons assists substantially in this task. The Democratic Services Manager will be pleased to receive any comments about these guidance notes, particularly as to how they might be improved).



Members
Car Parking

Visitors
Car Parking

Pond

Pond

**SOUTH SIDE
CAR PARK**

Fire Assembly
Point

MAIN
EVACUATION ROUTE

Council
Chamber

Fire Assembly
Point

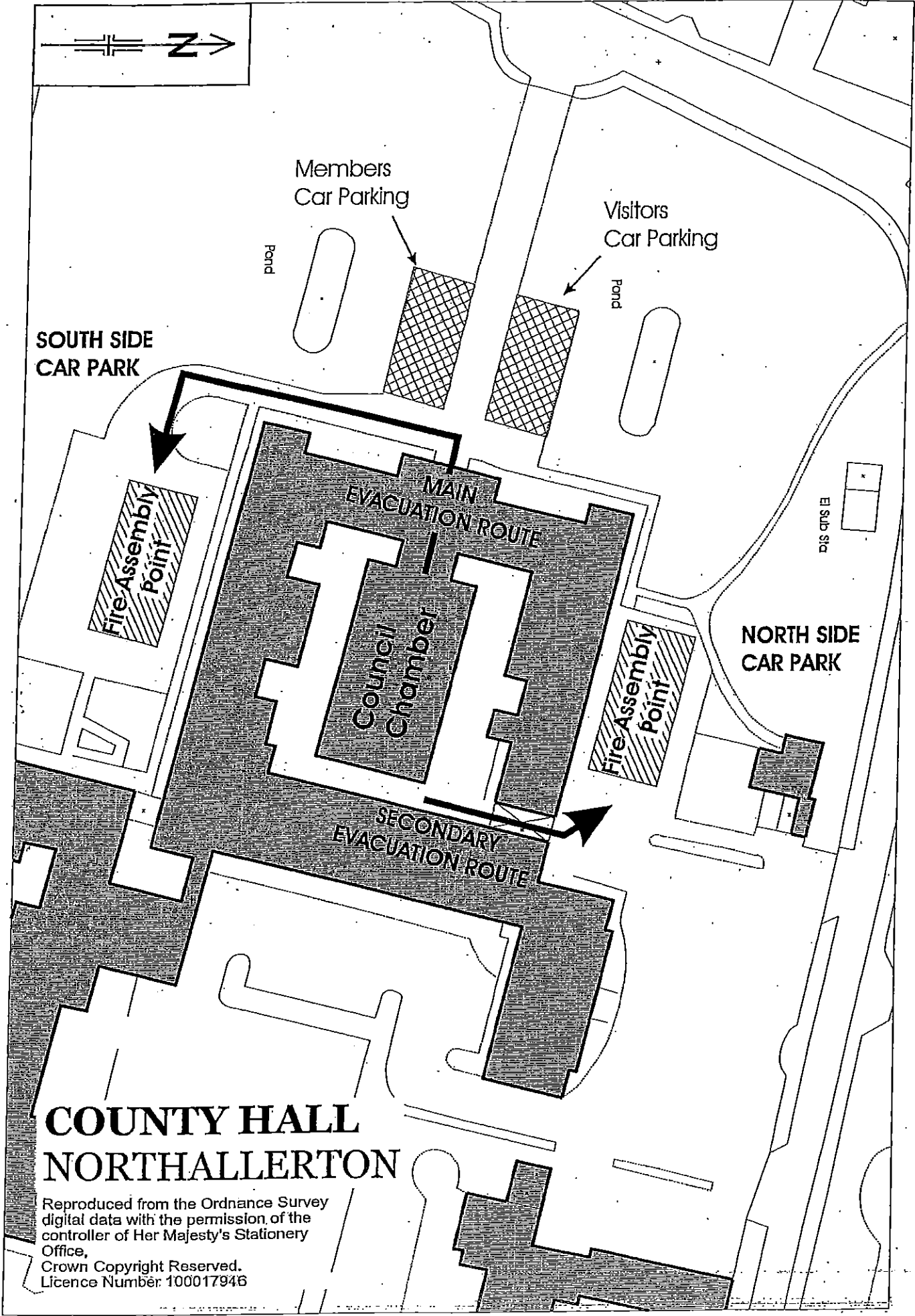
**NORTH SIDE
CAR PARK**

SECONDARY
EVACUATION ROUTE

El Sub Sid

COUNTY HALL NORTHALLERTON

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NORTH YORKSHIRE COUNTY COUNCIL

Minutes of the Annual General meeting of the County Council held at County Hall, Northallerton on 23 July, 2014 commencing at 10.30 am.

Present:-

County Councillor Tim Swales in the Chair.

County Councillors Val Arnold, Margaret Atkinson, Robert Baker, Arthur Barker, Philip Barrett, David Billing, John Blackburn, John Blackie, David Blades, Eric Broadbent, Lindsay Burr, Jean Butterfield, Liz Casling, David Chance, Jim Clark, John Clark, Richard Cooper, Sam Cross, Gareth Dadd, Margaret-Ann de Courcey-Bayley, John Ennis, John Fort BEM, Andrew Goss, Helen Grant, Bryn Griffiths, Tony Hall, Michael Harrison, Roger Harrison-Topham, Michael Heseltine, Robert Heseltine, Peter Horton, Bill Houlton, David Ireton, David Jeffels, Janet Jefferson, Anne Jones, Andrew Lee, Carl Les, Cliff Lunn, Don Mackenzie, Shelagh Marshall OBE, John McCartney, Chris Metcalfe, Heather Moorhouse, Patrick Mulligan, Robert Packham, Stuart Parsons, Caroline Patmore, Chris Pearson, Joe Plant, Tony Randerson, Janet Sanderson, John Savage, Steve Shaw-Wright, Elizabeth Shields, Peter Sowray, Helen Swiers, Cliff Trotter, John Weighell, Richard Welch, James Windass and Clare Wood.

Minutes

It was moved and seconded that noting:

- the incorrect inclusion of County Councillor Cliff Lunn;
- and the omission of County Councillors Lindsay Burr and Derek Bastiman

from the attendance record, the Minutes of the meeting of the County Council held on Wednesday, 21 May 2014, the having been printed and circulated, are taken as read and confirmed and signed by the Chairman as a correct record.

The Council divided and, on a show of hands, the motion was declared carried with none against and no abstentions.

Resolved -

58. That the Minutes of the meeting of the County Council held on Wednesday, 21 May 2014, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record noting:

- the incorrect inclusion of County Councillor Cliff Lunn;
- and the omission of County Councillors Lindsay Burr and Derek Bastiman in the attendance record.

Chairman's Announcements

The Chairman welcomed Honorary Alderman John Marshall to the meeting and reported apologies for absence. He then informed Members of the sad news of the death of ex-County Councillor Estelle Edwards OBE who had served from 1973 to 1993; Members stood in silence in her memory. The Chairman then announced that County Councillor Shelagh Marshall had been awarded an OBE in Queen's Birthday Honours in recognition of her services to older people, he also recorded thanks to staff who had also been recognised. Finally he reminded Members of the time limits for speeches.

Statement by the Leader of the Council

County Councillor John Weighell made a statement, under Council Procedure Rule 2.3, as Leader of the Council, a summary of the key points of which had previously been circulated and which appear in the Minute Book (pages 5891-5892). The Leader recorded his thanks to all the staff who had been involved with the Tour de France, many of whom were present in the public gallery – a round of applause was given. Other Members spoke echoing this sentiment. The Leader also responded to a question.

Public Questions or Statements

Mr Bob Singleton asked: "Over the past three years the County Council has been cutting its budgets for staffing and services because they are no longer affordable. In 2010 the Members Working Group recommended the signature of the AWRP project with AmeyCespa. In doing so it considered the affordability of the Waste Strategy and concluded that the NYCC project budget of £ 1.21 billion provided a headroom or affordability margin of £212million. When has this budget been reviewed, and has it been increased or decreased, and if so by how much?" County Councillor Chris Metcalfe responded and Mr Singleton then asked a supplementary question to which he also responded.

Report of the Executive Revenue Budget Report 2013-14

The recommendations in paragraph 1 of the report (page 5915) were moved and seconded.

The Council divided and, on a show of hands, the motion was declared carried, with none against and 2 abstentions.

Resolved -

- 59.**
- (a) That the position on the draft revenue outturn and General Working Balance for 2013/14 as detailed on pages 13, 23 to 26 is noted
 - (b) That the County Council approve the proposed carry forward of unspent budgets at Corporate and Directorate level totalling £25,058k as detailed on pages 22 and 23.
 - (c) That the position on other earmarked reserves as detailed on pages 27, 28 and 29, and at **Appendix 1I** is noted
 - (d) That the procedure that will be followed by the Audit Committee in respect of the approval of the statutory Statement of Final Accounts (as described on pages 31 and 32) is noted.
 - (e) The North Yorkshire Better Care Fund as approved by the Health and Wellbeing Board on 1 April 2014 (detailed on pages 32 and 33 and at **Appendix 1K**) is approved.

Capital Plan Report 2013-14

The recommendations in paragraph 2 of the report (page 5925) were moved and seconded.

The Council divided and, on a show of hands, the motion was declared carried, with none against and 2 abstentions.

Resolved -

- 60.**
- (a) That the position on capital outturn as detailed in **Appendices 2A to 2E** is noted
 - (b) That the proposed carry forward to 2014/15 of the net capital underspend totalling £77k as set out at page 39 is approved
 - (c) That the financing of capital expenditure as detailed at page 40 and **Appendix 2F** including the use of County Farms capital receipts to finance capital spending as explained at page 42 is approved.
 - (d) That no action be taken at this stage to allocate any additional capital resources, page 43.

Young and Yorkshire: The Plan for all Children, Young People's Families living in North Yorkshire 2014-17

The recommendations in paragraph 3 of the report (page 5928) were moved and seconded.

The Council divided and, on a show of hands, the motion was declared carried, with none against and no abstentions.

Resolved -

- 61.** That County Council approves the Young and Yorkshire: The Plan for all Children, Young People and their Families Living in North Yorkshire 2014-17.

Youth Justice Service Strategic Plan 2014-16

The recommendations in paragraph 4 of the report (page 5929) were moved and seconded.

The Council divided and, on a show of hands, the motion was declared carried, with none against and no abstentions.

Resolved -

- 62.** That the Youth Justice Service Strategic Plan 2014-16, is approved.

Appointments to Committees and Outside Bodies

The recommendation in paragraph 5 of the report (page 5930) having been moved and seconded; the Council was informed of a number of additional nominations.

The Council divided and, on a show of hands, the motion was declared carried, with none against and no abstentions.

Resolved –

63. That any proposals for the re-allocation of seats , if necessary to achieve political proportionality, or for changes to memberships or substitute memberships of committees, or other bodies to which Council makes appointments, put forward by the relevant political group, prior to or at the meeting of Council, are agreed as follows:

(i) **Following the outcome of the Skipton West by election and a review of proportionality:**

Craven Area Committee: County Councillor Andy Solloway – Independent is appointed;

Transport, Economy and Environment Overview and Scrutiny Committee: Andy Solloway – Independent to replace Bryn Griffiths – Liberal Democrat.

Yorkshire Dales National Park Authority: John Ritchie – Labour is appointed

Allocation of Chairmen and Vice-Chairmen of the Overview and Scrutiny Committees: in order to achieve a more equitable spread across the three second largest groups, the following arrangement is approved - Liberal Democrats to retain the Chair of **Young People Overview and Scrutiny Committee** for the remainder of the 2014/15 municipal year. The Chair will be offered to the Labour group and the North Yorkshire Independent group over the remaining two years of the administration.

Scrutiny of Health Committee County Councillor Philip Barrett - North Yorkshire Independent is appointed Vice-Chairman in place of County Councillor Margaret-Ann de Courcey-Bayley.

(ii) **Young People Overview and Scrutiny Committee**

Louise Alder is appointed as the Primary Teacher co-opted member representative in place of Michael Clarkson;

Pam Crabtree is appointed as the Roman Catholic Diocesan representative;

David Sharp is appointed as the Voluntary Sector representative replacing Ken Allinson.

(iii) **Scrutiny of Health Committee**

Councillor Tony Duff is appointed on behalf of the Richmondshire District Council as substitute member in place of Rob Johnson.

(iv) **North York Moors National Park Authority**

County Councillor Chris Metcalfe is appointed to replace County Councillor Helen Swiers – Conservative.

- (v) **Care and Independence Overview and Scrutiny Committee**
County Councillor Helen Grant is appointed Vice Chairman to replace County Councillor John McCartney – North Yorkshire Independent.
- (vi) **Audit Committee**
County Councillor Helen Grant is appointed to replace County Councillor Stuart Parsons - North Yorkshire Independent.
- (vii) **North Yorkshire Fire and Rescue Authority**
County Councillor Bill Hoult - Liberal Democrat is appointed as substitute.

Statements of Executive Members and Chairmen of Overview and Scrutiny Committees

County Councillor Gareth Dadd, the Executive Member for highways and planning services made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 6089-6092) and responded to questions.

County Councillor Chris Metcalfe, the Executive Member for rural services, waste disposal, public passenger transport, trading standards, economic development and library services presented a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 6093-6098) and responded to questions.

County Councillor Don Mackenzie, the Executive Member for public health and prevention made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 6099-6100) and responded to questions.

County Councillor Carl Les, the Executive Member for central and financial services including assets, IT and procurement made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 6101-6102) and responded to questions.

County Councillor Tony Hall, the Executive Member for children's services, special education needs youth justice, youth service and adult learning made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 6103-6106)

County Councillor Arthur Barker, the Executive Member for schools, 16-19 year old education and early years' provision made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 6107-6110) and responded to questions.

County Councillor Clare Wood, the Executive Member for adult social care and health integration made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 6111-6112) and responded to questions.

The written statements of the Chairmen of the Scrutiny Board and the Overview and Scrutiny Committees (pages 6113-6128) having previously been circulated, the Chairmen of the Scrutiny of Health and Young People Overview and Scrutiny Committee responded to questions.

Council Procedure Rule 10 Questions

The Chairman of the North Yorkshire Fire and Rescue Authority responded to a question under Council Procedure Rule 10 questions.

Motion – Pay Dispute

The Motion was moved and seconded.

North Yorkshire County Council:

In view of the tensions caused by strikes and the need for good Council/employee relations this Council resolves:

- (i) To call upon the government to facilitate pay negotiations with the appropriate unions.
- (ii) To call upon the LGA to re-open wage negotiations with the appropriate unions.

During the debate a Member moved “that the question now be put” and this was seconded.

The Council divided and, on a show of hands, the motion “that the question now be put” was declared carried, with seven against and one abstention.

The Council then divided and, on a show of hands, the substantive motion was declared dismissed, with nine in favour and four abstentions.

The meeting concluded at 1.25 pm.



NORTH YORKSHIRE COUNTY COUNCIL

Minutes of the Extraordinary meeting of the County Council held at County Hall, Northallerton on 24 September 2014 commencing at 2.00pm.

Present:-

County Councillor Tim Swales in the Chair.

County Councillors Val Arnold, Margaret Atkinson, Andrew Backhouse, Robert Baker, Arthur Barker, Bernard Bateman MBE, David Billing, John Blackburn, John Blackie, David Blades, Eric Broadbent, Lindsay Burr, Liz Casling, David Chance, John Clark, Richard Cooper, Sam Cross, Gareth Dadd, Margaret-Ann de Courcey-Bayley, John Ennis, John Fort BEM, Andrew Goss, Helen Grant, Tony Hall, Michael Harrison, Michael Heseltine, Robert Heseltine, Peter Horton, Bill Hoult, David Ireton, Anne Jones, Mike Jordan, Carl Les, Cliff Lunn, Don Mackenzie, Penny Marsden, Chris Metcalfe, Heather Moorhouse, Patrick Mulligan, Stuart Parsons, Caroline Patmore, Chris Pearson, Joe Plant, Tony Randerson, Janet Sanderson, John Savage, Elizabeth Shields, David Simister, Andy Solloway, Peter Sowray, Helen Swiers, Cliff Trotter, John Weighell, Richard Welch, Robert Windass and Clare Wood.

Chairman's Announcements

The Chairman welcomed County Councillor Andy Solloway to his first meeting of County Council since being elected. He noted the apologies for absence received from County Councillors Philip Barrett, Jean Butterfield, Jim Clark, Bryn Griffiths, David Jeffels, Janet Jefferson, Andrew Lee, Brian Marshall, John McCartney, Robert Packham, John Ritchie, and Steve Shaw-Wright. He then informed Members of the sad news of the death of ex-County Councillor Richard Hall who had served from 1993 to 2009, and ex-County Councillor Bernard Bosomworth who had served from 1985 to 2001. Members stood in silence to their memory. The Chairman recorded sincere thanks on behalf of the County Council for the long service given by Lord James Crathorne KCVO who served as the Lord Lieutenant of North Yorkshire from 1999 until 2014. Good wishes were also recorded for the new Lord Lieutenant, Barry Dodd CBE. The Chairman reminded Members that the meeting was being recorded for upload via You Tube, and other media, and the time limits for speeches.

Public Questions or Statements

Notice had been received of ten statements and questions from members of the public. The text of these was circulated throughout the Council Chamber, the public gallery, and the Grand which served as an overflow video relay room. Copies of correspondence which had been circulated to all County Councillors prior to the meeting from Mr and Mrs Baker and Mr Andrew Jones MP, were similarly circulated. Copies of all are held in the Minute Book at pages at 6129 to 6150.

**Report of the Executive
Financial Close for the Long Term Waste Contract, subject to the final costs being
within the Value for Money Envelope.**

The recommendations in paragraph 1 of the report (pages 6151-6152) having been moved and seconded, it was moved and seconded as an amendment:

“County Council defers the decision to proceed to financial close to:

- (i) allow time for a full audit to be done of the financial aspects of the proposal.
- (ii) enable a Members Working Party to investigate the new financial aspects of the proposal.
- (iii) give officers the opportunity to present full costs of the alternatives that may be available.”

After debate, the Council divided and, on a show of hands, there were:

for the amendment – 17

against the amendment – more

and the amendment was declared lost.

(County Councillors Margaret Ann de Courcey-Bayley, John Blackie, Lindsay Burr, Sam Cross, Bill Hault, John Clark, Andrew Goss, Helen Grant, Peter Horton, Anne Jones, Stuart Parsons, Tony Randerson, John Savage, Elizabeth Shields, David Simister, and Robert Windass asked that it be recorded in the minutes that they voted for the amendment.)

Following further debate the Council divided on the motion and, on a vote by name, there were:-

Councillors For	Councillors Against	Councillors Abstaining
Val Arnold	John Blackie	Patrick Mulligan
Margaret Atkinson	Lindsay Burr	Andy Solloway
Andrew Backhouse	John Clark	
Robert Baker	Richard Cooper	
Arthur Barker	Sam Cross	
Bernard Bateman	Margaret-Ann de Courcey-Bayley	
David Billing	Andrew Goss	
John Blackburn	Helen Grant	
David Blades	Peter Horton	
Eric Broadbent	Bill Hault	
Liz Casling	Anne Jones	
David Chance	Stuart Parsons	
Gareth Dadd	Tony Randerson	
John Ennis	John Savage	
John Fort BEM	Elizabeth Shields	
Tony Hall	David Simister	
Michael Harrison	Robert Windass	
Michael Heseltine		
Robert Heseltine		
David Ireton		
Mike Jordan		

Councillors For	Councillors Against	Councillors Abstaining
Carl Les		
Cliff Lunn		
Don Mackenzie		
Penny Marsden		
Chris Metcalfe		
Heather Moorhouse		
Caroline Patmore		
Chris Pearson		
Joe Plant		
Janet Sanderson		
Peter Sowray		
Tim Swales		
Helen Swiers		
Cliff Trotter		
John Weighell		
Richard Welch		
Clare Wood		
38	17	2

Resolved –**64.**

County Council endorse the decision of the Executive to proceed to Financial Close as follows:

- (i) That based on the long term benefits of the Waste PPP Project being as set out in this report, the County Council proceeds to Financial Close subject to the final costs being within the Value for Money Envelope set out in paragraph 7.29 of the Executive report.
- (ii) That delegated authority is given to the Corporate Director, Strategic Resources in consultation with the Assistant Chief Executive, Legal and Democratic Services, to ensure that due consideration is given to the Value for Money Envelope of the potential financial impact of changes arising from the Waste Law List having effect between Commercial and Financial Close.
- (iii) That authority is delegated to the Corporate Director, Business and Environmental Services (acting in consultation with the Corporate Director, Strategic Resources, and the Assistant Chief Executive, Legal and Democratic Services) to determine the final terms of the following documents in preparation for Financial Close as necessary:
 - a) the form of Public Private Partnership Contract (“PPP Contract”) between the County Council and the Contractor;
 - b) the Funders Direct Agreement with the Contractor’s funders;
 - c) the Deed of Novation;
 - d) any documents ancillary to the Deed of Novation, Funders Direct Agreement and any other documents or ancillary agreements necessary to give effect to the Waste PPP Project;
 - e) the Supplemental Deed, the Further Deed of Variation to the Option Agreement and the Payment Redirection Deed.

- (iv) That authority is delegated to the Assistant Chief Executive, Legal and Democratic Services, to execute and complete on behalf of the County Council the following documents to achieve Financial Close:
 - a) the Funders Direct Agreement with the Contractor's funders;
 - b) the Deed of Novation, including the form of the amended and restated PPP Contract;
 - c) the Supplemental Deed, the Further Deed of Variation to the Option, and the Payment Redirection Deed;
 - d) any documents ancillary to the Deed of Novation, Funders Direct Agreement, and any other documents or ancillary agreements necessary to give effect to the Waste PPP Project.
- (v) That agreement is given to trigger the option for the grant of the Lease of the Allerton Park Site to AmeyCespa AWRP SPV Ltd and that authority is delegated to the Assistant Chief Executive, Legal and Democratic Services to issue the trigger notice as required at Financial Close.
- (vi) That authority is delegated to the Assistant Chief Executive, Legal and Democratic Services to
 - a) agree any extension to the Original Financial Close Longstop Date to give effect to the decision;
 - b) amend the Joint Waste Management Agreement with City of York Council as identified in 'City of York Council' in paragraph 6.4 of the Executive report;
 - c) publish the VEAT Notice as identified in paragraphs 8.1.8 – 8.1.10 of the Executive report.
- (vii) That the Corporate Director, Strategic Resources, is authorised to issue the certificates under the Local Government (Contracts) Act 1997 to confirm the County Council's powers to enter into the relevant contracts referred to in recommendation (iv) above.
- (viii) That an indemnity is given by the County Council to the Corporate Director, Strategic Resources, against any claim that may arise out of or in connection with the issue of the certificates under the Local Government (Contracts) Act 1997.

The meeting concluded at 17.15 pm.

NORTH YORKSHIRE COUNTY COUNCIL12th November 2014**STATEMENT OF THE LEADER
COUNTY COUNCILLOR JOHN WEIGHHELL****Local Government Yorkshire & Humber**

I have updated colleagues previously on the situation with LGYH. The organisation which represents councils in Yorkshire and Humber along with some other public sector bodies is facing abolition. A number of West Yorkshire Councils have indicated that they do not see a future for the organisation. Key meetings are due to take place in the next month and if no resolution is found to keep all Council's on board, then the organisation could be wound up next year.

Local Enterprise Partnership

Following the LEP's successful Local Growth Deal, when it secured around £110m, the Government has indicated that there will be a further, although much smaller, second round of growth deal funding. The amount for the LEP area is thought to be around £6m and projects are currently being assessed for possible submission. It is expected that any announcement will be made by Government in the Autumn statement.

Devolution

Following the Scottish referendum, there has been considerable interest in devolution, with the major cities at the centre of the debate. I have signed a letter along with other County leaders from the County Council Network, that has been sent to the Prime Minister. I have also separately written to William Hague. The purpose of these letters whilst being supportive of devolution for cities makes it clear that this agenda should also include counties. I am sceptical of another regional tier of government as a means of achieving devolution but I strongly believe that there is scope to devolve functions currently carried out by Central Government either to LEP or to the County's as well as to the City's. This is likely to be a major area to debate as we lead up to, and beyond, the next general election.

Tour de France

Following the staging of the enormously successful Grand Départ in North Yorkshire, Officers have been finalising the financial outturn for the Tour de France. I am pleased to be able to report that the operations within North Yorkshire have come within the budget that we had previously announced. Around £4m was funded on Highway improvements which was achieved by bringing forward works scheduled in future years. In addition, we had budgeted to spend approximately £2m of revenue in staging the event which ran across North Yorkshire for both Stages 1 and 2. The outturn position is that we have come under this budget by approximately £300k.

Once again I would like to take this opportunity to thank everybody who made this event in Yorkshire, and in particular in North Yorkshire, such an amazing success.

Lord Lieutenant

On the 12th of September, Lord Crathorne's term of office as Lord Lieutenant came to an end. I would like to place on record the County Council's appreciation of Lord Crathorne's 14 years as the Queen's representative in North Yorkshire.

I am also personally thrilled at the appointment of Barry Dodd as the new Lord Lieutenant. I have worked very closely with Barry firstly on the Board of Yorkshire Forward and latterly as Chairman of the North Yorkshire, York and East Riding Local Enterprise Partnership.

JOHN WEIGHELL
Leader of the Council

The Report of the Executive

The Executive met on Tuesday, 29 July 2014 commencing at 11.00 am. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Gareth Dadd, Tony Hall, Carl Les and Clare Wood.

Also in attendance: County Councillors John Blackburn and John Fort BEM.

The Executive met on Tuesday, 19 August 2014 commencing at 11.00 am. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Gareth Dadd, Tony Hall, Carl Les, Don Mackenzie and Clare Wood.

Also in attendance: County Councillors Andrew Backhouse, Jim Clark, David Jeffels, Janet Sanderson and Elizabeth Shields.

The Executive met on Tuesday, 9 September 2014 commencing at 11.00 am. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Gareth Dadd, Tony Hall, Carl Les, Don Mackenzie, Chris Metcalfe and Clare Wood.

Also in attendance: County Councillors John Clark, David Jeffels, Peter Sowray, Tim Swales and John Savage.

The Executive met on Tuesday, 30 September 2014 commencing at 11.00 am. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Tony Hall, Carl Les, Don Mackenzie, Chris Metcalfe and Clare Wood.

The Executive met on Tuesday, 28 October 2014 commencing at 11.00am. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Gareth Dadd, Tony Hall, Carl Les, Don Mackenzie, Chris Metcalfe and Clare Wood.

Also in attendance: County Councillors John Blackie, David Jeffels and Robert Heseltine.

1. Prudential Indicators: The Prudential Code requires appropriate arrangements to be in place for the monitoring, reporting and revision of Prudential Indicators previously set and these arrangements were agreed by the County Council in 2004. Updated Prudential Indicators for 2014/15 to 2016/17 were approved by Executive on 4 February 2014 and subsequently by County Council on 19 February 2014 and were based on a 2013/14 Quarter 3 - Capital Plan as at 31 December 2013.

The Annual Treasury Management and Prudential Indicators report for 2013/14 was submitted to Executive on 17 June 2014. This reported the 2012/13 outturn position on Prudential Indicators compared with the last updated set of Indicators for the year, as approved by County Council on 19 February 2014. The 2013/14 outturn report did not however consider any consequential changes to the Indicators set for the three year period 2014/15 to 2016/17.

It is therefore necessary to consider and revise the Prudential Indicators for the three years up to 31 March 2017. As a result of Capital Plan updates and other changes, many of the Prudential Indicators need revising, particularly those for capital spending, the consequential capital financing requirement and authorised debt levels.

Rather than consider individual Prudential Indicators in isolation a full review of all Indicators has been undertaken as part of the ongoing financial monitoring process referred to earlier. This is necessary because the Indicators approved in February 2014 were based on a Capital Plan as at 31 December 2013 and subsequent, and more up to date information has become available resulting in forecasts for future years having to be refined.

A Prudential Indicators update and monitoring report is therefore attached as **Appendix 1A** (at pages 18 – 28). This sets out each Prudential Indicator in terms of the:

- (a) Indicators approved in February 2014
- (b) updated Indicators as at August 2014 (i.e. this report)
- (c) comments on the reasons for significant variations being proposed

In general the updated Indicators reflect a number of common factors including:

- (a) 2013/14 outturn – capital spending, capital financing and borrowing as reported to Executive on 17 June 2014
- (b) an updated Capital Plan
- (c) latest information and approvals on schemes self funded from grants, contributions and from revenue
- (d) updated forecasts of debt charge estimates and interest earned on surplus cash balances
- (e) various other miscellaneous refinements

The Executive RECOMMENDS:

That County Council approve the revised Prudential Indicators for the period 2014/15 to 2016/17 as set out in **Appendix 1A** (at pages 18 – 28).

2. Review of Contract, Finance and Property Procedure Rules: The terms of Reference of the Audit Committee include the following as one of its functions: “To review and recommend to the Executive changes to the Financial, Contract and Property Procedure Rules”. A review of the Property, Financial and Contract Procedure Rules (the Rules) was carried out by the Audit Committee on 17 July 2014. The Audit Committee approved a number of changes which are set out below, and the Executive also approved these at their meeting 9 September 2014 for recommendation to County Council as the Rules form part of the County Council’s Constitution.

It was intended that a detailed review be carried out every four years in line for the beginning of each new Council. As this did not happen in 2013, when only the Contract Procedure Rules were reviewed, a further review has been undertaken of all the Rules. There is need to constantly review the Rules and to make periodic amendments to reflect operational circumstances. Officers have reviewed the Rules in this light. The changes fall into a number of categories and these are explained below under each set of Rules.

Property Procedure Rules

Threshold Changes: A number of values have been updated, but generally thresholds for acquisition, redeployment, etc. have remained as before. These are generally higher values and reflect the lack of significant movement in the property market in recent years.

Additional and Deleted Sections: An additional clause has been inserted to state that acquisitions above market value must be justified. Regarding the acquisition of property, three key changes are proposed:

- The approval for securing an option will rest with the Corporate Director, Strategic Resources (CD-SR) rather than with any Director.
- The value to be approved by the CD-SR will now be the total cost of the option fee payable plus the resulting transaction, rather than just the option fee.
- Approval for exercising an option will now be based on the same value bands as other acquisitions.

It is also proposed that the sale of land forming the County Farms estate will now be authorised by the Corporate Director –Strategic Resources regardless of value (so that high value farm sales no longer have to be approved by the Executive). This is because there has already been a policy decision relating to the sale of Farms so no further approvals should be required of the Executive.

Financial Procedure Rules

Threshold Changes: Changes to various thresholds have been made to reflect the overall materiality of the Council's revenue and capital budgets, recognition of the responsibility of Corporate Directors for their budgets and the operating context of the Council, which is characterised by fewer financial and staff resources. The most significant changes relate to virement (**Rule 6.22**), capital budget (**Rule 7.7**), debt write-off (**Rule 12.8**) and partnership arrangements (**Rules 20.2 and 20.4**). Members may be concerned with the effect of these changes on the control environment. However, improvements are also being made to the transparency of the operation of these activities through clearer definition of budget headings for measurement and reporting of virements ('divisions of service') and the maintenance of debt write-off records. In relation to partnership arrangements all medium and high risk partnerships will be subject to a full assessment regardless of the value of financial contributions by the County Council.

Additional and Deleted Sections: An additional section on Anti-Corruption has been proposed to reflect the importance of this matter in its own right. It was previously part of the section on Internal Audit. The section on petty cash is removed with the key requirement of providing this facility included within the section on banking. The Finance Manual contains guidance on the operation of petty cash.

Administrative Amendments: Renumbering of sections and paragraphs has been done to reflect the amendments proposed in this report. The Finance Manual, which is also part of the internal control framework, contains further guidance on procedures and practices. An outline review of that document has been undertaken.

The review confirmed that improvements are required to ensure that:

- It is accessible to its target audience
- Is up-to-date in terms of all content
- It fully contributes to ensure adherence to the Rules
- Is an aid to achieving value for money

The Finance Manual will be developed as part of the 2020 Finance Programme to achieve these outcomes.

Contract Procedure Rules

Officers have reviewed the Contract Procedure Rules, which were subject to a number of significant changes during 2013. As a result the changes proposed in this report are relatively few. These mainly relate to clarifying arrangements. However, one change brings the Rules in line with transparency requirements. This involves the requirement to extend use of the E-sourcing for all quotations between £5k and £20k. This will require some training for staff not familiar with this approach. The following **Appendices 2A** (at pages 29-43), **2C** (at pages 47-74) **and 2E** (at pages 88-108) represent the revised sets of Rules, which are recommended to the County Council as approved by the Audit Committee on 17 July 2014 and by the executive 9 September 2014. **Appendices 2B** (at pages 44-46), **2D** (at pages 75-86) **and 2F** (at pages 109-116) provide explanations on the amendments and the reason for those changes in greater detail than provided elsewhere in this covering report. In event that the changes are not approved by County Council, the current Rules will remain in force.

The Executive RECOMMENDS:

That County Council

- a) Approve the proposed changes to the Property Procedure Rules as set out in Appendix 2A (at pages 29-43)
- b) Approve the proposed changes to the Financial Procedure Rules as set out in Appendix 2C (at pages 47-74)
- c) Approve the proposed changes to the Contract Procedure Rules as set out in Appendix 2E (at pages 88-108)
- d) Approve for incorporation within the County Council's Constitution any changes approved under recommendations a), b) and c)

4. Appointments to Committees and Outside Bodies: Any proposals for the reallocation of seats, if necessary to achieve political proportionality, or for changes to memberships or substitute memberships of committees, or other bodies to which the Council makes appointments put forward by the relevant political group, prior to or at the meeting of the Council, be agreed including:

Young People Overview and Scrutiny Committee:

Parent Governor representatives: Dr Tom Cavell-Taylor, Ripon.
Mr Jeremy Noott –Selby.

North York Moors National Park Authority:

County Councillor Heather Moorhouse.

All appointments, nominations and approvals made shall be deemed to be appointments and nominations approved for the purposes of the Indemnity Policy.

Police and Crime Panel – update for noting:

Vice-Chairman: Fiona Fitzpatrick, City of York Council, Labour
Vice-Chairman: Mick Griffiths, Richmondshire District Council, Independent
Scarborough Borough Council: Michelle Donohue-Moncrieff, Conservative
City of York Council: Mark Waters, Independent
Co-opted Elected Member: Helen Flynn, Liberal Democrat.

The Executive RECOMMENDS:

That any proposals for the re-allocation of seats, if necessary to achieve political proportionality, or for changes to memberships or substitute memberships of committees, or other bodies to which the Council makes appointments, put forward by the relevant political group, prior to or at the meeting of the Council, be agreed including:

(a) Young People Overview and Scrutiny Committee:

Parent Governor representatives: Dr Tom Cavell-Taylor, Ripon.
Mr Jeremy Noott –Selby.

North York Moors National Park Authority:

County Councillor Heather Moorhouse.

All appointments, nominations and approvals made under this item shall be deemed to be appointments and nominations approved for the purposes of the Indemnity Policy.

(b) Police and Crime Panel – update for noting:

Vice-Chairman: Fiona Fitzpatrick, City of York Council, Labour
Vice-Chairman: Mick Griffiths, Richmondshire District Council, Independent
Scarborough Borough Council: Michelle Donohue-Moncrieff, Conservative
City of York Council: Tracey Simpson-Laing, Labour.
Co-opted Elected Member: Helen Flynn, Liberal Democrat.

JOHN WEIGHELL
Chairman

County Hall,
NORTHALLERTON.
4 November 2014

PRUDENTIAL INDICATORS UPDATE – FOR 2014/15 TO 2016/17

CAPITAL EXPENDITURE & EXTERNAL DEBT INDICATORS			Comment																																																																				
<p>1 Estimated Ratio of capital financing costs to the net Revenue Budget</p> <p>(a) <i>Formally required Indicator</i></p> <p>This reflects capital financing costs (principal plus interest) on external debt plus PFI and finance leasing charges less interest earned on the temporary investment of cash balances.</p> <p>The estimated ratios of financing costs to the net Revenue Budget for the current and future years, and the actual figure for 2012/13 and 2013/14 are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive 4 February 2014</th> <th colspan="2">Update August 2014</th> </tr> <tr> <th>Basis</th> <th>%</th> <th>Basis</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>actual</td> <td>8.1</td> <td>actual</td> <td>8.1</td> </tr> <tr> <td>2013/14</td> <td>probable</td> <td>7.8</td> <td>actual</td> <td>7.7</td> </tr> <tr> <td>2014/15</td> <td>estimate</td> <td>7.4</td> <td>estimate</td> <td>7.5</td> </tr> <tr> <td>2015/16</td> <td>estimate</td> <td>7.9</td> <td>estimate</td> <td>7.5</td> </tr> <tr> <td>2016/17</td> <td>estimate</td> <td>8.0</td> <td>estimate</td> <td>7.3</td> </tr> </tbody> </table> <p>(b) <i>Local Indicator</i></p> <p>This local Indicator reflects a policy decision to cap Capital Financing costs at 10% (previously 11%) of the net annual Revenue Budget. The Indicator is different to the formally required Indicator at (a) above in that it only reflects the cost components of interest on external debt plus lost interest on internally financed capital expenditure, together with a revenue provision for debt repayment. Unlike the formally required PI it does not reflect interest earned on surplus cash balances or PFI / finance leasing charges.</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive 4 February 2014</th> <th colspan="2">Update August 2014</th> </tr> <tr> <th>Basis</th> <th>%</th> <th>Basis</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>actual</td> <td>8.8</td> <td>actual</td> <td>8.8</td> </tr> <tr> <td>2013/14</td> <td>probable</td> <td>8.2</td> <td>actual</td> <td>8.2</td> </tr> <tr> <td>2014/15</td> <td>estimate</td> <td>7.8</td> <td>estimate</td> <td>7.9</td> </tr> <tr> <td>2015/16</td> <td>estimate</td> <td>8.3</td> <td>estimate</td> <td>8.0</td> </tr> <tr> <td>2016/17</td> <td>estimate</td> <td>8.5</td> <td>estimate</td> <td>8.2</td> </tr> </tbody> </table>			Year	Executive 4 February 2014		Update August 2014		Basis	%	Basis	%	2012/13	actual	8.1	actual	8.1	2013/14	probable	7.8	actual	7.7	2014/15	estimate	7.4	estimate	7.5	2015/16	estimate	7.9	estimate	7.5	2016/17	estimate	8.0	estimate	7.3	Year	Executive 4 February 2014		Update August 2014		Basis	%	Basis	%	2012/13	actual	8.8	actual	8.8	2013/14	probable	8.2	actual	8.2	2014/15	estimate	7.8	estimate	7.9	2015/16	estimate	8.3	estimate	8.0	2016/17	estimate	8.5	estimate	8.2	<p>The estimates of financing costs include current Capital Plan commitments based on the latest 2014/15 Q1 Capital Plan.</p> <p>The updated estimates for 2014/15 to 2016/17 reflect the net effect of a range of factors, principally</p> <p>(a) savings being achieved through the ongoing policy of financing capital borrowing requirements internally from cash balances</p> <p>(b) variations in the level of annual borrowing requirements resulting from a range of factors, but principally capital expenditure slippage between years</p> <p>(c) variations in borrowing costs (interest plus a revenue provision for debt repayment) reflecting latest interest rate forecasts to 2016/17 together with the earlier expected repayment and refinancing of two money market loans in 2014/15 not now likely to be 'called' by the lender</p> <p>(d) variations in interest earned on cash balances resulting from continuing current historically low interest rates but offset by continuing higher levels of cash balances (formal Indicator only).</p>
Year	Executive 4 February 2014			Update August 2014																																																																			
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Prudential Indicator	Comment																				
<p>2 Estimates of the incremental impact of capital investment decisions on the Council Tax</p> <p>In considering its programme for future capital investment, the County Council is required within the Prudential Code to have regard to:</p> <ul style="list-style-type: none"> ➔ affordability (eg implications for Council Tax) ➔ prudence and sustainability (eg implications for external borrowing) ➔ value for money (eg option appraisal) ➔ stewardship of assets (eg asset management planning) ➔ service objectives (eg strategic planning for the authority) ➔ practicality (eg achievability of the Capital Plan) <p>A key measure of affordability is the incremental impact on Council Tax. The County Council can consider different options for its capital investment programme based on their differential impact on the Council Tax.</p> <p>The estimate of the incremental impact on Council Tax (at Band D) of past capital investment decisions which are reflected in the latest Capital Plan and also in the Revenue Budget for 2014/15 and Medium Term Financial Strategy compared with the 2013/14 Council Tax are:</p> <table border="1" data-bbox="212 967 1113 1125"> <thead> <tr> <th data-bbox="212 967 342 1029">Year</th> <th colspan="2" data-bbox="387 967 772 1029">Executive 4 February 2014 Basis £ - p</th> <th colspan="2" data-bbox="801 967 1113 1029">Update August 2014 Basis £ - p</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 1029 342 1059">2014/15</td> <td data-bbox="387 1029 600 1059">estimate</td> <td data-bbox="600 1029 772 1059">+ 1.41</td> <td data-bbox="801 1029 931 1059">estimate</td> <td data-bbox="931 1029 1113 1059">+ 1.41</td> </tr> <tr> <td data-bbox="212 1059 342 1090">2015/16</td> <td data-bbox="387 1059 600 1090">estimate</td> <td data-bbox="600 1059 772 1090">+ 3.56</td> <td data-bbox="801 1059 931 1090">estimate</td> <td data-bbox="931 1059 1113 1090">+ 3.56</td> </tr> <tr> <td data-bbox="212 1090 342 1125">2016/17</td> <td data-bbox="387 1090 600 1125">estimate</td> <td data-bbox="600 1090 772 1125">+ 4.58</td> <td data-bbox="801 1090 931 1125">estimate</td> <td data-bbox="931 1090 1113 1125">+4.58</td> </tr> </tbody> </table>	Year	Executive 4 February 2014 Basis £ - p		Update August 2014 Basis £ - p		2014/15	estimate	+ 1.41	estimate	+ 1.41	2015/16	estimate	+ 3.56	estimate	+ 3.56	2016/17	estimate	+ 4.58	estimate	+4.58	<p>This Indicator shows the incremental impact on Band D Council Tax of the capital financing costs resulting from borrowing required to fund the Capital Plan. This borrowing includes the funding shortfall of capital bids approved by Executive in February 2004, as part of the 10 year Capital Forecast projection, together with a number of subsequent funding approvals. The 10 year Capital Forecast is in the process of being reviewed</p> <p>Debt charges from Invest to Save schemes and certain other capital provisions are, however, excluded as these are deemed to be self financed from within Directorate revenue budgets and thus do not impact on Council Tax levels</p> <p>As indicated above, debt charges resulting from borrowing approvals issued by the Government in the years prior to 2011/12 are also excluded from this calculation.</p> <p>No changes are proposed to these figures for the time being.</p> <p>The estimated figures for the three years 2015/16 to 2017/18 will need to be updated as part of the 2015/16 Budget process and review of the Medium Term Financial Strategy.</p>
Year	Executive 4 February 2014 Basis £ - p		Update August 2014 Basis £ - p																		
2014/15	estimate	+ 1.41	estimate	+ 1.41																	
2015/16	estimate	+ 3.56	estimate	+ 3.56																	
2016/17	estimate	+ 4.58	estimate	+4.58																	

Prudential Indicator	Comment																																		
<p>3 Capital Expenditure - Actual and Forecasts</p> <p>The actual capital expenditure that was incurred in 2012/13 and 2013/14 and the latest estimates of capital expenditure to be incurred for the current and future years are:</p> <table border="1" data-bbox="212 475 1131 694"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive 4 February 2014</th> <th colspan="2">Update August 2014</th> </tr> <tr> <th>Basis</th> <th>£m</th> <th>Basis</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>actual</td> <td>72.0</td> <td>actual</td> <td>72.0</td> </tr> <tr> <td>2013/14</td> <td>probable</td> <td>89.6</td> <td>actual</td> <td>84.6</td> </tr> <tr> <td>2014/15</td> <td>estimate</td> <td>98.7</td> <td>estimate</td> <td>102.1</td> </tr> <tr> <td>2015/16</td> <td>estimate</td> <td>90.1</td> <td>estimate</td> <td>91.5</td> </tr> <tr> <td>2016/17</td> <td>estimate</td> <td>69.8</td> <td>estimate</td> <td>71.5</td> </tr> </tbody> </table> <p>The above figures reflect the updated Capital Plan (Q1 2014/15) together with:-</p> <ul style="list-style-type: none"> (i) expenditure on fixed assets funded directly from the Revenue Budget and not included in the Capital Plan. (ii) an estimated allowance for future expenditure re-phasing between years. 	Year	Executive 4 February 2014		Update August 2014		Basis	£m	Basis	£m	2012/13	actual	72.0	actual	72.0	2013/14	probable	89.6	actual	84.6	2014/15	estimate	98.7	estimate	102.1	2015/16	estimate	90.1	estimate	91.5	2016/17	estimate	69.8	estimate	71.5	<p>The Indicators approved by Executive on 4 February 2014 were based on a Capital Plan up to 31 December 2013. This Indicator now reflects the Capital Outturn in 2013/14 and the Capital Plan update for Q1 2014/15.</p> <p>The variations are principally a result of:-</p> <ul style="list-style-type: none"> (a) additional provisions and variations to existing provisions which are self-funded from Capital Grants and Contributions, revenue contribution, (including the PIP) and earmarked capital receipts (b) Capital expenditure re-phasing between years including slippage from 2013/14 outturn and Q1 2014/15 to later years (c) various other Capital approvals and refinements reflected in the latest Capital Plan update
Year		Executive 4 February 2014		Update August 2014																															
	Basis	£m	Basis	£m																															
2012/13	actual	72.0	actual	72.0																															
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Prudential Indicator

Comment

4 Capital Financing Requirement (CFR)

Actuals and estimates of the Capital Financing Requirement (CFR) at the defined year ends are as follows:

Date	Executive 4 February 2014				Update August 2014			
	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total
		£m	£m	£m		£m	£m	£m
31 Mar 13	actual	382.7	6.0	388.7	actual	382.7	6.0	388.7
31 Mar 14	probable	372.5	5.8	378.3	actual	369.9	5.8	375.7
31 Mar 15	estimate	371.5	5.8	377.3	estimate	364.5	5.8	370.3
31 Mar 16	estimate	366.9	5.5	372.4	estimate	361.6	5.5	367.1
31 Mar 17	estimate	352.4	5.3	357.7	estimate	353.0	5.3	358.3

The CFR measures the underlying need for the County Council to borrow for capital purposes. In accordance with best professional practice, the County Council does not earmark borrowing to specific items or types of expenditure. The County Council has an integrated treasury management approach and has adopted the CIPFA Code of Practice for Treasury Management. The County Council has, at any point in time, a number of cashflows, both positive and negative, and manages its treasury position in terms of its overall borrowings and investments in accordance with its approved Annual Treasury Management Strategy. In day to day cash management, no distinction is made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the County Council as a whole and not simply those arising from capital spending. In contrast, the CFR Indicator reflects the County Council's underlying need to borrow for capital purposes only.

The February 2014 figures were based on a Capital Plan approved as at 31 December 2013.

The updated figures reflect the following variations to the February 2014 figures

- (a) re-phasing between years of expenditure that is funded from borrowing including slippage between years identified at 2013/14 outturn and Q1 2014/15
- (b) capital receipts (including company loans) slippage between years that affect year on year borrowing requirements
- (c) variations in the level of the Corporate Capital Pot which is used in lieu of new borrowing until the Pot is required
- (d) additions and variations to schemes/provisions approved that are funded from Prudential Borrowing
- (e) variations in the annual Minimum Revenue Provision for debt Repayment which arise from the above
- (f) various other refinements

Prudential Indicator	Comment
<p>5 Gross Debt and the Capital Financing Requirement</p> <p>The Prudential Code emphasises that in order to ensure that over the medium term debt will only be for a capital purpose, the County Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the previous year (2013/14), plus the estimate of any additional capital financing requirement for the current (2014/15) and next two financial years (2015/16 and 2016/17). If, in any of these years, there is a reduction in the capital financing requirement, this reduction should be ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt.</p> <p>This Prudential Indicator is referred to as gross debt and the comparison with the capital financing requirement (Indicator 4) and is a key indicator of prudence.</p> <p>The Corporate Director – Strategic Resources reports that the County Council had no difficulty in meeting this requirement up to 2013/14 nor are any difficulties envisaged for the current or future years of the Medium Term Financial Strategy up to 2016/17. For subsequent years, however, there is potential that the County Council may not be able to comply with the new requirement as a result of the potential for the annual Minimum Revenue Provision (MRP) reducing the Capital Financing Requirement below gross debt. This potential situation will be monitored closely. This opinion takes into account spending commitments, existing and proposed Capital Plans and the proposals in the Revenue Budget 2014/15 and Medium Term Financial Strategy report.</p>	<p>This Prudential Indicator was changed in 2013/14 to reflect the comparison of gross debt (external debt plus other long term liabilities less debt administered on behalf of the Police Authority) with the Capital Financing Requirement (CFR). The comparator debt figure had previously been net debt which was gross debt less investments.</p> <p>The Prudential Code requires that where there is a significant difference between the gross debt and the gross borrowing requirement, as demonstrated by the CFR, then the risks and benefits associated with this strategy should be clearly stated in the annual Treasury Management Strategy. This is covered in paragraphs 8.4 to 8.12 of the Annual Treasury Management and Investment Strategy as submitted to Executive on 4 February 2014.</p> <p>The County Council's gross debt figure is currently significantly below the CFR figures shown in Indicator 4 because of annual capital borrowing requirements being funded internally from cash balances (i.e. running down investments) rather than taking out new external debt.</p> <p>This situation, however, could be reversed in future as a result of two key factors:</p> <ul style="list-style-type: none"> (i) externalising some or all of the internally financed CFR together with (ii) the potential for the annual Minimum Revenue Provision (MRP) for debt repayment reducing the CFR below gross debt because the debt cannot readily be prematurely repaid without incurring significant penalties (premiums). <p>This potential situation will be monitored carefully by the Corporate Director – Strategic Resources.</p>

Prudential Indicator	Comment																																																
<p>6 Authorised Limit for External Debt</p> <p>In respect of its external debt, it is recommended that the County Council approves the following Authorised Limits for its total external debt for the next three financial years.</p> <p>The Prudential Code requires external borrowing and other long term liabilities (PFI and Finance leases) to be identified separately.</p> <p>The authorised limit for 2014/15 (£424.6m) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.</p> <table border="1" data-bbox="129 627 1319 911"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Executive 4 February 2014</th> <th colspan="3">Update August 2014</th> </tr> <tr> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> </tr> <tr> <td></td> <td>£m</td> <td>£m</td> <td>£m</td> <td>£m</td> <td>£m</td> <td>£m</td> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>405.0</td> <td>5.8</td> <td>410.8</td> <td>405.0</td> <td>5.8</td> <td>410.8</td> </tr> <tr> <td>2014/15</td> <td>439.2</td> <td>5.8</td> <td>445.0</td> <td>418.8</td> <td>5.8</td> <td>424.6</td> </tr> <tr> <td>2015/16</td> <td>405.6</td> <td>5.5</td> <td>411.1</td> <td>399.7</td> <td>5.5</td> <td>405.2</td> </tr> <tr> <td>2016/17</td> <td>396.7</td> <td>5.3</td> <td>402.0</td> <td>393.6</td> <td>5.3</td> <td>398.9</td> </tr> </tbody> </table>	Year	Executive 4 February 2014			Update August 2014			External Borrowing	Other long term liabilities	Total Borrowing Limit	External Borrowing	Other long term liabilities	Total Borrowing Limit		£m	£m	£m	£m	£m	£m	2013/14	405.0	5.8	410.8	405.0	5.8	410.8	2014/15	439.2	5.8	445.0	418.8	5.8	424.6	2015/16	405.6	5.5	411.1	399.7	5.5	405.2	2016/17	396.7	5.3	402.0	393.6	5.3	398.9	<p>The Corporate Director – Strategic Resources confirms that these authorised limits are consistent with the County Council’s current commitments, updated Capital Plan and the financing of that Plan, the 2014/15 Revenue Budget and Medium Term Financial Strategy and with its approved Treasury Management Policy Statement.</p> <p>The Corporate Director – Strategic Resources also confirms that the limits are based on the estimate of most likely prudent, but not worst case, scenario with sufficient headroom over and above this to allow for operational issues (e.g. unusual cash movements). To derive these limits a risk analysis has been applied to the Capital Plan, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.</p> <p>The updated figures reflect a number of refinements which are also common to the Capital Financing Requirement (see Indicator 4) and Operational Boundary for external debt (see Indicator 7). Explanations for these changes are provided under Indicators 4 and 7 respectively.</p>
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<p>7 Operational Boundary for External Debt</p> <p>It is recommended that the County Council approves the following Operational Boundary for external debt for the same period.</p> <p>The proposed operational boundary for external debt is based on the same estimates as the Authorised Limit (ie Indicator 6 above) but also reflects an estimate of the most likely prudent, but not worst case, scenario without the additional headroom included within the Authorised Limit to allow for eg unusual cash flows.</p>				<p>The Operational Boundary represents a key management tool for the in year monitoring of external debt by the Corporate Director – Strategic Resources.</p> <p>The updated figures reflect refinements which are common to the Capital Financing Requirement (see Indicator 4 above), together with</p> <p>(a) relative levels of capital expenditure funded internally from cash balances rather than taking external debt</p> <p>(b) loan repayment cover arrangements and the timing of such arrangements</p> <p>These two financing transactions affect external debt levels at any one point of time during the financial year but do not impact on the Capital Financing Requirement.</p>																																																				
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<p>8 Actual External Debt</p> <p>The County Council's external debt is set out below and consists of external borrowing from the PWLB and money markets plus other long term liabilities such as PFI and finance leases which are classified as external debt for this purpose.</p>					<p>The year on year movement in the borrowing element of external debt between 31 March 2013 and 31 March 2014 is as follows</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">£m</td> </tr> <tr> <td>External debt at 31 March 2012</td> <td style="text-align: right;">350.0</td> </tr> <tr> <td>New borrowing in the year - none as all taken internally by running down cash balances/investments</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Loan repayments in 2013/14</td> <td style="text-align: right;">-5.4</td> </tr> <tr> <td>= External debt at 31 March 2014</td> <td style="text-align: right; border: 1px solid black;">344.6</td> </tr> </table> <p>The updated estimates for the 3 years to 31 March 2017 reflect refinements which are common to the Capital Financing Requirement (see Indicator 4 above) together with the relative levels of capital expenditure internally funded from cash balances rather than taking external debt.</p> <p>The estimate for 31 March 2015 includes the 2014/15 external borrowing requirement of £34.2m which is ultimately likely to be rolled over into 2015/16.</p>		£m	External debt at 31 March 2012	350.0	New borrowing in the year - none as all taken internally by running down cash balances/investments	0	Loan repayments in 2013/14	-5.4	= External debt at 31 March 2014	344.6																																																																			
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<p>9 Limit of Money Market Loans (Local Indicator)</p> <p>Borrowing from the money market for capital purposes (as opposed to borrowing from the PWLB) is to be limited to 30% of the County Council's total external debt outstanding at any one point in time.</p> <p>The actual position at 31 March 2014 was 6% (£20m out of a total of £344.6m) against an upper limit of 30%</p>					<p>This limit was introduced as a new Local Prudential Indicator in 2009/10, although the 30% limit has featured as part of the Borrowing Policy section of the County Council's Annual Treasury Management and Investment Strategy for many years.</p>																																																																													

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<p>TREASURY MANAGEMENT INDICATORS</p> <p>10 Adoption of CIPFA Code of Practice for Treasury Management</p>	<p>The County Council formally adopted the 2011 revised CIPFA Code of Practice for Treasury Management in the Public Service at its meeting on 15 February 2012.</p>																														
<p>11 Interest Rate Exposures</p> <p>In accordance with the Code of Practice the County Council sets upper and lower limits on its fixed and variable interest rate exposures as a percentage of outstanding principal sums for 2014/15, 2015/16 and 2016/17 as set out below -</p> <table border="1" data-bbox="224 574 1232 1005"> <thead> <tr> <th></th> <th>Lower %</th> <th>Upper %</th> </tr> </thead> <tbody> <tr> <td>Borrowing</td> <td></td> <td></td> </tr> <tr> <td>• Fixed</td> <td>60</td> <td>100</td> </tr> <tr> <td>• Variable</td> <td>0</td> <td>40</td> </tr> <tr> <td>Investments</td> <td></td> <td></td> </tr> <tr> <td>• Fixed</td> <td>0</td> <td>30</td> </tr> <tr> <td>• Variable</td> <td>70</td> <td>100</td> </tr> <tr> <td>Combined Net Borrowing and Investments</td> <td></td> <td></td> </tr> <tr> <td>• Fixed</td> <td>160</td> <td>210</td> </tr> <tr> <td>• Variable</td> <td>-60</td> <td>-110</td> </tr> </tbody> </table>		Lower %	Upper %	Borrowing			• Fixed	60	100	• Variable	0	40	Investments			• Fixed	0	30	• Variable	70	100	Combined Net Borrowing and Investments			• Fixed	160	210	• Variable	-60	-110	<p>No changes to these limits are proposed</p> <p>This means that the Corporate Director – Strategic Resources, will</p> <p>for borrowing manage fixed interest rate exposure within the range 60% to 100% of outstanding principal and variable interest rate exposure within the range 0% to 40% of outstanding principal</p> <p>for investments manage fixed interest rate exposure within the range 0% to 30% of outstanding principal and variable rate exposure within the range 70% to 100% of outstanding principal. The split of investments between fixed and variable rates is based on the market convention that investments up to 365 days are regarded as being at variable rates.</p> <p>The combined net borrowing and investment position represents the formal Prudential Indicator for Interest Rate Exposures. On its own however it does not show clearly how borrowing and investments will be managed, hence the two separate 'local indicators' showed above. The change reflects the impact on the indicator of a continuing high level of cash balances and consequential investments which are all on variable interest rates.</p>
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<p>12 Maturity Structure of Borrowing</p> <p>The upper and lower limits for the maturity structure of County Council borrowings are as follows:-</p> <p>The amount of projected borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate:</p> <table border="1" data-bbox="230 564 1225 991"> <thead> <tr> <th data-bbox="230 564 629 659">Period</th> <th data-bbox="629 564 754 659">Lower Limit %</th> <th data-bbox="754 564 873 659">Upper Limit %</th> <th colspan="2" data-bbox="873 564 1225 595">Memo item - actual at</th> </tr> <tr> <td></td> <td></td> <td></td> <th data-bbox="873 595 1050 659">1 April 13 %</th> <th data-bbox="1050 595 1225 659">1 April 14 %</th> </tr> </thead> <tbody> <tr> <td data-bbox="230 659 629 707">under 12 months</td> <td data-bbox="629 659 754 707">0</td> <td data-bbox="754 659 873 707">50</td> <td data-bbox="873 659 1050 707">2</td> <td data-bbox="1050 659 1225 707">12</td> </tr> <tr> <td data-bbox="230 707 629 754">12 months & within 24 months</td> <td data-bbox="629 707 754 754">0</td> <td data-bbox="754 707 873 754">15</td> <td data-bbox="873 707 1050 754">11</td> <td data-bbox="1050 707 1225 754">2</td> </tr> <tr> <td data-bbox="230 754 629 802">24 months & within 5 years</td> <td data-bbox="629 754 754 802">0</td> <td data-bbox="754 754 873 802">45</td> <td data-bbox="873 754 1050 802">11</td> <td data-bbox="1050 754 1225 802">9</td> </tr> <tr> <td data-bbox="230 802 629 850">5 years & within 10 years</td> <td data-bbox="629 802 754 850">0</td> <td data-bbox="754 802 873 850">75</td> <td data-bbox="873 802 1050 850">23</td> <td data-bbox="1050 802 1225 850">22</td> </tr> <tr> <td data-bbox="230 850 629 898">10 years and within 25 years</td> <td data-bbox="629 850 754 898">10</td> <td data-bbox="754 850 873 898">100</td> <td data-bbox="873 850 1050 898">10</td> <td data-bbox="1050 850 1225 898">10</td> </tr> <tr> <td data-bbox="230 898 629 946">25 years and within 50 years</td> <td data-bbox="629 898 754 946">10</td> <td data-bbox="754 898 873 946">100</td> <td data-bbox="873 898 1050 946">43</td> <td data-bbox="1050 898 1225 946">45</td> </tr> <tr> <td data-bbox="230 946 629 991"></td> <td data-bbox="629 946 754 991"></td> <td data-bbox="754 946 873 991"></td> <td data-bbox="873 946 1050 991">100</td> <td data-bbox="1050 946 1225 991">100</td> </tr> </tbody> </table>	Period	Lower Limit %	Upper Limit %	Memo item - actual at					1 April 13 %	1 April 14 %	under 12 months	0	50	2	12	12 months & within 24 months	0	15	11	2	24 months & within 5 years	0	45	11	9	5 years & within 10 years	0	75	23	22	10 years and within 25 years	10	100	10	10	25 years and within 50 years	10	100	43	45				100	100	<p>No changes to these limits approved by Executive on 4 February 2014 and County Council on 19 February 2014 are proposed.</p> <p>The lower limits of 10% for the periods 10 to 25 years and 25 to 50 years is designed to ensure that the County Council does not have the risk of having to repay all debt within a ten year period.</p>
Period	Lower Limit %	Upper Limit %	Memo item - actual at																																											
			1 April 13 %	1 April 14 %																																										
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25 years and within 50 years	10	100	43	45																																										
			100	100																																										

Prudential Indicator	Comment
<p>13 Total Principal Sums Invested for periods longer than 364 days</p> <p>The 2014/15 aggregate limit of £20m for 'non specified' investments longer than 364 days is based on a maximum of 20% of estimated 'core cash funds' up to 2016/17 being made available for such investments.</p> <p>The purpose of this prudential limit for principal sums invested for longer than 364 days is for the County Council to contain its exposure to the possibility of loss that might arise as a result of it having to seek early repayment or redemption of principal sums invested.</p>	<p>No change to this limit is proposed.</p> <p>The County Council currently has no such investments that fall into this category.</p> <p>Prior to 1 April 2004, Regulations generally prevented local authorities from investing for longer than 364 days. As a result of the Prudential Regime however, these prescriptive regulations were abolished and replaced with Government Guidance from April 2004.</p> <p>This Guidance gives authorities more freedom in their choice of investments (including investing for periods longer than 364 days) and recognises that a potentially higher return can be achieved by taking a higher (ie longer term) risk.</p> <p>This flexibility requires authorities to produce an Annual Investment Strategy that classifies investments as either Specified (liquid, secure, high credit rating & less than 365 days) or Non Specified (other investments of a higher risk). Non Specified investments are perfectly allowable but the criteria and risks involved must be vigorously assessed, including professional advice, where appropriate. Therefore investments for 364 days+ are allowable as a Non Specified investment under the Government Guidance. The use of such investments is therefore now incorporated into the County Council's Annual Treasury Management and Investment Strategy.</p>

Property Procedure Rules

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1. Interpretation
2. General
3. Compliance with Legislation
4. Signature/Sealing of Property Contracts
5. Role of Surveyor
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8. Disposals
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10. Mortgages
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12. Exceptions to Property Procedure Rules

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

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 Property 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

but excluding:

- a mortgage of Property 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 £15,000

Co-habitation Arrangement

An arrangement with a third party to use space in a Council Property or for the Council to use space in a third party's Property 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

Council North Yorkshire County Council

CD-SR The Corporate Director - Strategic Resources

Director A Corporate Director of the Council including the Chief Executive.

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

- 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

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 £15,000

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

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

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) of the Highways Act 1980)¹ 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

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

¹ As approved by Audit Committee December 2009.

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 CD-SR 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.

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 Asset Management Section within the Corporate Directorate - Strategic Resources.

1.5.2 In nearly all respects, therefore, individual Officers outside Asset Management 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 Asset Management 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 CD-SR 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**.

2.0 GENERAL

2.1 These Rules are made by the Council on the advice of the CD-SR, 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

- 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 CD-SR (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 CD-SR shall be responsible for monitoring adherence to these Rules.

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
- 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: -
- (a) executed as a Deed by the ACE(LDS); or by a Legal and Democratic Services Officer authorised by her; or
 - (b) signed by the ACE(LDS); or by a Legal and Democratic Services Officer authorised by her (if the value is less than £50,000); or
 - (c) signed by the ACE(LDS); or by a Legal and Democratic Services Officer authorised by her and another officer authorised by ACE(LDS) (if the value is £50,000 or more).
- 4.3 The CD-SR is authorised to sign Property Contracts comprising wayleaves, agricultural tenancy agreements or agricultural licences provided that:-
- (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.

- 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 £15,000.

5.0 ROLE OF SURVEYOR

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

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 CD-SR 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 CD-SR may approve any Acquisition up to £250,000 in value;
 - (b) the Executive Member for Central Services 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.
 - (d) any Acquisition which is above market value in the opinion of the surveyor must be justified within the report which forms part of the approval process.

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 CD-SR may approve any Acquisition where the annual rent or fee or other annual payment is £25,000 or less;
 - (b) the Executive Member for Central Services 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.
 - (d) any Acquisition which is above market value in the opinion of the surveyor must be justified on the report which forms part of the approval process.

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 CD-SR 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) approval for the exercise of any option shall be subject to the same value bands as set out in **rules 6.1.3 and 6.1.4.1**
- d) Should it become necessary to vary the terms of an existing option, approval shall be sought subject to the same value bands as set out in **rules 6.1.3 and 6.1.4.1**

For the purpose of this Rule, the relevant value for securing options is the cost of securing the option plus the value of the resulting transaction. The relevant value for exercising options is the value of the transaction to be entered into.

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 CD-SR 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 CD-SR and subject also to such further terms as the ACE(LDS) considers appropriate in the best interests of the Council.

7.0 REDEPLOYMENT OF PROPERTY – OTHER THAN FOR DISPOSAL

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 CD-SR. The CD-SR 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.

7.2 Approval for Redeployment – other than for disposal

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

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 CD-SR may approve any Redeployment of Property up to £500,000 in value;
- (b) the Executive Member for Central Services 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:

- (a) the CD-SR may approve any Redeployment where the annual rent or fee is £25,000 or less;
- (b) the Executive Member for Central Services may approve any Redeployment where the annual rent or fee is £100,000 or less;
- (c) the Executive may approve any Redeployment but any Redeployment where the annual rent or fee is more than £100,000 shall be subject to the approval of the Executive.

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.

7.3 Terms of Redeployment – other than for disposal

7.3.1 Once approval for Redeployment has been given, the CD-SR 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)**.

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 CD-SR is responsible for seeking the approval which is necessary in accordance with this **Rule 8.1**.

8.1.2.1 Prior to a decision to dispose of a property, it is necessary to confirm whether this was purchased using grant funding. If so, steps must be taken to ensure that the disposal and the allocation of proceeds complies with any grant conditions. Any grant conditions that conflict with the rules set out below will always take precedence. If this is the case, the advice of the CD-SR and the ACE(LDS) should be sought before any steps to dispose are taken.

8.1.2.2 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 CD-SR may approve any Disposal up to £500,000 in value;
- (b) the Executive Member for Central Services may approve any Disposal up to £1,000,000 in value;
- (c) the CD-SR may approve any Disposal of land or property which forms part of the County Farms estate, irrespective of value.
- (d) the Executive may approve any Disposal but any Disposal over £1,000,000 in value (subject to rule 8.1.2.2 c) shall be subject to the approval of the Executive.

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 CD-SR may approve any Disposal where the annual rent or fee or other annual payment is £50,000 or less;
- (b) the Executive Member for Central Services may approve any Disposal where the annual rent or fee or other annual payment is £100,000 or less;
- (c) the Executive may approve any Disposal but any Disposal where the annual rent or fee or other annual payment is more than £100,000 shall be subject to the approval of the Executive.

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**.

8.1.4.1 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 subject to Rule 8.1.4.2:-

- (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:

Approver	Maximum market value	Maximum undervalue authority
Corporate Director – Strategic Resources	£50,000	100%
Corporate Director – Strategic Resources	£250,000	50%
Executive Member for Central Services	£250,000	100%
Executive Member for Central Services	£500,000	50%
Executive	No limit	100% except where the undervalue is £2m or more
Secretary of State	No limit	No limit

- (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:

Approver	Maximum annual rental value	Maximum undervalue authority
Corporate Director – Strategic Resources	£10,000	100%
Corporate Director – Strategic Resources	£25,000	50%
Executive Member for Central Services	£25,000	100%
Executive Member for Central Services	£100,000	50%
Executive	No limit	100% except where the undervalue is £2m or more
Secretary of State	No limit	No limit

- (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.
- (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.
- (e) For all disposals of property at undervalue (except transfers pursuant to the Academies Act 2010, where Rule 8.1.4.2 applies), 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.

Academies Act 2010

8.1.4.2 In respect of the Disposal of Property by lease, licence, freehold, transfer or otherwise where such Disposal is made in accordance with a Transfer Scheme made by the Secretary of State pursuant to the Academies Act 2010 the relevant approval for the Disposal shall be sought from the Lead Executive Member for (Children's Act 2004), children's services, special education needs and youth justice by the Corporate Director – Strategic Resources; the Executive Member may give such approval regardless of the undervalue of the disposal.

The Right to Buy

8.1.5 Where right to buy applications are made to the Council under the Housing Act 1985 the ACE(LDS), in consultation with the CD-SR, 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

8.1.6 The CD-SR 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 CD-SR 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 CD-SR 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 CD-SR shall ensure that whenever terms for a Disposal of a Property are being 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 CD-SR 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.

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).

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 CD-SR.

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.

Tender Evaluation

8.4.6 Tenders shall be evaluated by the CD-SR in consultation with the Surveyor. The CD-SR shall accept the tender which offers the best consideration for the Property in accordance with **Rule 8.2.3** above. The CD-SR 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 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 CD-SR shall consult the Surveyor in relation to the evaluation of the bids, and a document will be produced

by the CD-SR, 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 CD-SR 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 CD-SR 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 CD-SR 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 CD-SR and trained in post tender negotiations;
- (d) a record of the negotiations and any added value obtained from them is kept by the CD-SR; and
- (e) any such added value obtained by the post tender negotiations is incorporated into the Property Contract with the successful Tenderer.

9.0 MANAGEMENT

Approval for Rent Reviews

- 9.1 The CD-SR may approve the completion of a rent review memorandum provided that the original lease included provisions for the rent review.

Variation of lease terms

- 9.2 The CD-SR 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 6.1.4** shall apply.

Dilapidations Claims

- 9.3 The CD-SR may approve the settlement of dilapidations claims where the Council is landlord or tenant, and to any value.

Release or variations of restrictive covenants

- 9.4 In respect of the release or variation of restrictive covenants:
- (a) the CD-SR may approve any release or variation up to £500,000 in value;
 - (b) the Executive Member for Central Services 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.

Restrictions on Title

- 9.5 The CD-SR may instruct the ACE (LDS) to place or remove restrictions on the title of any property owned by the Council, or to place restrictions on the title of properties owned by third parties, provided that such restrictions are to secure a grant or other loan to or from the Council.

10 MORTGAGES

- 10.1 The CD-SR 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.

10.2 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 CD-SR in consultation with the ACE(LDS).

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 CD-SR.

11.0 COMPULSORY PURCHASE AND COMPENSATION

- 11.1 If a Director, in consultation with the CD-SR 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.
- 11.2 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.
- 11.3 **Rule 6.2** shall apply to the approval of terms for the acquisition of interests under Compulsory Purchase Orders.
- 11.4 The CD-SR 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 CD-SR they shall be reported to the ACE(LDS) who shall be responsible for preparing and completing the documentation.

12.0 EXCEPTIONS TO PROPERTY PROCEDURE RULES

- 12.1 The CD-SR and the ACE(LDS) may agree specific waivers to the Property Procedure Rules, other than **Rules 6.1, 7.2, 8.1 and 10.2**.

APPENDIX 2B

Rule	Current Wording	Proposed Amendment	Reason
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.	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 £15,000.	The increased limit from £10k to £15k reflects the rising market and will allow directorates to continue to deal with minor matters. (this is especially relevant to the licensing of premises for school use)
6.1.5 (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	the CD-SR 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	This brings the securing of options into line with all other acquisitions, where Corporate Directors have no authority to take decisions.
6.1.5	(paragraphs c to e are deleted)	approval for the exercise of any option shall be subject to the same value bands as set out in rules 6.1.3 and 6.1.4.1 Should it become necessary to vary the terms of an existing option, approval shall be sought subject to the same value bands as set out in rules 6.1.3 and 6.1.4.1	This brings the securing of land/buildings by option into line with all other acquisitions.
6.1.5	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).	For the purpose of this Rule, the relevant value for securing options is the cost of securing the option plus the value of the resulting transaction. The relevant value for exercising options is the value of the transaction to be entered into.	The value of the resulting transaction must be considered when taking the decision to secure an option.

APPENDIX 2B

8.1.2.2	(no entry)	(c) the CD-SR may approve any Disposal of land or property which forms part of the County Farms estate, irrespective of value.	the sale of vacant farms is a matter of policy. Decision to sell need not be value based.												
8.1.3.1	the CD-SR may approve any Disposal where the annual rent or fee or other annual payment is £25,000 or less;	the CD-SR may approve any Disposal where the annual rent or fee or other annual payment is £50,000 or less;	Rents have risen significantly in recent years.												
8.1.3.1	<p>the Executive Member for Central Services may approve any Disposal where the annual rent or fee or other annual payment is £75,000 or less;</p> <p>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</p>	<p>the Executive Member for Central Services may approve any Disposal where the annual rent or fee or other annual payment is £100,000 or less;</p> <p>the Executive may approve any Disposal but any Disposal where the annual rent or fee or other annual payment is more than £100,000 shall be subject to the approval of the Executive.</p>	Rents have risen significantly in recent years.												
8.1.4.1 a	<p>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:</p> <table border="1" data-bbox="495 1046 1010 1385"> <thead> <tr> <th data-bbox="495 1046 663 1193">Approver</th> <th data-bbox="663 1046 824 1193">Maximum market value</th> <th data-bbox="824 1046 1010 1193">Maximum undervalue authority</th> </tr> </thead> <tbody> <tr> <td data-bbox="495 1193 663 1385">Corporate Director – Strategic Resources</td> <td data-bbox="663 1193 824 1385">£25,000</td> <td data-bbox="824 1193 1010 1385">100%</td> </tr> </tbody> </table>	Approver	Maximum market value	Maximum undervalue authority	Corporate Director – Strategic Resources	£25,000	100%	<p>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:</p> <table border="1" data-bbox="1227 1046 1742 1385"> <thead> <tr> <th data-bbox="1227 1046 1395 1193">Approver</th> <th data-bbox="1395 1046 1556 1193">Maximum market value</th> <th data-bbox="1556 1046 1742 1193">Maximum undervalue authority</th> </tr> </thead> <tbody> <tr> <td data-bbox="1227 1193 1395 1385">Corporate Director – Strategic Resources</td> <td data-bbox="1395 1193 1556 1385">£50,000</td> <td data-bbox="1556 1193 1742 1385">100%</td> </tr> </tbody> </table>	Approver	Maximum market value	Maximum undervalue authority	Corporate Director – Strategic Resources	£50,000	100%	This removes the need for minor undervalue cases to be referred to the Executive Member for Central Services.
Approver	Maximum market value	Maximum undervalue authority													
Corporate Director – Strategic Resources	£25,000	100%													
Approver	Maximum market value	Maximum undervalue authority													
Corporate Director – Strategic Resources	£50,000	100%													

APPENDIX 2B

8.1.4.1 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:			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:			This removes the need for minor undervalue cases to be referred to the Executive Member for Central Services.
Approver	Maximum annual rental value	Maximum undervalue authority	Approver	Maximum annual rental value	Maximum undervalue authority		
Corporate Director – Strategic Resources	£5,000	100%	Corporate Director – Strategic Resources	£10,000	100%		
9.3	(none)			The CD-SR may approve the settlement of dilapidations claims where the Council is landlord or tenant, and to any value.			Previously not covered by the PPR. Clarifies the decision maker.
9.5	(none)			The CD-SR may instruct the ACE (LDS) to place or remove restrictions on the title of any property owned by the Council, or to place restrictions on the title of properties owned by third parties, provided that such restrictions are to secure a grant or other loan to or from the Council.			Previously not covered by the PPR. Clarifies the decision maker.

Financial Procedure Rules

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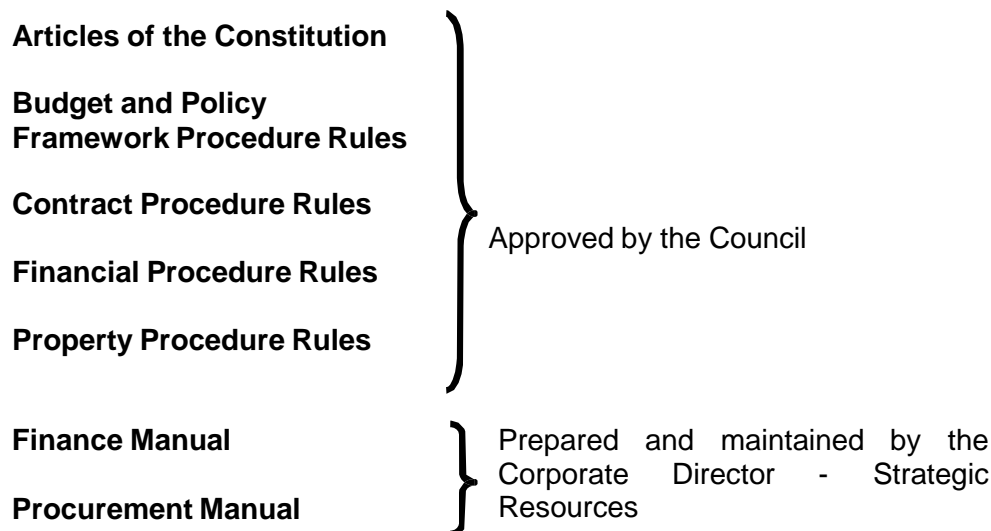
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1.0 INTRODUCTION

1.1 These **Financial Procedure Rules** form part of the overall control framework within which North Yorkshire County Council operates. They aim to facilitate sound, innovative service delivery by setting out best practice for the administration of all financial matters throughout the Council, ensuring a high quality of financial information, robust financial management and enabling good decision making. They should not be viewed as a barrier to executive action and are constantly kept under review to ensure that they remain relevant to the day to day activities of the Council and contribute to the delivery of value for money.

1.2 The financial control framework can be seen as a hierarchy established as follows:-



1.3 The Constitution defines the rules governing the procedures of the Council including Responsibility for executive and non-executive functions, Access to Information Procedure Rules, Contract Procedure Rules, the Property Procedure Rules and these Financial Procedure Rules.

1.4 The Constitution defines the framework within which the powers to make decisions, take action etc. are delegated to the appropriate level in the organisation through, in particular, the Officers' Delegation Scheme and the Executive Members' Delegation Scheme. In particular the Constitution: -

- ♦ requires all Directors to act within the terms of these Rules in the exercise of their delegated powers
- ♦ empowers the Corporate Director - Strategic Resources to act as the Proper Officer under Section 114 of the Local Government Finance Act 1988
- ♦ empowers the Corporate Director - Strategic Resources to exercise the proper administration of the Council's financial affairs under Section 151 of the Local Government Act 1972.

1.5 The Contract Procedure Rules define the correct procedures to be followed when the Council enters into any contractual arrangement and should be read in conjunction with these Rules. The Property Procedure Rules define the correct procedures for the acquisition, disposal and redeployment of land and buildings and also cover other property related matters.

1.6 The Finance Manual is a comprehensive document detailing all aspects of financial systems and procedures and is designed for use on a day to day basis by staff

involved in any aspect of financial administration. Any new or revised instructions on financial matters issued by the Corporate Director - Strategic Resources will be incorporated into the Finance Manual.

- 1.7 Although all Finance staff report to the Corporate Director - Strategic Resources they provide day to day support to all directorates and service units. They are ready and willing to provide assistance to any Member or Officer regarding financial management, administration or budgetary control issues. In particular, their advice should be sought by anyone wishing to create a new, or amend an existing, financial procedure.
- 1.8 The statutory responsibility for the creation and maintenance of the financial control framework throughout the Council rests solely with the Corporate Director - Strategic Resources. With the assistance of the Internal Audit Service the Corporate Director - Strategic Resources will monitor adherence to these Rules.
- 1.9 The application and content of these Financial Procedure Rules is reviewed regularly. The Corporate Director - Strategic Resources therefore welcomes feedback on the operation of these Rules, or any aspect of the Finance Manual, to ensure that they both remain effective and relevant to the day to day operational activities of the Council.

2.0 DEFINITIONS

- 2.1 In these Rules, unless the context otherwise requires:-

Asset is any asset including material and intellectual property, but excluding any estate or interest in land and buildings, (i.e. 'Property' as defined by these Rules).

Budget Holder is an officer nominated by a Director and/or Service Unit Head as being responsible for managing a defined sum of money (i.e. 'Budget').

Corporate Director - Strategic Resources (CD-SR) means the Corporate Director - Strategic Resources, the officer appointed by the Council to exercise the powers defined in Section 151 of the Local Government Act 1972.

Council means the North Yorkshire County Council.

CPR means the Contract Procedure Rules.

Director shall apply to any, or all, of the following Officers:-

Chief Executive Officer
Corporate Director Business and Environmental Services
Corporate Director Children and Young People's Service
Corporate Director Health and Adult Services
Corporate Director - Strategic Resources

Exchequer Services Officer means the employee of the Council nominated to this post within Strategic Resources by the CD-SR.

Executive means the body described in Article 7 of the Constitution.

Financial Instrument means a document such as a share, bond, bill of exchange, future or options contract) that has monetary value or evidences a legally enforceable agreement between two or more parties regarding a right to payment of money.

Head of Internal Audit means the Head of Internal Audit for Veritau.

Internal Audit Service means that service provided to the Council by Veritau.

Leasing Agreement is a contract for the provision of finance to enable goods or services (but not Property) to be obtained and where ownership in any goods does not necessarily pass to the Council at the end of the contract period.

Member means any elected Member of the Council

Money Laundering Reporting Officer means the Head of Internal Audit

Officer means any employee of the Council or other authorised agent. **Person** means any individual, partnership, company, trust, other local authority, Government department or agency.

Portfolio Holder is the Member who, as a member of the Executive, has primary responsibility for a defined area of service(s).

Property refers to any estate or interest in land and/or buildings.

PPR means the Property Procedure Rules.

Rules means these Financial Procedure Rules.

Service Unit Head is an Officer responsible for a defined function or activity within a Directorate and who reports directly to the relevant Director.

Services means the provision by a contractor of any services or similar facilities or works for the Council.

Terms of Reference for Internal Audit set out the purpose, authority and responsibility of Internal Audit. These are reviewed annually and any amendments approved by the Audit Committee.

Veritau means the local authority controlled company established by the Council and the City of York Council to provide internal audit and information governance services.

2.2 Reference in these Rules to a Director or the CD-SR shall be taken to include such Officers as are designated by those Directors to undertake the duties and responsibilities set out in these Rules, except in the case of the following Rules:-

- (i) Director - **Rules 6.10, 6.11, 6.16, 7.9, 7.13 and 19.7**
- (ii) CD-SR - **Rules 4.3, 4.4, 4.5, 4.6, 4.7, 4.16, 5.1, 6.16, 14.5, 14.6, 14.8, 14.9, 18.7 and 22.1**

where delegation is not permitted. A record of all duties and responsibilities as delegated under these Rules is to be maintained, as appropriate, by each Director and the CD -SR.

2.3 (a) The PPR apply to the acquisition, disposal and redeployment of Property.

(b) The CPR apply to the procurement of works, supplies and services.

2.4 References in these Rules to

- (i) any legislation includes a reference to any amended or re-enactment of such legislation;
- (ii) the singular includes the plural and vice versa;
- (iii) the masculine includes the feminine and vice versa.

3.0 POWERS AND DUTIES OF THE COUNTY COUNCIL

- 3.1 Any power or duty of the Council in relation to these Rules may be exercised by a person or body which, under the Constitution, has delegated powers in that regard.
- 3.2 For the purposes of **Rules 6 and 7** of these Rules 'policy' means any Council or service commitment as expressed in financial terms and therefore implicit within any Revenue Budget and/or Capital Plan approved by the Executive and/or the Council.

4.0 RESPONSIBILITIES

Preamble

These Financial Procedure Rules have been approved with the intention of enabling the delegation of financial responsibility to the lowest appropriate level of management within the Council. They also set out the working arrangements by which the Council gives effect to its statutory financial responsibilities. In particular they define the role and responsibilities of any officer designated as a 'Budget Holder'.

Rules

- 4.1 These Rules are made by the Council and are subject to the relevant provisions of the Local Government Act 1972, the Local Government Finance Act 1988, the Local Government and Housing Act 1989 and Part 2 of the Local Government Act 2003. They set out the working arrangements by which the Council gives effect to its statutory financial responsibilities.
- 4.2 These Rules apply to all activities of the Council although the CD-SR may approve variations from the Rules to reflect specific circumstances. At present the only approved variations relate to primary/secondary/special schools operating under the approved LMS Contract Procedure Rules and LMS Financial Procedure Rules. No other variations from the Rules have currently been approved.
- 4.3 The CD-SR will, for the purposes of Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988, be responsible for the proper administration of the Council's financial affairs and the submission of reports to the Council (or any of its constituent parts) on the discharge of that responsibility.
- 4.4 The CD-SR has a statutory responsibility to ensure that adequate systems and procedures exist to account for all income due to, and expenditure payments made on behalf of the Council and that controls operate to protect the assets of the Council from loss, waste, fraud or other impropriety. In addition to these Rules the CD-SR may discharge that responsibility in part by the issue and maintenance of financial instructions with which any Officer, together with any person employed by an organisation contracted to the Council, must comply.
- 4.5 As 'Section 151' Officer of the Council the CD-SR shall be responsible for the production and certification of the Statement of Final Accounts in accordance with the Accounts and Audit (England) Regulations 2011. The CD-SR shall also be responsible for all arrangements relating to the external audit of the Statement of

Final Accounts in accordance with those Regulations. This responsibility also extends to financial information contained within any statutory plan published by the Council.

- 4.6 The CD-SR shall, in compliance with Section 114 of the Local Government Finance Act 1988 report to the Council if the Council, its Executive, a committee of the Council, an Officer of the Council or a joint committee on which the Council is represented:-
- (i) has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful;
 - (ii) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Council; or
 - (iii) is about to enter an item of account (in the ledger), the entry of which is unlawful.

The CD-SR shall also make a report if it appears that the expenditure proposed by the Council in a financial year is likely to exceed the resources available to it to meet the expenditure.

- 4.7 The CD-SR shall, in compliance with Sections 25 – 28 of Part 2 of the Local Government Act 2003
- (i) submit a formal report to the County Council when the Council Tax precept is being made regarding the robustness of the estimates included in the annual Budget and the adequacy of the reserves for which the Budget provides (Section 25)
 - (ii) submit a report about the inadequacy of the reserves in accordance with the Section 27 requirements if the Secretary of State has set a minimum level of reserves for the Council under his Section 26 powers
 - (iii) ensure that the County Council has adequate budget monitoring arrangements in place throughout the year that includes a regular review of the planned level of reserves incorporated in the annual Budget / Precept setting calculations (Section 28).
- 4.8 Every Director, Service Unit Head and Budget Holder shall be responsible for the observance of these Rules within their service area and for the training of staff under their supervision to enable them to comply with these Rules. This principle also applies to any instructions or guidance published in the Finance Manual, issued under the authority of these Rules.
- 4.9 If any Director, Service Unit Head or Budget Holder employs a consultant, agency staff or an external contractor to undertake any duties which would normally be undertaken by an Officer of the Council they must undertake their best endeavours to ensure that every such person acts in accordance with these Rules. It is the responsibility of the Director, Service Unit Head, or Budget Holder (as appropriate) to ensure such persons are aware of this responsibility and are given training if appropriate to enable them to carry out these duties. Every agreement for such work should include adequate remedies to enable the Council to secure reimbursement if there is a failure to comply with these Rules which leads to a financial loss for the Council.

- 4.10 The nature and format of all accountancy systems and related financial procedures and records must be in a form agreed with the CD-SR who shall have regard to the provision of Section 151 of the Local Government Act 1972, the Accounts and Audit (England) Regulations 2011, and such other statutory provisions which, from time to time, shall affect the financial administration of the Council or its constituent services. The financial ledger maintained by the CD-SR will be regarded as the primary financial record of the Council, both for actual expenditure/income transactions as well as budget allocations and subsequent virements. The CD-SR shall be consulted at an early stage regarding proposed changes to any financial systems, procedures or records and his approval obtained before such changes are implemented.
- 4.11 The principles referred to in **Rule 4.10** shall also be applied to any partnership or joint working arrangement with a third party whereby the Council agrees to allocate to, or receive (and then administer) funds from, a third party under the terms of the partnership or joint working arrangement. No funds should be allocated to, or received from, a third party on this basis without the agreement of the CD-SR as to the financial systems and procedures that will be adopted either by the Council or the third party. This Rule shall be deemed to apply to any proposal for the Council to act as the 'Accountable Body' for the purposes of administering any external funding for which the Council and its partners for that purpose have applied.
- 4.12 Where appropriate, reports to the County Council, the Executive or any committees or sub-committees, must contain a financial statement or appraisal setting out the full financial implications arising from any proposals contained within the report. The financial statement or appraisal must be agreed with the CD-SR in advance of the report being distributed to Members.
- Such reports may cover:-
- (i) a new policy
 - (ii) a variation of existing policy, or
 - (iii) a variation in the means or timescale for implementing an existing policy
- which may increase (or decrease) net expenditure in the current or subsequent years.
- 4.13 Each Director, Service Unit Head and Budget Holder is responsible for the proper financial management of all resources allocated to them within their operational areas. They shall devise and implement such controls and procedures, in consultation with the CD-SR, as are necessary to carry out their duties and prevent loss, waste, fraud and other impropriety in relation to the assets or integrity of the Council.
- 4.14 Each Director and/or Service Unit Head shall define budgetary control policy for the resources (revenue or capital) allocated to their operational area and ensure it is operated in practice. This includes identifying Budget Holders for every revenue budget head, or capital scheme, and their limits of authority (see **Rules 6.11 and 7.9**). The same principle shall apply to any funds allocated to, or received from, a third party under a partnership or joint working arrangement (see **Rule 4.11**).
- 4.15 Failure to comply with these Rules, and any related instructions or guidance contained in the Finance Manual may lead to disciplinary action being taken against individual Officers.
- 4.16 The CD-SR shall be responsible for monitoring adherence to these Rules.

5.0 MEDIUM TERM FINANCIAL STRATEGY

Preamble

In order for the Council to be able to plan the development of its services and determine priorities for the allocation of resources between those services it needs to undertake multi-year financial planning. The Council will do this by preparing a Medium Term Financial Strategy for incorporation in the Council Plan.

Rules

- 5.1 The CD-SR shall, in consultation with the Chief Executive Officer and other Directors, prepare a Medium Term Financial Strategy (**'the MTFS'**) for consideration by the Council.
- 5.2 The CD-SR shall determine the format of the MTFS and the timing of reports relating thereto, subject to any overriding requirements of the Council.
- 5.3 The MTFS shall include the financial effects of all known commitments in the multi-year period, together with any proposals for significant changes to the level of existing services, or for developing new services.
- 5.4 The MTFS shall include the respective impacts of both revenue and capital expenditure, for that period on the level of Precept (and its Council Tax equivalent), any provisions or self-fund insurance arrangements, cash flow, working balances and treasury management policy.
- 5.5 For the purposes of this Rule the duration of the 'multi-year' period shall be determined from time to time by the Council based upon advice provided by the CD-SR in consultation with the Chief Executive Officer and other Directors.

6.0 REVENUE BUDGET

Preamble

The Revenue Budget is an estimate of the annual income and expenditure requirements of the Council and thereby sets out the financial implications of its approved policies. Once approved by the Council it gives each Director the authority to incur expenditure, and collect income, and also provides the basis on which the financial performance of the Council, and each Directorate, will be monitored. These Rules provide a comprehensive framework for the preparation, monitoring and reporting of the Revenue Budget against these criteria.

Rules

Budgetary Control Principles

- 6.1 The Rules in this Section are based on the following budgetary control principles established by the Council:-
 - (i) any under or overspending of Revenue Budget at the financial year end may be carried forward (subject to (iii))
 - (ii) mechanisms shall be defined by the CD-SR to ensure budgetary monitoring and control is carried out throughout the Council on a frequency commensurate with materiality and risk.(see **Rule 6.16**)

- (iii) that within these principles any designated service may be subject to any specific Regulations relating to their year-end surpluses/deficits as shall be approved from time to time by the Council.

6.2 The Executive has overall responsibility for all aspects of the Revenue Budget of the Council. Any financial matter arising during a given financial year that cannot be resolved at Directorate level, using the powers/responsibilities defined in this Rule, shall be brought to the attention of the Executive at the earliest opportunity. If and when any matters are reported to the Executive it will be the responsibility of the CD-SR to provide specific advice to the Executive regarding how the financial implications of the matter might be addressed and/or resolved.

Structure of the Revenue Budget

6.3 The Council will, when formally setting its annual Precept (see **Rule 6.4 - 6.7**), also approve an annual Budget for each Directorate. This 'Directorate' Budget will comprise a single sum (i.e. expenditure less related income) which typically will also be allocated across a range of functions and/or activities within each Directorate; the functions and/or activities identified will normally reflect the service areas, or other organisational arrangements adopted within the Directorate. These Budgets will be determined, before the start of each financial year, in a format to be agreed by the CD-SR and will represent the base line to which, in any given financial year, the Rules that follow in this Section shall apply.

Setting a Budget/Precept

6.4 The CD-SR will specify the format of the annual Revenue Budget and the timing of any reports, subject to any overriding requirements of the Council. In practice the overall Revenue Budget will comprise a number of budgets (usually based on defined Directorates) identified as appropriate to the financial management arrangements of the Council (see **Rule 6.3**).

6.5 The CD-SR shall be responsible for submitting any reports regarding the overall Revenue Budget of the Council that will enable it to comply with its statutory responsibility to determine an annual Precept. Once the Precept has been determined by the Council it shall be the responsibility of the CD-SR to notify the collecting authorities.

6.6 As part of the process of approving the overall Revenue Budget of the Council the Executive shall define the arrangements whereby each Directorate prepares its own budget for consideration by the Executive. These arrangements will be defined to enable the baseline estimates of the Council to be prepared, to fulfil the function referred to in **Rule 6.3**.

6.7 If required, under the terms of **Rule 6.6**, each Director shall prepare a draft Revenue Budget relating to their Directorate for the next financial year, in consultation with the CD-SR, for submission to the Executive. Any such draft Revenue Budget shall be accompanied by a joint report from the appropriate Director and the CD-SR, which shall specify any variations relative to existing budgets and policies together with any implications for future financial years.

Incurring expenditure/collecting income

- 6.8 From the start of each financial year:-
- (i) expenditure may be incurred within the overall Revenue Budget approved by the Council. Given the terms of **Rule 6.3**, this authority to spend is effectively applied at Directorate level.
 - (ii) similarly, the responsibility for making appropriate arrangements to collect any income reflected in approved Budgets shall be exercised by Directorates in line with the Council's income management systems.
- 6.9 Expenditure on behalf of the Council can only be committed against authorised budgets and in accordance with the policies for which the budget was established. Any significant commitment to continuing liabilities (including establishment changes - see **Rule 6.10**) in future years in excess of current budget provision or any proposed change in policy likely to affect the current approved budget and/or the MTFs (see **Rule 5.3**) shall be the subject of a report to the Executive prepared by the Director setting out clearly the full financial implications. Such proposals may relate to expenditure/income or both and this should be made explicit in any statement of financial implications (see **Rule 6.2**).
- 6.10 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 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.

Monitoring of the Revenue Budget

- 6.11 Once the overall Revenue Budget of the Council for a given financial year has been approved by the Council, each Director shall define budgetary control policy within their own Directorate and ensure it is operated in practice. This will include identifying responsible Budget Holders and the limits of their budgetary authority (see **Rule 4.14**).
- 6.12 Budget Holders may only authorise expenditure from budgets under their direct control (see **Rule 6.11**). If a Budget Holder plans to order items to be charged against the budget of another Budget Holder, he is required to obtain the approval of the other Budget Holder before committing expenditure against that budget.
- 6.13 Throughout the financial year each designated Budget Holder shall monitor income (including any grants) and expenditure against those specific budgets for which they are responsible.
- 6.14 The CD-SR shall provide financial advice to assist Budget Holders to fulfil their responsibilities, consulting their Director in circumstances where it appears that variations to the approved budget will occur.
- 6.15 Budget Holders shall supply the CD-SR with sufficient information, as and when required, to enable accurate budget profiling and/or financial projections to be undertaken.
- 6.16 In accordance with **Rule 6.1(ii)**, budgetary control during a financial year shall be undertaken by a Director as follows:-

- (i) a Director shall maintain an on-going review of all aspects of the budget (including income - see **Rules 12.1/12.2**) under his control; this review shall be undertaken in conjunction with Service Unit Heads and/or Budget Holders and the CD-SR
- (ii) the results of (i) to be reported on a regular basis based on materiality and risk and at least quarterly to the Portfolio Holder for that Directorate
- (iii) that arising from (ii) the Director will be required to bring to the early attention of the Executive any significant matters which if left unresolved may lead to a budget overspending in the current or future years, together with proposals to address that potential situation
- (iv) the CD-SR shall report to the Executive at no less than quarterly intervals throughout the financial year on matters arising from (i) - (iii) above, in particular relating to
 - virements requiring approval (see **Rules 6.18 to 6.24**)
 - service under or overspends which may have implications for the planned outturn for the current (and future) financial year(s)
 - status of the contingency fund, cash flow and working balances.

6.17 If expenditure in excess of the approved net budget of a Directorate is incurred due to an emergency, this expenditure must be reported to the CD-SR as soon as practicable and to the Executive as soon as possible thereafter (see also **Rule 6.2**).

Virement

Preamble

*Virement is the transfer of budget provision between individually defined budget headings and as such it does not create additional budget. When the Council sets its overall Revenue Budget for a given financial year it will effectively approve a series of specific functional net budgets within each Directorate (see **Rule 6.3**)*

*For the purpose of defining the authorisation required for virement to take place within the approved Budget for each Directorate, reference will be made to a '**Division of Service**'. Once these Divisions of Service have been defined they will be used to analyse the Budget for a Directorate and thereafter constitute the base line from which any virements are recorded. Within a Division of Service, it is anticipated that more detailed budget headings (e.g. employees, premises) will be adopted for day to day budgetary control purposes.*

Rules

- 6.18 Directors are responsible for undertaking virements in accordance with these Rules within his/her Directorate and inform the CD-SR as soon as practicable that such virements have taken place. In addition:-
- (i) the CD-SR will be responsible for ensuring that notified virements are reflected in the financial ledger of the Council at the earliest opportunity (see **Rule 4.10**)
 - (ii) once such virements have been reflected in the financial ledger by the CD-SR they will be regarded as the base line (see **Rule 6.3** and **Preamble** above) from which any subsequent virements in that financial year are referenced.
- 6.19 Notwithstanding Rules **6.20 to 6.24**, the approval of the Executive shall be required if any proposed virement involves one or more of the following:-
- (i) a change to current policy (see **Rule 6.9**)
 - (ii) a significant addition to recurring commitments in future financial years (see **Rule 6.9**)
 - (iii) any transfer of resources between the Revenue Budget and the Capital Plan (**see Rule 7.8(iv)**).
- 6.20 Notwithstanding **Rules 6.21 to 6.24** below, the CD-SR has the right to refer any proposed virement to the Executive.
- 6.21 Within a Division of Service, a Director may transfer any sums between defined budget headings (see **Preamble** to this Section) subject only to consultation with the Portfolio Holder and the CD-SR (see also **Rule 6.10** in relation to employee costs).
- 6.22 For transfers between Divisions of Service, if the sum involved is:-
- (i) less than £250,000 or 10% of the gross expenditure of the Division of Service from which the transfer is being made, whichever is the lesser amount, the virement may be actioned by a Director following consultation with the Portfolio Holder and the CD-SR
 - (ii) equal to or greater than £250,000 or 10% of the gross expenditure of the Division of Service from which the transfer is being made, whichever is the lesser amount, the virement shall be subject to approval by the Executive.
- 6.23 Any virement where a change in the previously approved level of net expenditure for a Division of Service is directly related to, and fully offset by, a change in fees, income or other contributions from another authority, organisation or person may be actioned by a Director in consultation with the Portfolio Holder and the CD-SR.
- 6.24 Income received in excess of the budgeted amount for a Division of Service may be spent either within that Division of Service or its equivalent value transferred to another Division of Service. This can be achieved by virement in accordance with the arrangements specified in **Rules 6.21 or 6.22** respectively.

Outturn

- 6.25 With the assistance of all Directors, the CD-SR shall report to the Executive on the outturn of income and expenditure, as soon as practicable after the end of the financial year.

7.0 CAPITAL PLAN

Preamble

Capital expenditure is a necessary element in the development of the Council's services since it generates investment in new and improved assets. In conjunction with the Corporate Capital Strategy and the Asset Management Planning Framework, these Rules provide a framework for the preparation and appraisal of schemes proposed for inclusion in the Capital Plan, appropriate authorisations for individual schemes to proceed and facilitate the overall management of the Capital Plan within defined resource parameters. For the purpose of these Rules the term 'scheme' refers to either individual capital work or programme of works as set out in the Capital Plan.

Rules

Budgetary Control Principles

- 7.1 The Rules in this Section 7 are based on the following principles established by the Council:-
- (i) individual schemes shall be part of an approved Capital Plan before they proceed, that Plan reconciled, at both Directorate and Corporate level, to the resources available
 - (ii) a scheme is defined as either
 - (a) a specific project whose cost, size, configuration, or policy significance requires it to be individually listed in the Capital Plan or
 - (b) an annual programme of planned expenditure for a consistent and designated purpose
 - (iii) mechanisms shall be defined by the CD-SR to ensure that expenditure, and if appropriate, grant and other income is monitored and controlled at individual scheme as well as Directorate level
 - (iv) any under or overspending of the approved Capital Plan at Directorate level at the financial year end may be carried forward
 - (v) any scheme specific funding proposed by a Director must be compatible with the Treasury Management Policy Statement of the Council (see **Rules 14.3 and 14.5**).
- 7.2 During the financial year the Executive has overall responsibility for all aspects of the Capital Plan of the Council. To the extent therefore that any financial matter arising during a given financial year cannot be resolved at Directorate level, using the powers/responsibilities defined in this Section of the Rules, such matter shall be brought to the attention of the Executive at the earliest opportunity (see **Rules 7.13/7.14**). If and when such matter is reported to the Executive it will be the

responsibility of the CD-SR to provide specific advice to the Executive regarding how the financial implications of the matter might be addressed and/or resolved.

Approving a Capital Plan

- 7.3 The CD-SR shall determine the format of the Capital Plan and the timing of reports relating thereto, subject to any overriding requirements of the Council. In practice the approved Capital Plan will comprise a number of individual schemes each of which will be quantified in overall project terms or on an annualised basis, as appropriate.
- 7.4 Each Director shall prepare a draft Capital Plan for their service, in consultation with the CD-SR, for submission to the Executive. This Plan should identify planned expenditure, and funding, at proposed individual scheme or programme level.
- 7.5 The CD-SR shall be responsible for preparing an overall Capital Plan for consideration by the Executive, and approval by the Council, the funding of which shall be compatible at all times with the Treasury Management Policy Statement of the Council.
- 7.6 Individual schemes shall only be included in a Directorate Capital Plan following a project appraisal process undertaken in accordance with the guidelines defined in the **Asset Management Planning Framework** and in accordance with the Property Procedure Rules.

Incurring expenditure against the Capital Plan

- 7.7 Approval of the Capital Plan by the Council shall provide the following authorisations to Directors: -
- (i) Current Year
- (a) to continue to incur expenditure on each scheme in progress at the start of the financial year, and/or to begin to incur expenditure on any approved new scheme starting in that year, providing that total expenditure on either type of individual scheme does not exceed the sum contained in the approved Plan for that scheme by more than 10% or £20,000 (whichever is the greater) and all necessary approvals have been received, where appropriate, from Government Departments and/or any external funding agencies (see **Rule 8.0**)
- (b) the approval in (a) is subject to any additional expenditure on a scheme being met from within the sum total of a Directorate's Capital Plan expenditure limit for that year (as originally approved, or subsequently amended by the Executive) as derived from the process defined in **Rule 7.5**
- (c) to collect all grant and other income related to expenditure incurred on schemes in that year.
- (ii) Subsequent Years
- (a) to make any arrangements necessary for site purchase (but subject to the Property Procedure Rules), to seek planning permissions, to incur professional fees and preliminary expenses as appropriate and to seek any necessary approvals from Government Departments and/or external funding agencies. This approval is subject to any expenditure being met from within the Directorates' Capital Plan expenditure limit for the year in which it is incurred.

- 7.8 Subject to a report by the appropriate Director, the approval of the Executive will be required if:-
- (i) any increase/decrease in the Directorate's previously approved Capital Plan expenditure limit for that year is necessary as a result of:-
 - (a) the cost variation on an individual scheme exceeding the parameters defined in **Rule 7.7**
 - (b) the inclusion of a new scheme
 - (c) the deletion or material modification of an existing approved scheme
 - (d) the loss or revision of any funding which materially affects the ability of a Directorate to undertake its approved Capital Plan
 - (ii) the committed expenditure in later years of the Directorate's Capital Plan is increased for any of the reasons listed under (i) of this Rule
 - (iii) an individual scheme requires expenditure in addition to any arising from the provisions in **Rule 7.7(ii)** to be committed more than one financial year in advance of the financial year in which the actual costs will be incurred
 - (iv) in accordance with **Rule 6.19(iii)** there is a proposed transfer of resources between the Revenue Budget and the Capital Plan.

Monitoring of the Capital Plan

- 7.9 Once an overall Capital Plan has been approved by the Council each Director shall define a budgetary control policy and ensure it is operated in practice, including identifying responsible Budget Holders for each scheme in the Directorate Capital Plan and the limits of their budgetary authority (see **Rule 4.14**).
- 7.10 Throughout the year each designated Budget Holder shall monitor expenditure and, if appropriate, grant and other income, on a scheme by scheme basis against the approved Directorate Capital Plan.
- 7.11 The CD-SR shall provide financial advice to assist Budget Holders to fulfil their responsibilities, consulting their Director in circumstances where it appears that variations to the approved budget for a scheme will occur.
- 7.12 Budget Holders shall supply the CD-SR with sufficient information, as and when required, to enable accurate cost/income profiling and/or financial projections of scheme costs/income to be undertaken.
- 7.13 Budgetary control during a financial year shall be undertaken by a Director as follows:
- (i) a Director shall maintain an on-going review of all aspects of the Capital Plan for their Directorate; this review to be undertaken in conjunction with Service Unit Heads and/or Budget Holders and the CD-SR and based on materiality and risk
 - (ii) the results of (i) to be reported to the Portfolio Holder for that Directorate based on the nature of findings and at least quarterly

(iii) that arising from (ii) a Director will be required to bring to the early attention of the Executive any significant matters which if left unresolved may lead to a scheme budget overspending together with proposals to address that potential situation (see **Rules 7.7/7.8**)

(iv) the CD-SR shall report to the Executive at no less than quarterly intervals throughout the financial year on matters arising from (i) to (iii) above, in particular relating to scheme variations requiring approval (see **Rule 7.7/7.8**).

7.14 Where an underspend relative to the Directorate's approved expenditure limit for the current financial year will result in a significant overspend in future financial years, the Director shall report the matter to the Executive at the earliest opportunity, together with proposals to address the situation.

7.15 If expenditure in excess of the approved Directorate Capital Plan expenditure limit for that year is incurred due to an emergency, this expenditure must be reported to the CD-SR as soon as practicable and to the Executive as soon as possible thereafter (see also **Rule 7.2**).

Outturn

7.16 With the assistance of all Directors, the CD-SR shall report to the Executive on the outturn of expenditure (and funding if appropriate) of each scheme, as soon as practicable after the end of the financial year.

8.0 GRANTS AND EXTERNAL FUNDING

8.1 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 **Rules 8.5 and 21**).

8.2 The implications of Item 6 of the Executive Members' Delegation Scheme must be considered. In particular, this sets a financial limit of £100,000. Above this level, appropriate Member authorisation must always be obtained before documents are signed.

8.3 The CD-SR shall be consulted on, and certify if necessary, any application for grant or external funding.

8.4 The CD-SR shall:

(i) agree the terms and conditions of all grant offers made to the County Council, and

(ii) accept such grant offers and sign appropriate documentation on behalf of the County Council,

PROVIDED that in cases of grant offers that exceed the sum of £50,000 the agreement and acceptance shall be subject to consultation with the Director to whose service the grant is relevant and the Assistant Chief Executive (Legal and Democratic Services).

8.5 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, in consultation with the CD-SR and the Assistant Chief Executive (Legal and Democratic Services), shall agree the terms and conditions of that Accountable Body role, and sign associated documentation on behalf of the County Council.

- 8.6 The CD-SR shall be responsible for the completion, authorisation and submission of any grant or external funding claim forms to the relevant organisation(s) and, if necessary, the External Auditor, in accordance with any guidelines applicable to the claim(s) in question.
- 8.7 Certain grant claims are required to be audited, and an opinion provided on the accuracy of the expenditure being claimed, by the Head of Internal Audit. Each Director shall ensure that records are retained to enable the Chief Internal Auditor to complete this work and be provided with explanations, as necessary, for any matters raised.

9.0 SERVICES AND ASSETS

Preamble

*This Rule refers to the arrangements under which Budget Holders shall undertake the procurement of the services and assets they require and, where relevant, the disposal of surplus assets. **They do not apply to Property (i.e. land and buildings).** Property transactions are regulated by the **PROPERTY PROCEDURE RULES**. These Rules should be read in conjunction with the **CONTRACT PROCEDURE RULES** which describe in detail the procedures Officers must follow when procuring services, assets and property.*

Rules

Responsibilities of a Director

- 9.1 A Director shall be responsible for:
- the procurement of all supplies, services and assets (but **not** Property) relating to the provision of services by his Directorate
 - ensuring that supplies, services and assets ordered are received and are of the correct quality
 - ensuring that supplies, services and assets are only procured by Budget Holders if there is approved budgetary provision to cover the associated costs (see **Rules 6.11 and 7.9**)
 - ensuring adherence to the approved Procurement Strategy of the Council
 - the certification of invoices in accordance with arrangements approved by the CD-SR.

Payment of Accounts

- 9.2 The CD-SR shall arrange the payment of all invoices which are certified duly payable.

Assets - Leasing Agreements (see also Contract Procedure Rule 2.6)

- 9.3 The CD-SR shall undertake the negotiation of terms for, and authorise the leasing of, any assets which the Council, or a Director within the context of his budgetary

responsibility, has decided to acquire where the main purpose of the leasing agreement is to finance the transaction.

- 9.4 A Director for whose service any assets have been acquired under a leasing agreement shall adhere to the terms and conditions of the relevant leasing agreement particularly as this relates to wear and tear, or residual condition of the asset at the end of the leasing period. A full inventory of all leased assets worth more than £1,000 must also be maintained by the Director (see **Rule 10.1**).
- 9.5 Any assets subject to a leasing agreement must not be disposed of without the prior consent of the CD-SR who shall be responsible for notifying the lease company and obtaining their consent to disposal.

Disposal of Assets

- 9.6 Prior to the disposal of any asset, a Director must:-
- (i) ensure that the asset is of no use to any other Directorate;
 - (ii) for assets subject to a leasing agreement consult the CD-SR (see **Rule 9.5**);
 - (iii) Confirm whether the asset was purchased using grant funding, and if so, ensure the disposal and the allocation of proceeds complies with any grant conditions
 - (iv) notify the CD-SR of the intention to dispose of any item which might be regarded as capital.
- 9.7 If the disposal is subject to grant conditions (see **Rule 9.6(iii)**), then those conditions will take precedence, otherwise all disposals must follow the rules set out below.
- 9.8 The procedures defined in the **Contract Procedure Rules** apply to the disposal of any assets of the Council. In particular no quotations or tenders for other than the highest price shall be accepted without reference to **Contract Procedure Rules 8.6, 8.8 and 8.10** and/or **9.3 and 12.2** as appropriate. The provisions of **Contract Procedure Rule 13** shall also apply to any post tender negotiation or clarification.
- 9.9 A Director may dispose of any asset if its estimated disposal value is £20,000 or less (see **Rule 9.10** and **10.3**).
- 9.10 If the estimated disposal value:-
- (i) is greater than £20,000 but less than £100,000 then a Portfolio Holder may authorise the disposal following consultation with the Director and with the approval of the CD-SR
 - (ii) is £100,000 or greater then the approval of the Executive is required.
- 9.11 A Director may dispose of a number of assets simultaneously if their aggregate estimated disposal value is £20,000 or less. If the estimated aggregate disposal value exceeds £20,000 then the provisions of **Rule 9.9** shall apply as appropriate.
- 9.12 For low value items valued at under £500, and to save the costs of disposal, to reduce the need to send items to landfill, and to maximise the use of Council resources, local arrangements can be made in line with the guidance included in the Finance Manual.

Financial Instruments

- 9.13 The CD-SR shall undertake the negotiation of terms and authorise the acquisition or disposal of any financial instrument which the Council or a Director requires within the context of their financial or service responsibility.

10.0 INVENTORIES AND STORES

- 10.1 Each Director shall maintain a written inventory (in a form approved by the CD-SR) of all assets used in his Directorate which belong to the Council whose individual cost or value exceeds £1,000. This Rule also applies to any asset acquired under a leasing agreement (see **Rule 9.4**).
- 10.2 The Director shall be responsible for the custody of all stores, cash and financial documents used in his Directorate. Cash held on any Council premises should not exceed any sums for which the Council is insured.
- 10.3 A Director may arrange for the disposal of unrequired stock or inventory items, up to a limit of estimated value of £20,000 in any period of three consecutive calendar months. Above that figure, **Rules 9.8** and **9.9** shall apply.
- 10.4 A Director and the CD-SR shall be authorised jointly to write off stock and inventory deficiencies up to a limit of £20,000 in any period of three consecutive calendar months. The approval of the Portfolio Holder is required where the value is greater than £20,000 and the approval of the Executive is required where the value is £100,000 or greater.

11.0 MISCELLANEOUS MATTERS

Preamble

In addition to arrangements for the key aspects of financial administration (i.e. Revenue Budget, Capital Plan and Procurement) there are a range of other financial matters that require specific Financial Procedure Rules. These are covered in the remaining sections of this document.

Rules

Payroll, Pensions and Other Emoluments

- 11.1 The calculation and payment of all salaries, wages, pensions, gratuities, compensation and other emoluments payable by the Council to its current and former employees shall be performed in accordance with arrangements approved by the CD-SR.
- 11.2 Each Director shall be responsible for the certification of all amounts properly payable for pay and pensions in accordance with the arrangements approved by the CD-SR.
- 11.3 The CD-SR shall be authorised to implement national pay awards with effect from their implementation dates.

Travelling and Subsistence Allowances

- 11.4 The calculation and payment of all Travelling and Subsistence Allowances payable by the Council to its Members and employees shall be performed in accordance with arrangements approved by the CD-SR.
- 11.5 Each Director shall maintain a record of Officers authorised to certify claims on his behalf. Certification of a claim shall signify that the Director is satisfied that the allowance or expenses are properly payable by the Council in respect of duties performed by the claimant.

12.0 INCOME

Fees and Charges

- 12.1 Each Director shall be responsible for the establishment and ongoing review of fees and charges payable to the Council in respect of activities carried out by the Directorate. For practical purposes this responsibility should be linked to the budget management arrangements established in accordance with **Rules 4.13/4.14**.
- 12.2 Fees and charges within the control of the Council shall be subject to review annually by the relevant Director and the CD-SR except where:
- (i) they are regulated by an existing contract, or set by Government legislation or regulations; or
 - (ii) there is a specific agreement between the Council and relevant third parties setting a different frequency; or
 - (iii) a different frequency is agreed by the CD-SR; or
 - (iv) there is a particular need to review them in advance of the next annual review.
- 12.3 The setting and annual review of fees and charges shall be undertaken to take account of such factors as inflation, the overall cost of the service, changes in the service itself or policy decision. The CD-SR shall provide guidance on undertaking setting and reviewing fees and charges.
- 12.4 All decisions relating to changes to a scheme of fees and charges will be made in consultation with the relevant Portfolio Holder, unless the proposal reflects a change in policy, in which case the matter should be referred to the Executive.
- 12.5 A Director shall agree with the CD-SR the administrative arrangements for the collection of any money due to the Council. The collection of debts will normally be the responsibility of the CD-SR and shall be administered via the corporate debtor system linked to the financial ledger. Any alternative arrangement requires the prior written approval of the CD-SR.
- 12.6 The CD-SR will agree with the Assistant Chief Executive (Legal and Democratic Services) the arrangements by which outstanding debts may be referred for legal action, and the roles to be taken by staff in Finance, or Legal Services, in pursuing such action.

- 12.7 Income may not be used to directly offset payments due. All money received on behalf of the Council shall, as soon as practicable, be either banked for the credit of the Council's account or deposited with the CD-SR. The only exception to this arrangement is for LMS Schools as defined in **Rule 13.3**.

Debt Write-Off

- 12.8 The procedures for writing off debts, including the recovery of overpayments shall be as follows:-
- (i) Amounts not exceeding £100 may be written off by the CD-SR on the recommendation of the Exchequer Services Officer.
 - (ii) Amounts over £100 and not exceeding £10,000 may be written off by the CD-SR in consultation with the Director and the Assistant Chief Executive (Legal and Democratic Services) as necessary.
 - (iii) Amounts over £10,000 and up to, but not including £100,000 may be written off by the CD-SR on the recommendation of a Director, after consultation with the relevant Portfolio Holder.
 - (iv) Amounts of £100,000 and above may only be written off on the authority of the Executive.
- 12.9 The CD-SR shall maintain a record of all such write-offs showing attempted recovery action taken and the justification for non-recovery.
- 12.10 Approval to write off a number of debts simultaneously for the same debtor may be agreed as set out in **Rule 12.8** using the aggregate value of the amounts to determine the relevant threshold value.

Adjustment to an account

- 12.11 Where an invoice has been raised in respect of a debt and it subsequently becomes apparent that the debt was not legally due to the Council (on the grounds that, for example, it was mistakenly believed that the Council had a valid legal claim against the debtor) then the invoice may be cancelled by the CD-SR in consultation with the Assistant Chief Executive (Legal and Democratic Services).

Waiving a charge

- 12.12 In some circumstances it may be appropriate to waive a charge. This must be an explicit feature of a particular charging scheme. A waiver should only be considered if there is some reason why the person receiving the service should continue to do so, and in circumstances in which the charge emerging from the charging scheme may not be fair and reasonable in all the circumstances.
- 12.13 The responsibility for agreeing the terms of any waiver must be included in the terms of the charging scheme.

13.0 BANKING

- 13.1 All arrangements for the operation, supervision and closure of all the Council's bank account(s) shall be made by the CD-SR, who is authorised to operate any bank accounts considered necessary. This Rule also applies to Imprest Bank Accounts (see **Rule 14.2**).

- 13.2 Where appropriate, the CD-SR is required to provide employees with cash or imprest bank accounts to meet minor expenditure on behalf of the Council and to issue procedures for operating these accounts.
- 13.3 Any bank accounts operated under the terms of the 'Bank Accounts for Schools' (BAFS) arrangements, established under the approved LMS scheme, are a permitted exception to **Rule 13.1**.

14.0 TREASURY MANAGEMENT

- 14.1 The Council adopts CIPFA's "Treasury Management in the Public Services Code of Practice 2009" (as amended) as described in Section 5 of the Code, and will have regard to the associated guidance notes.
- 14.2 The County Council will create and maintain as the cornerstone for effective Treasury Management
- (i) a strategic Treasury Management Policy Statement (TMPS) stating the County Council's policies, objectives and approach to risk management of its treasury management activities
 - (ii) a framework of suitable Treasury Management Practices (TMPs) setting out the manner in which the County Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. The Code recommends 12 TMPs.
- 14.3 The Executive and the full Council will receive reports on its Treasury Management policies, practices and activities including, as a minimum an Annual Treasury Management and Investment Strategy and associated report on Prudential Indicators in advance of the financial year.
- 14.4 The County Council delegates responsibility for the implementation and regular monitoring of its Treasury Management policies and practices to the Executive, and for the execution and administration of Treasury Management decisions to the CD-SR, who will act in accordance with the Council's TMPs, as well as CIPFA's Standard of Professional Practice on Treasury Management.
- 14.5 The Executive will receive from the CD-SR a quarterly report on Treasury Management as part of the Quarterly Performance Monitoring report and an annual report on both Treasury Management and Prudential Indicators setting out full details of activities and performance during the preceding financial year.
- 14.6 The CD-SR will meet periodically with the portfolio holder for financial services, including assets, IT and procurement and such other Member of the Executive as the Executive shall decide to consider issues arising from the day to day Treasury Management activities.
- 14.7 The Audit Committee shall be responsible for ensuring effective scrutiny of the Treasury Management process.
- 14.8 The CD-SR shall periodically review the Treasury Management Policy Statement and associated documentation and report to the Executive on any necessary changes, and the Executive shall make recommendations accordingly to the County Council.
- 14.9 All money in the possession of the Council shall be under the control of the officer designated for the purposes of Section 151 of the Local Government Act 1972 (i.e. the Corporate Director - Strategic Resources).

15.0 VOLUNTARY FUNDS

Preamble

A voluntary fund is any fund which is held or controlled by the Council as trustee for the benefit of a third party and/or for a specified purpose. Such funds may be administered solely, or in part, by an officer by reason of his or her employment with the Council.

Rules

- 15.1 The CD-SR shall be informed of the purpose and nature of all voluntary funds maintained or managed by any Officer in the course of their duties with the Council.
- 15.2 Voluntary funds registered with the Charity Commissioners must comply with all requirements set by the Commission in respect of the format of accounts and the need for audit or independent examination by a competent person, and must meet the timescales set out for such reports. Although there is no requirement from the Charity Commission, it is a requirement that small registered charities with gross income (or total expenditure) of £25,000 or less will arrange for their accounts to be examined annually by a competent independent person. A copy of the accounts and the appropriate audit or independent examiners report shall be supplied to the CD-SR immediately after the meeting of the body. The CD-SR shall be entitled to verify that the reports have been made and to carry out such checks on the accounts as he considers appropriate.
- 15.3 Voluntary funds not registered with the Charity Commissioners shall have formal accounts prepared and examined annually by a competent person independent of the fund. A copy of the accounts and Independent Examiner's Statement shall be supplied to the CD-SR immediately after the examination. The Corporate Director – Strategic Resources shall be entitled to verify that the reports have been made and to carry out such checks on the accounts as he considers appropriate.
- 15.4 Voluntary Funds, and any related bank accounts, shall be operated in accordance with procedures set out in the Finance Manual.
- 15.5 Any funds administered under the terms of the Council's approved 'Disaster Appeal' arrangements will be governed by the terms of the 'Appeal' agreed at the time.

16.0 INSURANCE

- 16.1 The CD-SR shall effect all insurance cover on behalf of the Council.
- 16.2 A Director shall notify the CD-SR as soon as he becomes aware of:
- (i) any event which may result in a claim against the Council and/or its insurers
 - (ii) any new risks which might require to be insured, together with changed circumstances affecting existing risks
 - (iii) any action(s) taken under the terms of the Council's approved Risk Management Strategy which might affect the Council's current, and future, insurance arrangements (see **Rule 17**).

17.0 RISK MANAGEMENT

- 17.1 Each Director shall take the actions necessary to comply with the terms of the Council's approved Corporate Risk Management Policy and Strategy and the Directorate based derivatives thereof.
- 17.2 These actions may relate to one or more of the following:-
- (i) using the Risk Prioritisation System (RPS) to identify and record risks in the Risk Register(s)
 - (ii) reviewing current, and identifying new, risks and the potential impact thereof on the ongoing capacity of the Council to maintain its services
 - (iii) determining, and effecting, an appropriate management response to those risks
 - (iv) maintaining records of incidents and making such records available to the CD-SR in his capacity as the Council's Risk Management co-ordinator, as necessary (see also **Rule 16.2**).

18.0 INTERNAL AUDIT

Preamble

The Accounts and Audit England (Amendment) Regulations 2011 apply to the Council. This Act requires the Council to maintain an 'adequate and effective internal audit of its accounting records and of its system of internal control'. Section 151 of the Local Government Act 1972 requires that authorities 'make arrangements for the proper administration of their financial affairs'.

The following Rules provide the framework for this statutory duty to be discharged.

Rules

Roles and Responsibilities

- 18.1 The Council has determined the CD-SR shall be responsible for maintaining an adequate and effective internal audit of the activities of the County Council. Operationally, responsibility for internal audit lies with the Head of Internal Audit.
- 18.2 The purpose, authority and responsibility of Internal Audit will be detailed in an Audit Charter and approved by the Audit Committee. The Head of Internal Audit will periodically review the Audit Charter and present it to the CD-SR and Audit Committee for approval.
- 18.3 The Head of Internal Audit will produce an annual internal audit opinion and report that will be used by the Council to inform the Annual Governance Statement.
- 18.4 The Head of Internal Audit shall have regard to the proper practice contained within the Public Sector Internal Audit Standards, and supporting application note, which represent proper practice for internal audit in local government.
- 18.5 Internal Audit will be allowed to act independently and objectively in the planning and operation of work and without undue influence by either Directors or Members.

- 18.6 The Head of Internal Audit may communicate directly with the Leader of the Council, the Executive, the Chief Executive, any Director, the Monitoring Officer, the Chairman of the Audit Committee, and any officer on any matter that he deems appropriate.
- 18.7 Each Director shall make arrangements for the CD-SR or the Head of Internal Audit to:
- (i) enter at all reasonable times on any premises or land used by the Council;
 - (ii) have rights to access all correspondence, documents, books or other records relating to any financial transactions, matter or business of the Council;
 - (iii) require and receive such explanation(s) as he considers necessary to establish the correctness of any matter under examination;
 - (iv) require any officer of the Council to produce cash, stores, or other Council property under his/her control for inspection.
- 18.8 The Head of Internal Audit shall at all times preserve and respect the confidentiality of information received in discharging tasks under this Section of the Financial Procedure Rules.
- 18.9 Each Director, Service Unit Head, Budget Holder or service manager will immediately notify the Head of Internal Audit of any suspected fraud or financial irregularity, or any circumstances which may suggest the possibility of irregularity in the exercise of any of the Council's functions or related to the delivery of any of the Council's services.
- 18.10 The Head of Internal Audit shall determine the scope of any internal enquiries or investigations, subject to consultation with the CD-SR, Human Resources and the appropriate Director.
- 18.11 The Head of Internal Audit, in consultation with the CD-SR and the appropriate Director shall decide whether any matter under investigation should be referred for police investigation and take recovery action as appropriate on such matters.
- 18.12 If a suspected irregularity occurs involving staff who are the responsibility of the CD-SR, the CD-SR shall keep the Chief Executive Officer informed.
- 18.13 Every Director, Service Unit Head and Budget Holder is responsible for the implementation and maintenance of all internal control procedures relating to financial systems and for achieving the economic, effective and efficient use of resources within their Directorate.
- 18.14 It is the responsibility of relevant Council officers to consider and respond promptly to recommendations in audit reports and to ensure any agreed actions are carried out in a timely and efficient manner.

Counter Fraud Strategy

- 18.15 The Head of Internal Audit will lead on the Counter Fraud Strategy within the Council and will undertake a review of the Strategy on, as a minimum, an annual basis.

19.0 ANTI-CORRUPTION

Money Laundering

Preamble

- 19.1 All staff should have regard to the Council's Anti-Money Laundering Policy and supporting Guidance. A member of staff should consider, in line with the Policy and Guidance, reporting any transaction which involves the receipt of £10,000 or more of cash to the Head of Internal Audit (as the Council's Money Laundering Reporting

Officer); notwithstanding such financial limit, any member of staff who has reasonable grounds to believe that money laundering is taking place (or is being attempted) in respect of a smaller amount of cash should report the matter to the Council's Money Laundering Reporting Officer.

Bribery

- 19.2 All staff should act in accordance with the legal framework concerned with bribery and corruption as set out in the Bribery Act 2010 ("the Act") and any successor legislation. Staff should have regard to the Council's Gifts and Hospitality Protocol for Employees, which contains guidance for staff on the main bribery and corruption offences (bribing another person, being bribed, bribing a foreign official and failure of commercial organisations to prevent bribery) and on the rules regulating the acceptance (or otherwise) of gifts and hospitality by Council employees.
- 19.3 All staff must immediately report to their manager or the Monitoring Officer any circumstances where inappropriate gifts or hospitality have been offered to them.

Conflicts of Interest

- 19.4 Council employees are also bound by their contract of employment to comply with the Council's Standards of Conduct Procedure (code of conduct for employees), which contains detailed provisions regarding the conduct of employees, including the avoidance of conflicts and the appearance of conflicts of interest.

20.0 PARTNERSHIP ARRANGEMENTS

- 20.1 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 before any commitment is made to enter into the partnership. No partnership should be considered unless it can be demonstrated that the County Council can gain some clear benefit with regard to the delivery of Council Plan objectives.
- 20.2 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, and in all cases where the County Council's financial contribution to the partnership exceeds £250,000 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.
- 20.3 In such cases, the Director to whom the Partnership role is relevant, in consultation with the CD-SR and the Assistant Chief Executive (Legal and Democratic Services), will agree the terms and conditions and governance documentation for the Partnership on behalf of the County Council. This framework must be agreed by all partners.
- 20.4 In all cases where the risk assessment is ranked high, or where the financial contribution exceeds £250,000, the approval of the Executive is required before any partnership is entered into. This £250,000 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.
- 20.5 For low risk/low financial value partnerships, not covered by paragraph 20.2, 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.

- 20.6 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. Partners must comply with the anti-corruption and bribery legal framework and confirm their commitment to do so at the commencement of the partnership arrangements. Should any partner breach the anti-corruption and bribery legislation then consideration must be given to the cessation of the partnership arrangements with that partner.
- 20.7 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.

21.0 ACCOUNTABLE BODY STATUS

- 21.1 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.
- 21.2 The Director to whom the Accountable Body role is relevant, in consultation with the CD-SR 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.
- 21.3 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.
- 21.4 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.

22.0 REVISION OF FINANCIAL PROCEDURE RULES

- 22.1 The CD-SR (in consultation with the Assistant Chief Executive (Legal and Democratic Services)) shall carry out a major review of the application and the effect of these Rules as part of a rolling four year cycle of reviews of the Financial Contract and Property Procedures in time for the beginning of each new Council.

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Rule	Current Wording	Proposed Amendment	Reason
2.1		Member means any elected Member of the Council.	'Member' is not currently a defined term.
4.5	As 'Section 151' Officer of the Council the CD-SR shall be responsible for the production and certification of the Statement of Final Accounts in accordance with the Accounts and Audit England (Amendment) Regulations 2009.	As 'Section 151' Officer of the Council the CD-SR shall be responsible for the production and certification of the Statement of Final Accounts in accordance with the <u>Accounts and Audit (England) Regulations 2011.</u>	To reflect the change in relevant regulations.
	Revenue Budget		
6.1(ii)	The Rules in this Section are based on the following budgetary control principles established by the Council:- (ii) mechanisms shall be defined by the CD-SR to ensure budgetary monitoring and control is carried out throughout the Council on a regular basis (see Rule 6.16)	The Rules in this Section are based on the following budgetary control principles established by the Council:- (ii) mechanisms shall be defined by the CD-SR to ensure budgetary monitoring and control is carried out throughout the Council on a <u>frequency commensurate with materiality and risk.</u> (see Rule 6.16)	Current reference to a 'regular basis' does not reflect the correct approach of taking account of materiality and risk when operating effective budgetary control. Regular is a neutral term and could be taken as being monthly, quarterly, annually, etc.
	Incurring expenditure/collecting income		
6.8(ii)	From the start of each financial year:- (i) expenditure may be incurred within the overall Revenue Budget approved by the Council. Given the terms of Rule 6.3 , this authority to spend is effectively applied at Directorate level. (ii) similarly, the responsibility for making appropriate arrangements to collect any income reflected in approved Budgets shall be exercised at Directorate level.	From the start of each financial year:- (i) expenditure may be incurred within the overall Revenue Budget approved by the Council. Given the terms of Rule 6.3 , this authority to spend is effectively applied at Directorate level. (ii) similarly, the responsibility for making appropriate arrangements to collect any income reflected in approved Budgets shall be exercised by Directorates <u>in line with the Council's income management systems.</u>	An income management system is in development and will reflect best practice, albeit flexibility will be applied where appropriate.

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	Virement		
preamble	<p><i>Virement is the transfer of budget provision between individually defined budget headings. It is a necessary facility to assist the effective day to day management of budgets. When the Council sets its overall Revenue Budget for a given financial year it will effectively approve a series of specific functional net budgets within each Directorate (see Rule 6.3)</i></p> <p><i>For the purpose of defining the authorisation required for virement to take place within the approved Budget for each Directorate, reference will be made to a 'Division of Service'. Once these Divisions of Service have been defined they will be used to analyse the Budget for a Directorate and thereafter constitute the base line from which any virements are recorded. Within a Division of Service, it is anticipated that more detailed budget headings (e.g. employees, premises) will be adopted for day to day budgetary control purposes.</i></p>	<p><i>Virement is the transfer of budget provision between individually defined budget headings <u>and as such it does not create additional budget.</u> When the Council sets its overall Revenue Budget for a given financial year it will effectively approve a series of specific functional net budgets within each Directorate (see Rule 6.3)</i></p> <p><i>For the purpose of defining the authorisation required for virement to take place within the approved Budget for each Directorate, reference will be made to a 'Division of Service'. Once these Divisions of Service have been defined they will be used to analyse the Budget for a Directorate and thereafter constitute the base line from which any virements are recorded. Within a Division of Service, it is anticipated that more detailed budget headings (e.g. employees, premises) will be adopted for day to day budgetary control purposes.</i></p>	<p>Although virement is a necessary tool current wording can indicate/encourage the frequent use of virement, which is not intended. Virement is an exceptional activity and other elements of FPR deal with variations to original budgets set.</p> <p>The use of divisions of service to measure virement against is retained. These are being refreshed in time for Q1 reporting.</p>
6.18	<p>Each Director shall ensure that virement is undertaken as necessary to maintain the accuracy and efficacy of the regular budget monitoring process within his Directorate and inform the CD-SR as soon as practicable that such virements have taken place.</p>	<p>Directors are responsible for undertaking virements in accordance with these Rules within his/her Directorate and inform the CD-SR as soon as practicable that such virements have taken place.</p>	<p>To simplify the Rule and be reflective of the change for the preamble.</p>
6.22	<p>For transfers between Divisions of Service, if the sum involved is:- (i) less than £100,000 or 5% of the gross</p>	<p>For transfers between Divisions of Service, if the sum involved is:- (i) less than <u>£250,000</u> or 10% of the gross</p>	<p>Change in threshold to reflect overall materiality of the Council's budget and</p>

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	<p>expenditure of the Division of Service from which the transfer is being made, whichever is the lesser amount, the virement may be actioned by a Director following consultation with the Portfolio Holder and the CD-SR</p> <p>(ii) equal to or greater than £100,000 or 5% of the gross expenditure of the Division of Service from which the transfer is being made, whichever is the lesser amount, the virement shall be subject to approval by the Executive.</p>	<p>expenditure of the Division of Service from which the transfer is being made, whichever is the lesser amount, the virement may be actioned by a Director following consultation with the Portfolio Holder and the CD-SR</p> <p>(ii) equal to or greater than <u>£250,000 or 10%</u> of the gross expenditure of the Division of Service from which the transfer is being made, whichever is the lesser amount, the virement shall be subject to approval by the Executive.</p>	<p>recognising the responsibility of Directors. All virements between divisions of services can only be carried out in consultation with Portfolio Holders and the CD-SR, which provides internal control and consistency of approach.</p>
	Capital Plan		
7.1	<p>The Council has defined a 'formulaic' model for the allocation of capital resources as between Directorates. Within the framework laid down by this approach, the Rules in this Section 7 are based on the following principles established by the Council:-</p>	<p><u>The Rules in this Section 7 are based on the following principles established by the Council:-</u></p>	<p>The formulaic method of allocation based on a ten year forecast is no longer in operation.</p>
7.13	<p>Budgetary control during a financial year shall be undertaken by a Director as follows:</p> <p>(i) a Director shall maintain an on-going review of all aspects of the Capital Plan for their Directorate; this review to be undertaken in conjunction with Service Heads and/or Budget Holders, the (if appropriate) and the CD-SR</p> <p>(ii) the results of (i) to be reported at least monthly to the Portfolio Holder for that Directorate</p>	<p>Budgetary control during a financial year shall be undertaken by a Director as follows:</p> <p>(i) a Director shall maintain an on-going review of all aspects of the Capital Plan for their Directorate; this review to be undertaken in conjunction with Service Unit Heads and/or Budget Holders and the CD-SR <u>and based on materiality and risk</u></p> <p>(ii) the results of (i) to be reported to the Portfolio Holder for that Directorate <u>based on the nature of findings and at least quarterly</u></p>	<p>As noted in the revenue budget monitoring should take into account materiality and risk of the activities involved.</p> <p>Reporting frequency is based on the findings from review rather than at a simple monthly interval. However, a minimum frequency of quarterly is included.</p>

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	Services and Assets		
9.4	A Director for whose service any assets have been acquired under a leasing agreement shall adhere to the terms and conditions of the relevant leasing agreement particularly as this relates to wear and tear, or residual condition of the asset at the end of the leasing period. A full inventory of all leased assets worth more than £250 must also be maintained by the Director (see Rule 10.1).	A Director for whose service any assets have been acquired under a leasing agreement shall adhere to the terms and conditions of the relevant leasing agreement particularly as this relates to wear and tear, or residual condition of the asset at the end of the leasing period. A full inventory of all leased assets worth more than <u>£1,000</u> must also be maintained by the Director (see Rule 10.1).	£250 is considered too immaterial.
	Disposal of Assets		
9.6(iv)		notify the CD-SR of the intention to dispose of any item which might be regarded as capital.	To ensure that the CD-SR has sight of all asset disposals.
9.9	A Director may dispose of any asset if its estimated disposal value is £10,000 or less (see Rule 9.10 and 10.3).	A Director may dispose of any asset if its estimated disposal value is <u>£20,000</u> or less (see Rule 9.10 and 10.3).	Increase to provide consistency with capital receipt deminimis.
9.11	A Director may dispose of a number of assets simultaneously if their aggregate estimated disposal value is £10,000 or less. If the estimated aggregate disposal value exceeds £10,000 then the provisions of Rule 9.9 shall apply as appropriate.	A Director may dispose of a number of assets simultaneously if their aggregate estimated disposal value is <u>£20,000</u> or less. If the estimated aggregate disposal value exceeds £20,000 then the provisions of Rule 9.9 shall apply as appropriate.	Reflective of change to threshold in 9.9 above.
9.12	For low value items valued at under £100, and to save the costs of disposal, to reduce the need to send items to landfill, and to maximise the use of Council resources, local arrangements can be made in line with the guidance included in Section 14.3 of the Finance Manual.	For low value items valued at under <u>£500</u> , and to save the costs of disposal, to reduce the need to send items to landfill, and to maximise the use of Council resources, local arrangements can be made in line with the guidance included in the Finance Manual.	More reflective of an appropriate materiality level.
	Inventories and Stores		
10.1	Each Director shall maintain a written inventory (in a form approved by the CD-SR) of all assets used in his Directorate which	Each Director shall maintain a written inventory (in a form approved by the CD-SR) of all assets used in his Directorate which belong to the	More reflective of an appropriate materiality level.

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	belong to the Council whose individual cost or value exceeds £250. This Rule also applies to any asset acquired under a leasing agreement (see Rule 9.4).	Council whose individual cost or value exceeds £1,000 . This Rule also applies to any asset acquired under a leasing agreement (see Rule 9.4).	
10.3	A Director may arrange for the disposal of unrequired stock or inventory items, up to a limit of estimated value of £10,000 in any period of three consecutive calendar months. Above that figure, Rules 9.8 and 9.9 shall apply.	A Director may arrange for the disposal of unrequired stock or inventory items, up to a limit of estimated value of £20,000 in any period of three consecutive calendar months. Above that figure, Rules 9.8 and 9.9 shall apply.	Reflects the change to 9.9.
10.4	A Director and the CD-SR shall be authorised jointly to write off stock and inventory deficiencies up to a limit of £10,000 in any period of three consecutive calendar months. The approval of the Portfolio Holder is required where the value is greater than £10,000 and the approval of the Executive is required where the value is £100,000 or greater.	A Director and the CD-SR shall be authorised jointly to write off stock and inventory deficiencies up to a limit of £20,000 in any period of three consecutive calendar months. The approval of the Portfolio Holder is required where the value is greater than £20,000 and the approval of the Executive is required where the value is £100,000 or greater.	Reflects the change to 9.9
	Income – fees and charges		
12.3 to 12.5	<p>12.3 The annual review shall take account of increases in the cost of the service since the fees or charges were last reviewed, and the rate of inflation more generally.</p> <p>12.4 A review may also take account of other changes to the nature of the service, or to a previous policy decision on the extent of any subsidy reflected in the level of the fee or charge.</p> <p>12.5 Where a fee or charge increases by a</p>	<p>12.3 The setting and annual review of fees and charges shall be undertaken to take account of such factors as inflation, the overall cost of the service, changes in the service itself or policy decision. The CD-SR shall provide guidance on undertaking setting and reviewing fees and charges.</p>	Simplify through consolidation of factors and guidance is also available and will be communicated.

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	level that is more or less than the increase in the cost of the service, the financial effect of that variance will be reflected in the growth/savings analysis in the Budget preparation exercise for the relevant period.		
	Debt Write-Off		
12.10 (i) to (iv)	<p>12.10 Approval to write off an individual debtor amount may be given by the CD-SR subject to the following limits:-</p> <ul style="list-style-type: none"> (i) For a value up to and including £100, on the recommendation of the Exchequer Services Officer. (ii) For a value over £100 but less than £5,000 in consultation with the Director and the Assistant Chief Executive (Legal and Democratic Services) as necessary. (iii) For a value of £5,000 or more but less than £25,000 on the recommendation of a Director, after consultation with the relevant Portfolio Holder. 	<p>12.8 <u>The procedures for writing off debts, including the recovery of overpayments shall be as follows:-</u></p> <ul style="list-style-type: none"> <u>(i) Amounts not exceeding £100 may be written off by the CD-SR on the recommendation of the Exchequer Services Officer.</u> <u>(ii) Amounts over £100 and not exceeding £10,000 may be written off by the CD-SR in consultation with the Director and the Assistant Chief Executive (Legal and Democratic Services) as necessary.</u> <u>(iii) Amounts over £10,000 and up to, but not including £100,000 may be written off by the CD-SR on the recommendation of a Director, after consultation with the relevant Portfolio Holder.</u> <u>(iv) Amounts of £100,000 and above may only be written off on the authority of the Executive.</u> 	<p>New thresholds are set to better reflect materiality and also note that for all amounts up to £100,000 the CD-SR is the authorising officer to ensure debt-write off is an exceptional item only and consistency is applied.</p> <p>Analysis of previous debt write-offs show that there are very few that have required the approval of the Executive. Therefore this change would not have materially impacted on the arrangements for debts previously written off.</p> <p>This change should be read in conjunction with 12.11 below.</p>

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12.11	Write offs for an individual debtor worth £25,000 or more will require the approval of the Executive.	<u>12.0 The CD-SR shall maintain a record of all such write-offs showing attempted recovery action taken and the justification for non-recovery.</u>	Original 12.11 incorporated into 12.10 above and a new requirement for the maintenance of records of write-offs made. This will be available for inspection and reporting.
12.12	Approval to write off a number of debts simultaneously may be agreed as set out in Rules 12.10 and 12.11 above, using the aggregate value of the amounts to determine the relevant threshold value.	12.10 Approval to write off a number of debts simultaneously <u>for the same debtor</u> may be agreed as set out in Rule 12.8 using the aggregate value of the amounts to determine the relevant threshold value.	Change to clarify this rule relates to the same debtor and reflect that 12.10 now incorporates level at which Executive approval is required.
	Recovering Overpayments		
12.16	<p>If an overpayment has been made by the Council to a third party (including, but not limited to, employees and suppliers) then all necessary steps shall be taken to recover the amount of the overpayment. If it is considered inappropriate, however, to recover the overpayment (on grounds including, but not limited to, cost effectiveness or compassionate reasons) then approval not to pursue the overpayment must be obtained from:</p> <ul style="list-style-type: none"> (a) the Service Accountant nominated by the CD-SR in respect of debts up to £500 (b) the CD-SR in respect of debts above £500 and below £5,000 (c) the relevant Portfolio Holder in respect of amounts of £5,000 and above. 	Rule deleted	This section removed. Overpayments to be treated as any other debt and therefore subject to Rule 12.8.

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	Petty Cash		
13.0	See Appendix D for details on section 13.0	Rule section deleted	Section removed. A requirement for the CD-SR to provide for petty cash arrangements is included in the banking section.
	Banking		
14.1	All arrangements for the operation and supervision of the Council's bank account(s) shall be made by the CD-SR. No alternative bank account(s) may be opened without the prior written approval of the CD-SR. The purpose of any new bank account and the identity of the bank and details of the account shall be recorded in writing and retained on an appropriate file by the CD-SR. This Rule also applies to Imprest Bank Accounts (see Rule 13.3).	All arrangements for the operation, supervision and closure of all the Council's bank account(s) shall be made by the CD-SR, <u>who is authorised to operate any bank accounts considered necessary. This Rule also applies to Imprest Bank Accounts (see Rule 14.2).</u>	Simplifies the Rule. Reference to 14.2 reflects required renumbering on sections.
14.2	When the need for a bank account ceases then the CD-SR shall be notified immediately and the account closed in accordance with procedures agreed with the CD-SR.	<u>Where appropriate, the CD-SR is required to provide employees with cash or imprest bank accounts to meet minor expenditure on behalf of the Council and to issue procedures for operating these accounts.</u>	Reflects the deletion of 13.0 Petty Cash. This change notes the requirement of the CD-SR to provide required facility.
	Voluntary Funds		
16.2	Voluntary funds registered with the Charity Commissioners must comply with all requirements set by the Commission in respect of the format of accounts and the need for audit or independent examination by a competent person, and must meet the timescales set out for such reports. Although there is no requirement from the Charity Commission, it is a requirement that small registered charities with gross income (or total expenditure) of £10,000 or less will arrange for their accounts to be examined annually by a	Voluntary funds registered with the Charity Commissioners must comply with all requirements set by the Commission in respect of the format of accounts and the need for audit or independent examination by a competent person, and must meet the timescales set out for such reports. Although there is no requirement from the Charity Commission, it is a requirement that small registered charities with gross income (or total expenditure) of <u>£25,000</u> or less will arrange for their accounts to be examined annually by a competent	Rule now becomes 15.2 under renumbering. Threshold increased to £25,000 to reflect the threshold set by the charity Commission where audit is required on all amounts above £25,000.

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	competent independent person. A copy of the accounts and the appropriate audit or independent examiners report shall be supplied to the CD-SR immediately after the meeting of the body. The CD-SR shall be entitled to verify that the reports have been made and to carry out such checks on the accounts as he considers appropriate.	independent person. A copy of the accounts and the appropriate audit or independent examiners report shall be supplied to the CD-SR immediately after the meeting of the body. The CD-SR shall be entitled to verify that the reports have been made and to carry out such checks on the accounts as he considers appropriate.	
	Internal Audit - preamble		
19.0	<i>The Accounts and Audit England (Amendment) Regulations 2009, issued under the provisions of the Local Government Finance Act 1982, apply to the Council. This Act requires the Council to maintain continuous, adequate and effective internal audit of its accounts. The following Rules provide the framework for this statutory duty to be discharged.</i>	<i>The Accounts and Audit England (Amendment) Regulations 2011 apply to the Council. <u>This Act requires the Council to maintain an 'adequate and effective internal audit of its accounting records and of its system of internal control'</u>. Section 151 of the Local Government Act 1972 requires that authorities 'make arrangements for the proper administration of their financial affairs'.</i>	The Section has been renumbered to 18.0. The preamble now reflects latest guiding Regulations.
	Internal Audit – roles and responsibilities		
19.0	19.1 Every Director, Business Unit Head and Budget Holder is responsible for the implementation and maintenance of all internal control procedures relating to financial systems and for achieving the economic, effective and efficient use of resources within their Directorate. 19.2 The Council has determined that the CD-SR shall be responsible for maintaining an adequate and effective internal audit of the activities of the County Council. The CD-SR will set out the purpose, authority and	<u>18.13</u> Every Director, <u>Service</u> Unit Head and Budget Holder is responsible for the implementation and maintenance of all internal control procedures relating to financial systems and for achieving the economic, effective and efficient use of resources within their Directorate. <u>18.1</u> The Council has determined the CD-SR shall be responsible for maintaining an adequate and effective internal audit of the activities of the County Council. <u>Operationally, responsibility for internal audit lies with the Head of Internal Audit.</u>	Correct term is Service Unit Head. To reflect operational arrangements.

	<p>responsibility of Internal Audit in the Terms of Reference for Internal Audit. The Terms of Reference will be reviewed annually and any amendments will be submitted to the Audit Committee for approval.</p> <p>19.4 The Head of Internal Audit shall have regard to all relevant International Auditing Standards, professional guidelines and codes of practice including the Code of Practice for Internal Audit in Local Government in the United Kingdom.</p>	<p><u>18.2 The purpose, authority and responsibility of Internal Audit will be detailed in an Audit Charter and approved by the Audit Committee. The Head of Internal Audit will periodically review the Audit Charter and present it to the CD-SR and Audit Committee for approval.</u></p> <p><u>18.3 The Head of Internal Audit will produce an annual internal audit opinion and report that will be used by the Council to inform the Annual Governance Statement.</u></p> <p><u>18.5 Internal Audit will be allowed to act independently and objectively in the planning and operation of work and without undue influence by either Directors or Members.</u></p> <p><u>18.4 The Head of Internal Audit shall have regard to the proper practice contained within the Public Sector Internal Audit Standards, and supporting application note, which represent proper practice for internal audit in local government.</u></p> <p><u>18.14 It is the responsibility of relevant Council officers to consider and respond promptly to recommendations in audit reports and to ensure any agreed actions are carried out in a timely and efficient manner.</u></p>	<p>Reflects the mechanism of the Audit Charter to present purpose, authority and responsibility of Internal Audit.</p> <p>Additional statements that reflect the role of Internal Audit in terms of output and how it conducts its activity.</p> <p>Reflects that the Code of Practice was superseded in April 2013. New wording reflects latest requirements.</p> <p>Addition to reflect the importance of implementing agreed actions relating to internal control matters.</p>
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	Anti-Corruption – money laundering		Included as a new section.
19.0	<p>Preamble</p> <p><i>The Proceeds of Crime Act (2002), the Money Laundering Regulations (2007) and the Terrorism Act (2000) place certain responsibilities on public authorities and the staff working for them. In addition, any member of staff may commit specific offences under money laundering legislation, particularly if they suspect money laundering is taking place and either become involved with it in some way and/or do nothing about it. The Council has therefore established an internal Anti-Money Laundering Policy and supporting Guidance Note designed to prevent the risk of the Council being involved in money laundering and to enable staff to report suspicions of money laundering activity to the Head of Internal Audit (as the Council’s nominated Money Laundering Reporting Officer).</i></p>	<p>19.1 All staff should have regard to the Council’s Anti-Money Laundering Policy and supporting Guidance. A member of staff should consider, in line with the Policy and Guidance, reporting any transaction which involves the receipt of £10,000 or more of cash to the Head of Internal Audit (as the Council’s Money Laundering Reporting Officer); notwithstanding such financial limit, any member of staff who has reasonable grounds to believe that money laundering is taking place (or is being attempted) in respect of a smaller amount of cash should report the matter to the Council’s Money Laundering Reporting Officer.</p>	<p>Preamble deleted as 19.1 is sufficient to cover relevant requirements.</p>
	Anti-Corruption – bribery		
		<p>Bribery</p> <p>19.2 All staff should act in accordance with the legal framework concerned with bribery and corruption as set out in the Bribery Act 2010 (“the Act”) and any successor legislation. Staff should have regard to the Council’s Gifts and Hospitality Protocol for Employees, which contains guidance for staff on the</p>	<p>Additional paragraphs to set out legislative and other requirements in relation to bribery and conflicts and interest.</p>

		<p>main bribery and corruption offences (bribing another person, being bribed, bribing a foreign official and failure of commercial organisations to prevent bribery) and on the rules regulating the acceptance (or otherwise) of gifts and hospitality by Council employees.</p> <p>19.3 All staff must immediately report to their manager or the Monitoring Officer any circumstances where inappropriate gifts or hospitality have been offered to them.</p> <p>Conflicts of Interest</p> <p>19.4 Council employees are also bound by their contract of employment to comply with the Council's Standards of Conduct Procedure (code of conduct for employees), which contains detailed provisions regarding the conduct of employees, including the avoidance of conflicts and the appearance of conflicts of interest.</p>	
	Partnership Arrangements		
20.2	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	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, <u>and</u> in all cases where the County Council's financial contribution to the partnership exceeds <u>£250,000</u> per annum, including any grant or external funding for which the County Council would act as Accountable Body, a full	Increase in threshold to reflect a better materiality level given that all high and medium risk rated partnerships are subject to a full assessment in any case using the toolkit noted.

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	must be carried out using the approved Partnership Governance guidance and toolkit.	assessment must be carried out using the approved Partnership Governance guidance and toolkit.	
20.6	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.	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. <u>Partners must comply with the anti-corruption and bribery legal framework and confirm their commitment to do so at the commencement of the partnership arrangements. Should any partner breach the anti-corruption and bribery legislation then consideration must be given to the cessation of the partnership arrangements with that partner.</u>	Additional requirement to ensure that partners adopt the same level of standards of practice in this regard.
	Revision of Financial Procedure Rules		
22.1	The CD-SR (in consultation with the Assistant Chief Executive (Legal and Democratic Services)) shall carry out a major review of the application and the effect of these Rules as part of the rolling three year cycle of reviews of the Financial Contract and Property Procedure.	The CD-SR (in consultation with the Assistant Chief Executive (Legal and Democratic Services)) shall carry out a major review of the application and the effect of these Rules as part of a rolling <u>four year cycle of reviews of the Financial Contract and Property Procedures in time for the beginning of each new Council.</u>	Reflects recommendation in July 2013 review of Contract Procedure Rules. This reflects major reviews – annual updates will also be undertaken to ensure adherence to the Rules as well as ensuring they remain suitably up to date.

Contract Procedure Rules

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These Rules constitute the Council's Standing Orders in relation to contracts under Section 135 of the Local Government Act 1972 and apply to all contracts (excluding those stated in Rule 2.2), including those made in the course of the discharge of functions which are the responsibility of the Executive.

1.0 INTRODUCTION

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

ACE(LDS)	means Assistant Chief Executive (Legal and Democratic Services)
CD-SR	means the Corporate Director - Strategic Resources
Constitution	means the Council's Constitution of which these Rules form part.
Contract	means any agreement made between the Council and any other person which is intended to be legally enforceable and involves the acceptance of an offer made by one party to commit itself to an action or series of actions and subject to the exceptions in Rule 2.2
Contractor	means a person or entity with whom the Council has a contract
Contract Register	means the register of Contracts maintained by the Council as set out in Rule 17.8
Council	means North Yorkshire County Council
CPG	means the Corporate Procurement Group
Director	means the Chief Executive Officer; Corporate Director Business and Environmental Services; Corporate Director Health and Adult Services; Corporate Director Children and Young People's Service; Corporate Director - Strategic Resources as the context requires
DPC	means a Directorate Procurement Champion
E-Sourcing system	means the Council's chosen E-sourcing system (currently YORtender) or an approved alternative
EU	means the European Union
EU Threshold	means the current threshold above which the PCR's apply, currently £172,514 for services and supplies and £4,322,012 for works
FPP	means the Forward Procurement Plan maintained as described in Rule 17.5

Framework Agreement	means an agreement with one or more public sector bodies which establishes an arrangement for: <ul style="list-style-type: none"> (i) multiple orders to be placed with one Contractor (a single supplier framework), or (ii) a framework of multiple Contractors to engage in further competitions (a multiple supplier framework)
Gateway Process	means the Council's value based gateway procurement process that combines assessment and understanding of various aspects of value with appropriate review and scrutiny at defined points in the procurement cycle
ITT	means an Invitation to Tender
Leasing Agreement	means a contract for the provision of finance to enable goods or services to be obtained and where ownership in those goods does not automatically pass to the Council at the end of the contract period
LDSO	means a Legal and Democratic Services Officer
MEAT	means the Most Economically Advantageous Tender
Member	means a member of the Council or co-opted member on a Council committee
Officer	means a Council employee or other authorised agent
OJEU	means the Official Journal of the European Union
Participant	means a person or entity participating in a procurement process, who has expressed an interest in tendering for a Contract or who has tendered for a Contract
PCR	means the Public Contracts Regulations 2006 (as amended)
Person	means any individual, partnership, company, trust, other local authority, Government department or agency
PQQ	means the Pre-Qualification Questionnaire
Procurement Manual	means the manual to accompany these Rules which provides detailed guidance on procurement techniques and the effect of the Rules
Procurement Strategy	means the Council's Procurement Strategy as agreed from time to time.
Property Contract	means a contract which creates an estate or interest in land or buildings

Responsible Officer	means the Officer who is responsible for the procurement and/or management of a Contract
Rules	means these Contract Procedure Rules
Internal Audit	means the Council's appointed internal auditors (currently Veritau)
YPO	means the Yorkshire Purchasing Organisation

1.2 References in these Rules to:-

- (a) any legislation (e.g. Act, Statutory Instrument, EU Directive) include a reference to any amendment or re-enactment of such legislation;
- (b) the value of any contract are to the total estimated aggregate gross value payable over the full period of the Contract including any options or extensions to the Contract without any deduction for income due to the Contractor or the Council;
- (c) the singular include the plural and vice versa;
- (d) the masculine include the feminine and vice versa;
- (e) Directors, the CD-SR and the ACE(LDS) shall be taken to include such Officers as are designated by those officers to undertake the duties and responsibilities set out in these Rules, except in the case of the following Rules:-
 - (i) Director - **Rules 8.8, 8.9, 12.2, 16.1(b and h), 16.3 and 18.1**
 - (ii) CD-SR - **Rules 2.1, 2.4, 2.5, 8.8, 8.9, 12.2, 16.1(b and h), 16.3, 17.3 and 18.1**
 - (iii) ACE(LDS) - **Rules 2.1, 2.4, 2.5, 8.8, 8.9, 12.2, 16.1(b and h) and 16.3**

where delegation is not permitted. A record of all duties and responsibilities as delegated under these Rules is to be maintained by each Director, the CD-SR and the ACE(LDS).

2.0 GENERAL

- 2.1 These Rules are made by the Council on the advice of the CD-SR (in consultation with the ACE(LDS)) under Article 14.02 of the Constitution.
- 2.2 These Rules apply to all Contracts for works, goods, supplies and services but do not apply to:-
 - (a) contracts of employment;
 - (b) property contracts (which are covered by the Property Procedure Rules); and

- (c) financial instruments (including, but without limitation, shares, bonds, bills of exchange, future or options contracts) (which are covered by the Financial Procedure Rules).
- 2.3 The Council has made Financial Procedure Rules under Article 14.01 of the Constitution which shall be applied in conjunction with these Rules.
- 2.4 The CD-SR (in consultation with the ACE(LDS)) shall review the application and effect of these Rules and make an annual report or as required but no less than once per year to the Audit Committee recommending such amendments to the Rules as are considered appropriate.
- 2.5 The CD-SR and the ACE(LDS) have produced a Procurement Manual which provides detailed guidance on procurement techniques and the effect of the Rules. The Procurement Manual also sets out important issues to be considered in the procurement context. These Rules should be read in conjunction with the Procurement Manual.
- 2.5.1 The CD-SR has also produced a *Finance Manual* which gives advice on financial procedures.
- 2.6 Where a contract for the acquisition or hire of goods or services involves any form of Leasing Agreement to finance the transaction then the CD-SR shall undertake the negotiation of terms and authorise the arrangement in accordance with **Rule 9.3** of the Financial Procedure Rules.
- 2.7 Directors shall ensure that all documentation relating to Contracts and procurement processes (including quotations) is retained in accordance with the Council's Records Retention and Destruction Schedule
- 2.8 Where the Council has awarded a contract to any person to supervise or otherwise manage a contract on its behalf such a person shall be required to comply with these Rules as if he were an Officer of the Council.
- 2.9 Wherever possible and appropriate procurement shall be undertaken using the standard precedent documents contained in the Procurement Manual applying to PQQ's, ITT's or to submit quotations. Wherever alternative documents are to be used they must be approved by ACE(LDS) in consultation with CPG (or DPCs) as appropriate.

3.0 COMPLIANCE WITH LEGISLATION AND STANDARDS

- 3.1 Every Contract shall comply with all relevant applicable legislation and government guidance including:-
 - (a) EU Law
 - (b) Acts of Parliament
 - (c) Statutory Instruments including, but without limitation, the Public Contracts Regulations 2006.

- 3.2 Where relevant, every Contract shall specify that materials used, goods provided, services supplied or works undertaken (as the case may be) shall comply with applicable standards. Such standards are, in order of priority:-
- (a) EU Standards
 - (b) British Standards implementing international standards
 - (c) British Standards

4.0 POWERS AND KEY DECISIONS

- 4.1 In consultation with the ACE(LDS) Directors shall ensure that the Council has the legal power to enter into any Contract and that in respect of all Contracts, regardless of whether they involve the procurement or provision by the Council of works, goods, supplies or services Directors shall ensure that no Contract shall be entered into which is ultra vires.
- 4.2 Directors shall ensure that a written record of the decision to procure a Contract is made and, where such a decision comprises a Key Decision under the Constitution, Directors shall ensure that it is entered on to the Forward Plan and treated as a Key Decision in all respects.

5.0 FORM OF CONTRACT

- 5.1 Every contract exceeding £100 in value shall be evidenced in writing (by the use of an order form, exchange of correspondence or other written medium).
- 5.2 Every contract exceeding £20,000 in value shall be documented by a written form of agreement. Wherever appropriate and possible, such written agreements shall be made on the basis of terms and conditions agreed by the ACE(LDS). Such terms and conditions may be incorporated into standard order conditions. The Council may accept different terms and conditions proposed by a Contractor provided that the advice of the ACE(LDS) as to their effect has been sought and considered.
- 5.3 The written form of agreement for all contracts exceeding £20,000 in value must clearly specify the obligations of the Council and the Contractor and shall include:-
- (a) the work to be done or the goods or services to be supplied
 - (b) the standards which will apply to what is provided
 - (c) the price or other consideration payable
 - (d) the time in which the Contract is to be carried out
 - (e) the remedies which will apply to any breach of Contract.
- 5.4 Where considered appropriate by the CD-SR, term contracts and framework contracts may include a financial limit above which value, work to be done or goods or services to be supplied shall be subject to a separate procurement exercise in accordance with these Rules.

5.5 The written form of agreement for all contracts exceeding £20,000 in value must include the following or equivalent wording:-

(a) "If the Contractor:-

- (i) Has offered any gift or consideration of any kind as an inducement or disincentive for doing anything in respect of this Contract or any other Contract with the Council, or
- (ii) Has committed any offence under the Prevention of Corruption Acts 1889 to 1916 or the Bribery Act 2010, or
- (iii) Has committed an offence under Section 117 (2) of the Local Government Act 1972

the Council may terminate the Contract immediately and will be entitled to recover all losses resulting from such termination".

(b) "If the Contractor is in persistent and/or material breach of contract the Council may terminate the Contract and purchase the supplies, works or services from a third party and the Council may recover the cost of doing so from the Contractor."

5.6 The standard clauses contained in the Procurement Manual relating to the Freedom of Information Act 2000 and the Data Protection Act 1998 shall, wherever possible, be included in all Contracts exceeding £20,000 in value.

5.7 Other standard clauses are contained in the Procurement Manual relating to, for example, equalities, the Public Services (Social Value) Act 2012, sustainability and best value; these are not mandatory for each such written agreement referred to in **Rule 5.5** above, but should be included where appropriate.

6.0 SIGNATURE/SEALING OF CONTRACTS

6.1 Every written Contract must be either signed or sealed in accordance with this Rule and where Contracts have a value exceeding £50,000 they must be either sealed, or signed by two Officers as described below.

6.2 The ACE(LDS) and such of his staff as he may designate are authorised to sign any such contract.

6.2.1 The ACE(LDS) also authorises such Contracts to be signed by Directors (or by an Officer authorised by a Director to sign on the Director's behalf) up to and including £500,000 provided that:-

- (a) appropriate authority exists for the Council to enter into the Contract, and
- (b) the Contract is either:-
 - (i) in a nationally recognised form, or
 - (ii) a standard form prepared or approved by the ACE(LDS), or
 - (iii) is otherwise in a form approved by the ACE(LDS); and

- (c) any variations to approved forms of Contract must themselves be approved by the ACE(LDS), whether or not they are effected by amending the Contract itself or by correspondence

6.2.2 Contracts that exceed £500,000 shall be signed by:

- (a) the ACE(LDS) (or a Legal and Democratic Services' Officer authorised by him); and
- (b) an authorised signatory in the relevant Directorate (or another Legal and Democratic Services' Officer authorised by the ACE(LDS)).

6.2.3 Only the ACE(LDS) (or a Legal and Democratic Services' Officer authorised by the ACE(LDS)) may seal a Contract on behalf of the Council, in each case being satisfied that there is appropriate authority to do so.

7.0 BONDS AND LIQUIDATED DAMAGES

7.1 Directors (in consultation with the CD-SR) shall consider whether to include provision for the payment of liquidated damages by a Contractor for breach of Contract in all contracts which exceed £100,000 in value. Such consideration shall be recorded in the Gateway Processes (Gateway 2).

7.2 Where considered appropriate by a Director (in consultation with the CD-SR), the Contractor will be required to provide a performance bond to secure the performance of the Contract. Such performance bonds should provide for a sum of not less than 10% of the total value of the contract or such other sum as the CD-SR considers appropriate.

7.3 Agreements made under Section 38 (adoption of new highways) or Section 278 (development of existing highways) of the Highways Act 1980 shall always include provision for a bond in respect of such sum as the Corporate Director Business and Environmental Services shall consider appropriate except where:-

- (a) the identity of the developer renders the need for a bond unnecessary, or
- (b) adequate alternative security is provided, or
- (c) the Corporate Director Business and Environmental Services (in consultation with the CD-SR) agrees that it is inappropriate for a bond to be required.

8.0 QUOTATIONS

8.1 Where the estimated value of a contract is £5,000 or less the invitation of quotations is not mandatory, but written quotations should be invited where appropriate and best value should always be sought.

8.2 If the estimated value of a contract exceeds £5,000 but is less than £100,000 at least three written quotations must be invited from suitable potential Contractors. The estimated value of the Contract shall be recorded in writing prior to quotations being sought. Quotations with a value exceeding £5,000 should be invited using the E-

Sourcing System and quotations above £20,000 **must** be invited using the E-Sourcing system.

- 8.3 All potential Contractors invited to submit quotations shall be provided in all instances with identical information and instructions. Where considered appropriate, Directors may permit potential Contractors who have been selected to submit quotations under **Rule 8.2** to also submit variant quotations (i.e. quotations which do not comply with some or all of the requirements of the primary quotation). The same opportunity to submit variant quotations must be given to all potential Contractors.
- 8.4 A written quotation may only be considered if:-
- (a) it has been received electronically through the E-Sourcing System, or
 - (b) it has been received in a sealed envelope marked "Quotation" and indicating the subject matter of the quotation and
 - (c) it has been opened after the expiry of the deadline for submissions and at the same time as other quotations for the same subject matter in the presence of at least two Officers authorised to open quotations.
- 8.5 Before quotations of a value in excess of £20,000 are requested it must be recorded in writing whether the lowest price or the most economically advantageous quotation should be accepted. Where both price and quality are to be factors (i.e. where the most economically advantageous quotation applies) the quality criteria must be identified and the weighting between price and quality established and recorded before quotations are requested. The criteria should be stated in the request for quotation sent to suppliers.
- 8.6 Price/quality quotation evaluation models shall be lodged with Internal Audit before any quotations are opened. The Director shall evaluate quotations using the evaluation model lodged with Internal Audit.
- 8.7 If a quotation other than the lowest or the most economically advantageous quotation (as the case may be) is to be accepted, the written approval of the Director (in consultation with the CD-SR or if the relevant Director is the CD-SR, in consultation with the Chief Executive) shall be sought and obtained before the quotation is accepted.
- 8.8 A quotation for a price in excess of £100,000 may be accepted if (and only if):-
- (a) the original documented estimated price was less than £100,000 **and**
 - (b) the price quoted does not exceed that original documented estimated price by more than 10% **and**
 - (c) the written approval of the Director (in consultation with the CD-SR) has been obtained.
- If the conditions at (a), (b) and (c) are not met, Directors must seek tenders in accordance with **Rules 9 and 10**.
- 8.9 Where a quotation involves payment to the Council, the provisions of **Rules 8.5 and 8.7** shall apply except that the word "lowest" shall be replaced by the word "highest" in these paragraphs.

- 8.10 Quotations may be altered only in accordance with **Rules 13.1 and 13.2**.

Financial Stability

- 8.11 Before a Contract is awarded after a quotation exercise such steps shall be taken, in conjunction with the CD-SR, as are reasonably necessary (having regard to the subject matter, value, duration of the Contract and other relevant factors) to complete a risk assessment of the potential Contractor's financial stability.

9.0 TENDERS

- 9.1 If the estimated value of the Contract is £100,000 or more electronic tenders shall be invited in accordance with the provisions of this Rule.
- 9.2 If the estimated value of the Contract exceeds the relevant EU Threshold the additional requirements for OJEU Procurements, set out in **Rule 10.3**, shall be followed.

General Requirements

- 9.3 Before Directors invite tenders it shall be recorded in writing for all Contracts whether the Contract will be awarded on the basis of price or the Most Economically Advantageous Tender (MEAT), a combination of price and quality.
- 9.4 If a Contract is to be awarded on the basis of the MEAT, the criteria to be used in the assessment of the quality elements of the tenders and the weighting between price and quality shall be established and recorded in writing before tenders are invited. For all Contracts, the tender assessment criteria, sub-criteria and weightings shall be stated in the ITT.
- 9.5 If a Contract is to be awarded on a price only basis it shall be recorded whether the award will be made on the basis of the lowest price or any other tendered price. Where a tender involves payment to the Council, the provisions of this Rule shall apply except that the word "lowest" shall be replaced by the word "highest".
- 9.6 All Participants invited to submit tenders shall be provided with identical instructions and information.
- 9.7 Where considered appropriate, a Director may, in consultation with the DPC, permit Participants to submit variant tenders (i.e. tenders which do not comply with some or all of the requirements of the primary tender). The same opportunity to submit variant tenders shall be given to all Participants. Variant tenders shall only be considered if the Participant also submits a compliant primary tender.
- 9.8 Evaluation models for PQQ's and ITT's shall be lodged with Internal Audit before any submission documents are opened. The evaluation model shall not be divulged to Participants.
- 9.9 Directors shall invite tenders on the basis of one of the options identified in **Rule 10**.

10.0 OPTIONS FOR TENDER

Tenderers shall be invited on the basis of one of the following options:

10.1 Open Tenders

10.1.1 If a Director, in consultation with the DPC, considers it to be appropriate that any ITT shall be available to all potential Participants then the following procedures shall apply:-

- (i) A notice advertising the opportunity shall be published through the E-Sourcing System and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the value, location and subject matter of the Contract. The notice shall specify brief details of the Contract, how the ITT documents may be obtained and the closing date for receipt of tenders by the Council.
- (ii) The deadline date for the return of tenders shall be at least 28 days after the publication of the first advertisement of the ITT and, where relevant, at least 14 days after the last ITT advertisement is published.
- (iii) The criteria which are to be applied in the evaluation of the tenders shall be recorded in writing before ITT's are issued and shall be included in the documents provided to all Participants.
- (iv) The evaluation of the tenders shall be carried out by Officers, nominated by the Director in consultation with the DPC, who are considered appropriate having regards for the subject matter and value of the Contract.
- (v) The evaluation model shall be lodged with Internal Audit before any submission documents are opened, The evaluation model shall not be divulged to Participants.

10.2 Restricted Tenders

10.2.1 If a Director, in consultation with the DPC, considers it appropriate that any ITT shall be restricted to selected Participants by issuing a PQQ to all potential Participants followed by an ITT to those Participants selected at the PQQ stage then the following procedures shall apply:

- (i) A notice advertising the opportunity and inviting expressions of interest shall be published through the E-Sourcing System and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the value, location and subject matter of the Contract. The notice shall specify brief details of the Contract and invite potential Participants to complete and submit a PQQ to the Council in order to be considered to be invited to tender. The notice shall include details as to how PQQ's are to be submitted and the closing date for their receipt by the Council.
- (ii) The deadline date for return of PQQ's shall be at least 28 days after the publication of the first advertisement of the opportunity and, where relevant, at least 14 days after the last advertisement is published.
- (iii) The selection criteria which are to be applied in the evaluation of the PQQ's shall be recorded in writing before the PQQ's are invited and shall be included in the documents provided to all Participants.

- (iv) The evaluation of the PQQ's shall be carried out by Officers, nominated by the Director in consultation with the DPC, who are considered appropriate having regards for the subject matter and value of the Contract.
- (v) After evaluation of the PQQ's, ITT's shall be published to at least five Participants or, if less than five potential Participants applied or are considered suitable, such Participants as have been selected by the Director.
- (vi) The deadline date for the receipt of tenders shall be at least 28 days after the date of dispatch of the ITT's.
- (vii) The criteria which are to be applied in the evaluation of the tenders shall be recorded in writing before ITT's are published and shall be included in the documents provided to all Participants.
- (viii) The evaluation of tenders shall be carried out by Officers, nominated by the Director in consultation with the DPC, who are considered appropriate having regards for the subject matter and value of the Contract.
- (ix) The evaluation model shall be lodged with Internal Audit before any submission documents are opened. The evaluation model shall not be divulged to potential Contractors.

10.3 OJEU Tenders

Tenders for Contracts which exceed the EU Threshold shall be invited and awarded as prescribed in **Rule 10.1** or **Rule 10.2** but taking into account the following amendments:

- 10.3.1 **Open Tenders:** the deadline date for the return of tenders shall be a minimum of 52 days after the publication of the first advertisement of the ITT. The actual deadline date shall be determined having taken into consideration the complexity of the Contract and the time required for the completion of the tender documents by Participants. The requirement for 52 days may be reduced to 40 days when using the E-Sourcing System.
- 10.3.2 **Restricted Tenders:** the deadline date for the return of PQQ's shall be at least 37 days after the publication of the first advertisement of the opportunity. The deadline date for the receipt of tenders shall be at least 40 days after the date of publication of the ITT. The requirement for 37 days may be reduced to 30 days after the publication of the first advertisement of the opportunity for the return of the PQQ and reduced to 35 days for the return of the ITT after the date of its publication when using the E-Sourcing System.
- 10.3.3 The minimum deadline dates for **Open and Restricted tenders** may be reduced to a period generally not less than 36 days and in any event not less than 22 days if a Prior Information Notice (PIN) has been published in accordance with the PCR's.

10.4 Framework Agreements

- 10.4.1 If a Director considers it appropriate to establish a Framework Agreement then the Framework Agreement shall be established using the procedures set out in either **Rule 10.1** or **10.2**.

10.4.2 Where the value of the proposed Framework Agreement exceeds the EU threshold, the procedure prescribed by the PCR's shall apply to all aspects of the procurement and to the subsequent operation of the Framework Agreement including, but not limited to:-

- (i) the procurement methodology;
- (ii) the placement of orders under the Framework Agreement;
- (iii) further competition between Contractors appointed to the Framework Agreement.

10.4.3 The duration of a Framework Agreement shall be limited, as prescribed by the PCR's, to a maximum of four years including any extension periods.

10.5 **Approved Lists**

10.5.1 If a Director considers it appropriate to maintain a list of suitable Contractors for particular types of work and/or goods and/or services, where the estimated value of the work and/or goods and/or services is below the relevant EU Threshold, the list of suitable Contractors shall be established using the procedures set out below:-

- (i) A notice inviting expressions of interest shall be published through the E-Sourcing System and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the value, location and subject matter of the Contract. The notice shall specify brief details of the Contract and invite potential Participants to apply to the Council to be considered for inclusion on the approved list by the Council. The notice shall include details as to how expressions of interest are to be submitted and the closing date for their receipt by the Council.
- (ii) The deadline date for the return of expressions of interest shall be at least 28 days after the publication of the first advertisement of the expressions of interest and, where relevant, at least 14 days after the last advertisement is published.
- (iii) The selection criteria which are to be applied in the evaluation of the expressions of interest shall be recorded in writing before expressions of interest are invited and shall be included in the documents provided to all Participants.
- (iv) The evaluation of expressions of interest shall be carried out by Officers, nominated by the Director in consultation with the DPC, who are considered appropriate having regards for the subject matter and value of the Contract. The Director shall then maintain a list of such approved Contractors categorised by works/goods/services type and value as may be applicable.
- (v) The Director shall review the performance of all Contractors on the approved list at regular intervals, not exceeding 12 months from the date of appointment of the Contractor to the approved list.
- (vi) The Director may remove Contractors from an approved list where the Director and CD-SR agree that such removal is appropriate, having regards

for the conduct, performance and/or status of the Contractor in relation to those standards identified in the original expressions of interest.

- (vii) The Director may, after consultation with the CD-SR approve an application from a potential Contractor to be added to an existing approved list.
- (viii) ITT's or Invitations to Quote shall be invited in accordance with **Rule 10** or **Rule 8**.
- (ix) The Director shall maintain records of the tenders or quotations invited from an approved list such that the names of the Contractors invited to tender, the selection process and Contracts awarded to each Contractor are available for inspection.
- (x) Approved Lists may remain in force for a maximum of five years. Before the expiration of the Approved List a replacement shall be established, if appropriate, in accordance with **Rule 10.5**.

10.6.1 **Negotiated Procedure and Competitive Dialogue**

Where a Director, in consultation with the CD-SR, agrees that it is appropriate, the Negotiated Procedure or the Competitive Dialogue Procedure may be used for the invitation to tenders in accordance with the requirements of the PCR's.

11.0 **RECEIPT AND OPENING OF TENDERS**

11.1 A written tender may only be considered if:-

- (a) it has been received electronically through the E-Sourcing System, or
- (b) (where permitted) it has been received in hard copy in a sealed envelope marked "Tender" and indicating the subject matter of the tender, and the identity of the Participant cannot be ascertained from the tender envelope,
- (c) and subject to **Rule 11.4**, it has been returned electronically through the E-Sourcing System or to the ACE(LDS) (or a person designated by him) in accordance with the instructions contained in the ITT before the tender closing date.

11.2 The ACE(LDS) (or a person designated by him) shall be responsible for the reception and safe custody of tenders until they are opened.

11.3 Tenders, whether electronic or hard copy must be opened at the same time and in the presence of the ACE(LDS) (or a person designated by him) or, where Legal and Democratic Services is undertaking the procurement, the CD-SR (or an Officer designated by him). Whoever opens the tenders 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(s) present, the identities of Participants and the tendered sums (where readily ascertainable). A copy of such a record shall be provided as soon as practicable to the Director inviting the tenders and to Internal Audit.

11.4 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 submitted electronically or 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 Participant and that other tenders have not been opened.

12.0 TENDER EVALUATION AND ACCEPTANCE

- 12.1 The Director shall evaluate tenders using the evaluation model lodged with Internal Audit in accordance with **Rules 9.8, 10.1.1(v) and 10.2.1(ix)**.
- 12.2 If a tender other than the MEAT or the lowest price is to be accepted the written approval of the Director, after consultation with the CD-SR, shall be obtained and a signed and dated record kept of the reasons for the action taken shall be made however, no such approval can be given where the Contract is subject to PCR's other than in exceptional circumstances agreed by the ACE(LDS).
- 12.3 Each Director shall maintain an electronic or written record of all successful Participants in a form approved by the CD-SR in accordance with the Council's Document Retention Policy.
- 12.4 If, as a result of the tender evaluation process the Director is satisfied that an arithmetical error has been made inadvertently by a Participant such an error may, after consultation with the Participant, be corrected. The Director shall record any such correction in writing.
- 12.5 Before a Contract is awarded the Director shall, in consultation with the CD-SR, complete a risk assessment to ascertain the financial stability of the successful Participant. The risk assessment shall take into account the subject matter, complexity, duration, value and any other such factors as may be deemed to be relevant. This shall be undertaken in accordance with the Gateway Process (Gateway 3).
- 12.6 On completion of the evaluation of the tenders received and once all internal approvals have been obtained, the Director shall write to all Participants informing them of the outcome of the tender evaluation and providing feedback on the content of their tender. Where appropriate such feedback shall be given in accordance with the PCR's.
- 12.7 For OJEU tenders the Director shall wait a minimum of ten days from the date of issue of the letters notifying the Participants of the result of the evaluation before completing the Contract with the successful Participant.
- 12.8 Where the tender involves payment to the Council **Rule 12.2** shall apply except that the word "highest" shall be substituted for "lowest" in that Rule.

13.0 POST TENDER NEGOTIATION AND CLARIFICATION

- 13.1 Post tender negotiations may not be undertaken where the value of the Contract exceeds the relevant EU Threshold.
- 13.2 Post tender negotiations with selected tenderers shall be carried out where:-
 - 13.2.1 post tender negotiations are permitted by law; and

- 13.2.2 the Director in consultation with the CPG considers that added value may be obtained; and
- 13.2.3 that post tender negotiations are to be conducted by a team of suitably experienced officers approved by the Director and who have been trained in post tender negotiations; and
- 13.2.4 a comprehensive, written record of the negotiations is kept by the Council; and
- 13.2.5 a clear record of the added value to be obtained as a result of the post tender negotiations is incorporated into the Contract with the successful Participant.
- 13.3 **Rules 13.1 and 13.2** shall not operate to prevent clarification of all or part of any tender to the extent permitted by law and where such clarifications are sought the provisions of **Rules 13.2.3 and 13.2.4** shall apply, except that the word "clarification" shall be substituted for the word "negotiation" in these Rules.

14.0 PURCHASING CARDS

- 14.1 Where purchasing cards are issued by the Council the following provisions shall apply:-
- (a) their use shall be subject to the procedures laid down by the CD-SR
 - (b) cards shall only be issued to, and used by, Officers nominated by a Director (in consultation with the CD-SR)
 - (c) for the purpose of **Rule 5.1** the payment invoice will constitute evidence in writing of the contract.

15.0 CERTIFICATION OF CONTRACTS

- 15.1 The Local Government (Contracts) Act 1997 clarified the power of local authorities to enter into certain contracts, including Private Finance Initiative Contracts. Where Contracts need to be certified under the 1997 Act, only the following Officers are authorised to do so: the Corporate Director Children and Young People's Service, the Corporate Director Business and Environmental Services, the Corporate Director Health and Adult Services and the CD-SR.

16.0 EXCEPTIONS TO CONTRACT PROCEDURE RULES

- 16.1 A Director does not need to invite quotations or tenders in accordance with **Rules 8, 9 and 10** in the following circumstances:-
- (a) purchases via framework agreements which have been established by other public sector bodies or consortia (including, but not limited to YPO) and where such framework agreements are lawfully accessible to the Council, except where the requirements of the individual framework require a further competition to be conducted; or
 - (b) purchases at public auctions (including internet auction sites, e.g. Ebay) where the Director is satisfied that value for money will be achieved; or

- (c) the purchase of supplies, works or services which are of such a specialised nature as to be obtainable from one Contractor only, except where the value of the Contract exceeds the relevant EU Threshold; or
- (d) the instruction of Counsel by the ACE(LDS); or
- (e) repairs to or the supply of parts for existing proprietary machinery or plant except where the value of the Contract exceeds the relevant EU Threshold; or
- (f) social care Contracts with a value below the EU Threshold where:-
 - (i) the service is currently supplied by a Contractor to the satisfaction of the Corporate Director Health and Adult Services or the Corporate Director Children and Young People's Service, is considered to be offering value for money and where the foreseeable disruption to service users cannot justify the invitation of further quotations or tenders, or
 - (ii) the service is of a specialist or personal nature and where service users must be involved in the selection of the Contractor and where the Corporate Director Health and Adult Services and the Corporate Director Children and Young People's Service considers it inappropriate for quotations or tenders to be invited, or
 - (iii) where the Corporate Director Health and Adult Services and the Corporate Director Children and Young People's Service is satisfied that the urgency of the need for the service prevents the invitation of quotations or tenders in which case consideration shall be given to the duration of that service; or
- (g) social care Contracts which are classifiable as 'Part B Services' under the PCR's where:-
 - (i) the service is currently supplied by a Contractor to the satisfaction of the Corporate Director Health and Adult Services or the Corporate Director Children and Young People's Service, is considered to be offering value for money and where the foreseeable disruption to service users cannot justify the invitation of further quotations or tenders, or
 - (ii) the service is of a specialist or personal nature and where service users must be involved in the selection of the Contractor and where the Corporate Director Health and Adult Services or the Corporate Director Children and Young People's Service considers it inappropriate for quotations or tenders to be invited, or
 - (iii) where the Corporate Director Health and Adult Services or the Corporate Director Children and Young People's Service is satisfied that the urgency of the need for the service prevents the invitation of quotations or tenders in which case consideration shall be given to the duration of that service
- (h) Contracts where the Director with the agreement of the ACE(LDS) and the CD-SR agree that for reasons of extreme urgency brought about by

unforeseeable events unattributable to the Council, the timescales for obtaining quotations or tenders cannot be met. A written record shall be signed and dated by the Director, whenever this rule applies.

16.2 Where any of the exceptions set out in (a) to (h) above are applied a written record of the decision and justification shall be signed and kept as part of the Gateway Process.

16.3 **Waivers**

16.3.1 Specific exceptions to Rules **8, 9 and 10** are permitted in such other circumstances as the CD-SR and the ACE(LDS) may agree.

16.3.2 Requests for waivers shall be made using a form prescribed by the ACE(LDS) and the CD-SR which shall specify the reasons for the request and include a completed risk assessment of the proposal.

16.3.3 The ACE(LDS) shall maintain a register of all requests made under this Rule and the responses given to them.

17.0 **COMPLIANCE, CONTRACT REGISTER AND FORWARD PROCUREMENT PLANS**

17.1 Every officer shall comply with these Rules and any unauthorised failure to do so may lead to disciplinary action.

17.2 Each Director, CPG and/or the DPC's shall take all such steps as are reasonably necessary to ensure that Officers within their Directorate are aware of and comply with these Rules, the *Procurement Manual* and the *Finance Manual* referred to in **Rule 2.5**.

17.3 The CD-SR shall be responsible for monitoring adherence to these Rules.

17.4 Each Director shall nominate a representative to act as a key contact point in relation to procurement matters for the Directorate; such representatives shall be termed "**Directorate Procurement Champions**" in this Rule.

17.5 **DPC's** are responsible for the production of a FPP which will be completed in such format as CPG shall require.

17.6 The DPC's shall each present an updated FPP to their respective directorate management teams quarterly for approval throughout the year.

17.7 An annual report on procurement matters, such report to include an annual procurement plan and actions arising from the annual procurement plan, will be presented to a meeting of the Corporate and Partnership Overview and Scrutiny Committee.

17.8 The Council maintains a Contract Register the purpose of which is to:

- (a) record key details of all contracts with an aggregate value of £20,000 or more; and
- (b) identify a contract reference number.

17.9 DPC's shall ensure that:-

- (a) all relevant contracts (including those Contracts to which **Rule 16** applies) are entered onto the Contract Register and the appropriate Contract number recorded
- (b) the Contract Register is maintained by entering new Contracts onto it and removing expired contracts from it in line with the Council's Records Retention and Destruction Schedule.

18.0 GATEWAY PROCESS REPORTS INCLUDING NOTIFICATION OF SECTION 151 OFFICER AND MONITORING OFFICER

18.1 When a procurement is being considered which is expected to exceed the financial value thresholds specified in **Rule 18.2** then the Responsible Officer must complete the necessary Gateway Process report for consideration by the relevant Directorate Management Team or the relevant Director, the Assistant Director with responsibility for finance within that Directorate, and the DPC. No procurement should commence before the Gateway Process report is approved. The report shall include the estimated "whole life" financial value of the contract, the procurement methodology and any other relevant factors including, but without limitations, any TUPE implications. The Assistant Director with responsibility for finance will enter details on a register of procurements approved under this Rule which will be available to the CD-SR and the ACE(LDS).

18.2 The whole contract financial value thresholds for the purposes of **Rule 18.1** are:

- (a) works contracts - £100,000
- (b) goods, supplies and services contracts £100,000.

18.3 When a procurement is being considered which is expected to exceed the financial value thresholds specified in **Rule 18.4** then the Responsible Officer must ensure the necessary Gateway Process report prepared in accordance with **Rule 18.1** is also considered by the ACE(LDS) or by a LDSO authorised by him. No procurement should commence before the Gateway Process report is approved.

18.4 The whole Contract financial value thresholds for the purpose of **Rule 18.3** are:

- (a) works Contracts - £1m
- (b) goods, supplies and service Contracts - EU Threshold.

18.5 No action leading towards procurement, including any steps to undertake a further competition under an existing framework arrangement, shall be undertaken until confirmation of the process has been given under the terms set out in **Rule 18.1 and 18.3**.

19.0 CONTRACT MONITORING

- 19.1 The Responsible Officer shall take all such steps as are appropriate to monitor and review the performance of the Contract, having regard to its value, nature, duration and subject matter. As part of the monitoring and review process the Responsible Officer shall maintain adequate records of Contract performance and details of review meetings with the Contractor. Such records and details shall be made available to Internal Audit whenever required and shall be recorded in any relevant Gateway Process report (Gateway 4). Such records shall also be used on the basis for any permitted extension to the Contract.

Contract Variation

- 19.2 Contracts may be varied in accordance with the terms of that Contract. Any proposed variations which have the effect of materially changing the Contract must be approved by the ACE(LDS), whether or not they are effected by amending the Contract itself or by correspondence.

20.0 TRAINING FOR PROCUREMENT

- 20.1 Any officer involved in procurement activities shall have received a level of formal training commensurate with the nature of the procurement activity being undertaken.

21.0 DECLARATION OF INTERESTS

- 21.1 If it comes to the knowledge of a Member, Responsible Officer or other Officer that a Contract in which he has an interest (determined in accordance with the Members' and/or Officers' Code of Conduct as appropriate) has been or is proposed to be entered into by the Council, he shall immediately give written notice to the ACE(LDS).

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CONTRACT PROCEDURE RULES**SUGGESTED AMENDMENTS**

Rule	Current Wording	Proposed Amendment	Reason
	<i>These Rules constitute the Council's Standing Orders in relation to contracts under Section 135 of the Local Government Act 1972 and apply to all contracts (excluding property contracts), including those made in the course of the discharge of functions which are the responsibility of the Executive.</i>	<i>These Rules constitute the Council's Standing Orders in relation to contracts under Section 135 of the Local Government Act 1972 and apply to all contracts (excluding <u>those stated in Rule 2.2</u>), including those made in the course of the discharge of functions which are the responsibility of the Executive.</i>	To provide clarity
1.1	E-Sourcing system means the Council's chosen E-sourcing system (currently YORTender) or an approved alternative	E-Sourcing system means the Council's chosen E-sourcing system (currently <u>YORTender</u>) or an approved alternative	Correction of typing error
1.1	EU Threshold the current threshold above which the PCR's apply, currently £173,934 for services and supplies and £4,348,350 for works	EU Threshold the current threshold above which the PCR's apply, currently <u>£172,514</u> for services and supplies and <u>£4,322,012</u> for works	Updating of threshold values to reflect the revised EU Threshold
1.1	Gateway Process means the Council's risk based gateway procurement process that combines assessment and understanding of various aspects of risk with appropriate review and scrutiny at defined points in the procurement cycle	Gateway Process means the Council's <u>value</u> based gateway procurement process that combines assessment and understanding of various aspects of <u>value</u> with appropriate review and scrutiny at defined points in the procurement cycle	Definition amended to reflect the removal of the risk-based Gateway Process in favour of the value-based Gateway Process
1.1	Rules menas these Rules	Rules <u>means</u> these <u>Contract Procedure</u> Rules	To correct a typing error and to add clarity
1.2	(e) Directors, the CD-SR and the ACE(LDS) shall be taken to include such Officers as are designated by those officers to undertake the duties and responsibilities set out in these Rules, except in	(e) Directors, the CD-SR and the ACE(LDS) shall be taken to include such Officers as are designated by those officers to undertake the duties and responsibilities set out in these Rules, except in	To update the Rules which refer explicitly to Directors, CD-SR and ACE(LDS)

Rule	Current Wording	Proposed Amendment	Reason
	<p>the case of the following Rules:-</p> <p>(i) Director - Rules 8.8, 8.9, 12.2, 16.1(h), 16.3 and 18.1</p> <p>(ii) CD-SR - Rules 2.1, 2.4, 2.5, 8.8, 8.9, 12.2, 16.1(h), 16.3, 17.3 and 18.1</p> <p>(iii) ACE(LDS) - Rules 2.1, 2.4, 2.5, 8.8, 8.9, 12.2, 16.1(h) and 16.3</p> <p>where delegation is not permitted. A record of all duties and responsibilities as delegated under these Rules is to be maintained by each Director, the CD-SR and the ACE(LDS)</p>	<p>the case of the following Rules:-</p> <p>(i) Director - Rules 8.8, 8.9, 12.2, 16.1(<u>b and h</u>), 16.3 and 18.1</p> <p>(ii) CD-SR - Rules 2.1, 2.4, 2.5, 8.8, 8.9, 12.2, 16.1(<u>b and h</u>), 16.3, 17.3 and 18.1</p> <p>(iii) ACE(LDS) - Rules 2.1, 2.4, 2.5, 8.8, 8.9, 12.2, 16.1(<u>b and h</u>) and 16.3</p> <p>where delegation is not permitted. A record of all duties and responsibilities as delegated under these Rules is to be maintained by each Director, the CD-SR and the ACE(LDS)</p>	
2.9	<p>Wherever possible and appropriate procurement shall be undertaken using the standard precedent documents contained in the Procurement Manual applying to PQQ's, ITT's or to submit quotations. Wherever alternative documents are to be used they must be approved by ACE(LDS) in consultation with CPG (or Directorate Procurement Champion) as appropriate.</p>	<p>Wherever possible and appropriate procurement shall be undertaken using the standard precedent documents contained in the Procurement Manual applying to PQQ's, ITT's or to submit quotations. Wherever alternative documents are to be used they must be approved by ACE(LDS) in consultation with CPG (or <u>DPCs</u>) as appropriate.</p>	To use the properly defined term
5.7	<p>Other standard Rules are contained in the Procurement Manual relating to, for example, freedom of information, data protection, equalities, Public Services (Social Value) Act 2012, sustainability and best value; these are not mandatory for each such written agreement referred to in Rule 5.5 above, but should be included where appropriate.</p>	<p>Other standard Rules are contained in the Procurement Manual relating to, for example, freedom of information, data protection, equalities, Public Services (Social Value) Act 2012, sustainability and best value; these are not mandatory for each such written agreement referred to in Rule 5.5 above, but should be included where appropriate.</p>	To remove a typing error
6.2	<p>The ACE(LDS) and such of her staff as she may designate are authorised to sign any such contract.</p>	<p>The ACE(LDS) and such of <u>his</u> staff as <u>he</u> may designate are authorised to sign any such contract.</p>	To reflect the new ACE(LDS)
6.2.2	<p>Contracts that exceed £500,000 shall be signed by:</p> <p>a) the ACE(LDS) (or a Legal and Democratic Services' Officer authorised by her); and</p> <p>b) an authorised signatory in the relevant Directorate (or another Legal and Democratic</p>	<p>Contracts that exceed £500,000 shall be signed by:</p> <p>a) the ACE(LDS) (or a Legal and Democratic Services' Officer authorised by <u>him</u>); and</p> <p>b) an authorised signatory in the relevant Directorate (or another Legal and Democratic Services'</p>	To reflect the new ACE(LDS)

Rule	Current Wording	Proposed Amendment	Reason
	Services' Officer authorised by the ACE(LDS)).	Officer authorised by the ACE(LDS)).	
8.2	If the estimated value of a contract exceeds £5,000 but is less than £20,000 at least three written quotations must be invited from suitable potential Contractors. The estimated value of the contract shall be recorded in writing prior to quotations being sought.	If the estimated value of a contract exceeds £5,000 but is less than £20,000 at least three written quotations must be invited from suitable potential Contractors. The estimated value of the contract shall be recorded in writing prior to quotations being sought. If the estimated value of a contract exceeds £20,000, but is less than £100,000 at least three written quotations must be invited from suitable potential Contractors. The estimated value of the Contract shall be recorded in writing prior to quotations being sought. <u>Quotations with a value exceeding £5,000 should be invited using the E-Sourcing System and quotations above £20,000 must be invited using the E-Sourcing system.</u>	Amalgamation of Rules 8.2 and 8.3 to reflect the preference that all quotations above £5,000 should be invited using the E-Sourcing System and the requirement that all quotations above £20,000 must be invited using the E-Sourcing System.
8.3	If the estimated value of a contract exceeds £20,000, but is less than £100,000 at least three written quotations must be invited from suitable potential contractors. The estimated value of the contract shall be recorded in writing prior to quotations being sought and quotations must be invited using the E-Sourcing system.		This is to enable compliance with the Local Government Transparency Code 2014.
8.3	All potential Contractors invited to submit quotations shall be provided in all instances with identical information and instructions. Where considered appropriate, Directors may permit potential Contractors who have been selected to submit quotations under Rules 8.2 and 8.3 to also submit variant quotations (ie quotations which do not comply with some or all of the requirements of the primary quotation). The same opportunity to submit variant quotations must be given to all potential Contractors.	All potential Contractors invited to submit quotations shall be provided in all instances with identical information and instructions. Where considered appropriate, Directors may permit potential Contractors who have been selected to submit quotations under Rules 8.2 and 8.3 to also submit variant quotations (i.e. quotations which do not comply with some or all of the requirements of the primary quotation). The same opportunity to submit variant quotations must be given to all potential Contractors.	To correct the reference and typing error
8.6	Before quotations of a value in excess of £20,000 are requested it must be recorded in writing whether the lowest price or the most economically advantageous quotation should be accepted. Where both price and quality are to be factors (ie where most economically advantageous quotation applies) the quality criteria must be identified and the weighting between price and quality established and recorded before quotations are requested. The criteria should be stated in the request for quotation sent to suppliers.	Before quotations of a value in excess of £20,000 are requested it must be recorded in writing whether the lowest price or the most economically advantageous quotation should be accepted. Where both price and quality are to be factors (i.e. where most economically advantageous quotation applies) the quality criteria must be identified and the weighting between price and quality established and recorded before quotations are requested. The criteria should be stated in the request for quotation sent to suppliers.	Correction of a typing error

Rule	Current Wording	Proposed Amendment	Reason
8.9	Where a quotation involves payment to the Council, the provisions of Rules 8.6 and 8.8 shall apply except that the word "lowest" shall be replaced by the word "highest" in these paragraphs.	Where a quotation involves payment to the Council, the provisions of Rules 8.5 and 8.7 shall apply except that the word "lowest" shall be replaced by the word "highest" in these paragraphs.	Renumbering to reflect the amalgamation of Rules 8.2 and 8.3
9.7	Where considered appropriate, a Director may, in consultation with the DPC, permit Participants to submit variant tenders (ie tenders which do not comply with some or all of the requirements of the primary tender). The same opportunity to submit variant tenders shall be given to all Participants. Variant tenders shall only be considered if the Participant also submits a compliant primary tender.	Where considered appropriate, a Director may, in consultation with the DPC, permit Participants to submit variant tenders (<u>i.e.</u> tenders which do not comply with some or all of the requirements of the primary tender). The same opportunity to submit variant tenders shall be given to all Participants. Variant tenders shall only be considered if the Participant also submits a compliant primary tender.	Correction of a typing error
10.2.1	(i) A notice inviting expressions of interest shall be published through the E-Sourcing System and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the value, location and subject matter of the Contract. The notice shall specify brief details of the Contract and invite potential Participants to complete and submit PQQ to the Council in order to be considered to be invited to tender. The notice shall include details as to how PQQ's are to be submitted and the closing date for their receipt by the Council.	(i) A notice inviting expressions of interest shall be published through the E-Sourcing System and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the value, location and subject matter of the Contract. The notice shall specify brief details of the Contract and invite potential Participants to complete and submit <u>a</u> PQQ to the Council in order to be considered to be invited to tender. The notice shall include details as to how PQQ's are to be submitted and the closing date for their receipt by the Council.	Correction of a typing error
10.2.1	(vi) The deadline date for the receipt of tenders shall be at least 40 days after the date of dispatch of the ITT's.	(vi) The deadline date for the receipt of tenders shall be at least <u>28</u> days after the date of dispatch of the ITT's.	Amendment to reflect the number of days required in the Pubic Contracts Regulations 2006
10.3.1	Open Tenders: the deadline date for the return of tenders shall be a minimum of 52 days after the publication of the first advertisement of the ITT. The actual deadline date shall be determined having taken	Open Tenders: the deadline date for the return of tenders shall be a minimum of 52 days after the publication of the first advertisement of the ITT. The actual deadline date shall be determined having taken	Amendment to reflect the number of days required in the Pubic Contracts Regulations 2006 when using an E-Sourcing

Rule	Current Wording	Proposed Amendment	Reason
	into consideration the complexity of the Contract and the time required for the completion of the tender documents by Participants.	into consideration the complexity of the Contract and the time required for the completion of the tender documents by Participants. <u>The requirement for 52 days may be reduced to 40 days when using the E-Sourcing System.</u>	System.
10.3.2	Restricted Tenders: the deadline date for the return of PQQ's shall be at least 37 days after the publication of the first advertisement of the opportunity. The deadline date for the receipt of tenders shall be at least 40 days after the date of publication of the ITT.	Restricted Tenders: the deadline date for the return of PQQ's shall be at least 37 days after the publication of the first advertisement of the opportunity. The deadline date for the receipt of tenders shall be at least 40 days after the date of publication of the ITT. <u>The requirement for 37 days may be reduced to 30 days after the publication of the first advertisement of the opportunity for the return of the PQQ and reduced to 35 days for the return of the ITT after the date of its publication when using the E-Sourcing System.</u>	Amendment to reflect the number of days required in the Public Contracts Regulations 2006 when using an E-Sourcing System.
10.4.2	The procedure prescribed by the PCR's shall apply to all aspects of the procurement and to the subsequent operation of the Framework Agreement including, but not limited to: (i) the procurement methodology; (ii) the placement of orders under the Framework Agreement; (iii) further competition between Contractors appointed to the Framework Agreement (ie further competitions).	<u>Where the value of the proposed Framework Agreement exceeds the EU threshold, the procedure prescribed by the PCR's shall apply to all aspects of the procurement and to the subsequent operation of the Framework Agreement including, but not limited to:-</u> (i) the procurement methodology; (ii) the placement of orders under the Framework Agreement; (iii) further competition between Contractors appointed to the Framework Agreement.	To provide clarity
10.5.1	(i) A notice inviting expressions of interest shall be published through the E-Sourcing System and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the value, location and subject matter of the Contract. The notice shall specify brief details of the Contract and invite Participants to apply to the Council to be considered for inclusion on the approved list by the Council. The notice shall	(i) A notice inviting expressions of <u>interest</u> shall be published through the E-Sourcing System and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the value, location and subject matter of the Contract. The notice shall specify brief details of the Contract and invite Participants to apply to the Council to be considered for inclusion on the approved list by the Council. The notice shall	To correct a typing error

Rule	Current Wording	Proposed Amendment	Reason
	include details as to how expressions of interest are to be submitted and the closing date for their receipt by the Council.	include details as to how expressions of interest are to be submitted and the closing date for their receipt by the Council.	
11.1	A written tender may only be considered if:- (a) it has been received electronically through the e-tendering system, or	A written tender may only be considered if:- (a) it has been received electronically through the <u>E-Sourcing System</u> , or	To reflect the defined term
11.1	c) and subject to Rule 11.4, it has been returned electronically through the E-Sourcing System or to the ACE(LDS) (or a person designated by her) in accordance with the instructions contained in the ITT before the tender closing date.	c) and subject to Rule 11.4, it has been returned electronically through the E-Sourcing System or to the ACE(LDS) (or a person designated by <u>him</u>) in accordance with the <u>instructions</u> contained in the ITT before the tender closing date.	To reflect the new ACE(LDS) and to correct a typing error
11.2	The ACE(LDS) (or a person designated by her) shall be responsible for the reception and safe custody of tenders until they are opened.	The ACE(LDS) (or a person designated by <u>him</u>) shall be responsible for the reception and safe custody of tenders until they are opened.	To reflect the new ACE(LDS)
11.3	Tenders, whether electronic or hard copy must be opened at the same time and in the presence of the ACE(LDS) (or a person designated by her) or, where Legal and Democratic Services is undertaking the procurement, the CD-SR (or an Officer designated by her). Whoever opens the tenders 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(s) present, the identities of Participants and the tendered sums (where readily ascertainable). A copy of such a record shall be provided as soon as practicable to the Director inviting the tenders and to Internal Audit.	Tenders, whether electronic or hard copy must be opened at the same time and in the presence of the ACE(LDS) (or a person designated by <u>him</u>) or, where Legal and Democratic Services is undertaking the procurement, the CD-SR (or an Officer designated by him). Whoever opens the tenders 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(s) present, the identities of Participants and the tendered sums (where readily ascertainable). A copy of such a record shall be provided as soon as practicable to the Director inviting the tenders and to Internal Audit.	To reflect the new ACE(LDS)
12.8	Where the tender involves payment to the Council Rule 12.2 shall apply except that the word "highest" shall be substituted for "lowest" in those Rules.	Where the tender involves payment to the Council Rule 12.2 shall apply except that the word "highest" shall be substituted for "lowest" in <u>that</u> Rules.	To correct a typing error

Rule	Current Wording	Proposed Amendment	Reason
16.1	<p>A Director does not need to invite quotations or tenders in accordance with Rules 8, 9 and 10 in the following circumstances:-</p> <p>(a) purchases via framework agreements which have been established by other public sector bodies or consortia (including, but not limited to YPO) and where such framework agreements are lawfully accessible to the Council, except where the requirements of the individual framework require a further competition to be conducted or</p> <p>(b) purchases at public auctions, or</p>	<p>A Director does not need to invite quotations or tenders in accordance with Rules 8, 9 and 10 in the following circumstances:-</p> <p>(a) purchases via framework agreements which have been established by other public sector bodies or consortia (including, but not limited to YPO) and where such framework agreements are lawfully accessible to the Council, except where the requirements of the individual framework require a further competition to be conducted or</p> <p>(b) purchases at public auctions, (<u>including internet auction sites, e.g. Ebay</u>) where the Director is satisfied that value for money will be achieved; or</p>	<p>To take into account the growing use of internet auction sites and to ensure that the exemption is only applied where value for money can be obtained</p>
16.1	<p>f) social care Contracts with a value below the EU Threshold where:-</p> <p>(i) the service is currently supplied by a Contractor to the satisfaction of the Corporate Director Health and Adult Services or the Corporate Director Children and Young People's Service, is considered to be offering value for money and where the foreseeable disruption to service users cannot justify the invitation of further quotations or tenders, or</p> <p>(ii) the service is of a specialist or personal nature and where service users must be involved in the selection of the Contractor and where the Corporate Director Health and Adult Services and the Corporate Director Children and Young People's Service considers it inappropriate for quotations or tenders to be invited, or</p> <p>(iii) where the Corporate Director Health and</p>	<p>f) social care Contracts with a value below the EU Threshold where:-</p> <p>(i) the service is currently supplied by a Contractor to the satisfaction of the Corporate Director Health and Adult Services or the Corporate Director Children and Young People's Service, is considered to be offering value for money and where the foreseeable disruption to service users cannot justify the invitation of further quotations or tenders, or</p> <p>(ii) the service is of a specialist or personal nature and where service users <u>must</u> be involved in the selection of the Contractor and where the Corporate Director Health and Adult Services and the Corporate Director Children and Young People's Service considers it inappropriate for quotations or tenders to be invited, or</p> <p>(iii) where the Corporate Director Health and</p>	<p>To correct a typing error</p>

Rule	Current Wording	Proposed Amendment	Reason
	Adult Services and the Corporate Director Children and Young People's Service is satisfied that the urgency of the need for the service prevents the invitation of quotations or tenders in which case consideration shall be given to the duration of that service; or	Adult Services and the Corporate Director Children and Young People's Service is satisfied that the urgency of the need for the service prevents the invitation of quotations or tenders in which case consideration shall be given to the duration of that service; or	
17.8	The Council maintains a Contract Register the purpose of which is to: (a) record key details of all contracts with an aggregate value of £10,000 or more; and (b) identify a contract reference number.	The Council maintains a Contract Register the purpose of which is to: (a) record key details of all contracts with an aggregate value of <u>£20,000</u> or more; and (b) identify a contract reference number.	To enable compliance with the Local Government Transparency Code 2014.
18.2	The whole contract financial value thresholds for the purposes of Rule 18.1 are: a) works contracts - £100,000 b) goods and services contracts £100,000.	The whole contract financial value thresholds for the purposes of Rule 18.1 are: a) works contracts - £100,000 b) goods, <u>supplies</u> and services contracts £100,000.	To ensure consistency
18.3	When a procurement is being considered which is expected to exceed the financial value thresholds specified in Rule 18.4 then the Responsible Officer must ensure the necessary Gateway Process report prepared in accordance with Rule 18.1 is also considered by the ACE(LDS) or by a LDSO authorised by her. No procurement should commence before the Gateway Process report is approved.	When a procurement is being considered which is expected to exceed the financial value thresholds specified in Rule 18.4 then the Responsible Officer must ensure the necessary Gateway Process report prepared in accordance with Rule 18.1 is also considered by the ACE(LDS) or by a LDSO authorised by <u>him</u> . No procurement should commence before the Gateway Process report is approved.	To reflect the new ACE(LDS)
18.4	The whole Contract financial value thresholds for the purpose of Rule 18.3 are: a) works Contracts - £1m b) goods and service Contracts - EU Threshold.	The whole Contract financial value thresholds for the purpose of Rule 18.3 are: a) works Contracts - £1m b) goods, <u>supplies</u> and service Contracts - EU Threshold.	To ensure consistency

The Report of the Audit Committee

The Audit Committee met on 25 September 2014. Present:- County Councillor Andrew Backhouse (in the Chair); County Councillors Margaret Atkinson, Eric Broadbent, David Chance, Helen Grant, Bill Houlton and Mike Jordan. In attendance:- Mr David Portlock (Independent Observer) and County Councillor Carl Les (Executive Member for Central and Financial Services including assets, IT and procurement).

1. Annual Report: The Audit Committee has considered a draft of its Annual Report for the year ended 30 September 2014. The Committee, in approving the draft for submission to the County Council, paid tribute to the work undertaken during the year by Veritau Ltd and thanked, in particular, Max Thomas (Head of Internal Audit). The Annual Report is appended.

The Audit Committee RECOMMENDS:

That the Annual Report of the Audit Committee, as set out in Appendix 1, be noted.

ANDREW BACKHOUSE
Chairman

County Hall,
NORTHALLERTON.
4 November 2014

PURPOSE OF THE REPORT

To provide Members of the County Council with details of the work carried out by the Audit Committee during the year ended 30 September 2014. The report also details how the Audit Committee has fulfilled its Terms of Reference during this period.

BACKGROUND

The Audit Committee is responsible for overseeing the County Council's corporate governance, audit and risk management arrangements. The Committee is also responsible for approving the Statement of Accounts and the Annual Governance Statement. The Committee's specific powers and duties are set out in Schedule 1 of the Constitution under the Terms of Reference of the Audit Committee. A copy of the Terms of Reference is attached at **Appendix A** for information.

Audit Committees are a key component of corporate governance and provide an important source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and other performance.

The Chartered Institute of Public Finance and Accountancy (CIPFA) issued guidance to local authorities to help ensure that Audit Committees are operating effectively¹. The guidance recommends that audit committees should report annually on how they have discharged their responsibilities.

WORK UNDERTAKEN AND OPINION

The Audit Committee has met on five occasions in the year to 30 September 2014, in accordance with its Programme of Work.

During this period, the Committee has assessed the adequacy and effectiveness of the County Council's risk management arrangements, control environment and associated counter fraud arrangements through regular reports from officers, internal audit and the external auditors, Deloitte. The Committee has sought assurance that action has been taken, or is otherwise planned, by management to address any risk related issues that have been identified by the auditors during this period. The Committee has also sought to ensure that effective relationships continue to be maintained between the internal and external auditors, and between the auditors and management.

The Audit Committee is satisfied that the County Council has maintained an adequate and effective control framework through the period covered by this report.

The specific work undertaken by the Committee is set out below. The Committee has:

External Audit

- 1 Received and considered the annual audit letter for 2012/13 produced by the external auditor, Deloitte which detailed the outcome of the audit of the County Council and North Yorkshire Pension Fund accounts. The Committee was pleased

¹ CIPFA – Practical Guidance for Local Authorities and Police, 2013

to note that the external auditors had issued unqualified audit opinions for both the County Council and the North Yorkshire Pension Fund. Deloitte had also issued an unqualified value for money conclusion and an unqualified opinion on the Whole of Government Accounts return;

- 2 Received and considered Deloitte's annual report on the certification of grants and returns for 2012/13. The audit certification covered those grants with a lifetime value over £125,000. The only grant that required certification during the year was the teachers' pension return. The Committee noted that Deloitte had issued a qualification letter due to a minor disclosure error. The auditors had undertaken further testing and concluded that it was an isolated problem. The Committee was satisfied with the explanation provided;
- 3 Received and considered Deloitte's planning reports for the audit of the County Council and the North Yorkshire Pension Fund's 2013/14 financial statements;
- 4 Received and considered the external auditor's report on the 2013/14 Audit. The report highlighted the key findings of the audit, made recommendations for improvements in control and identified other matters requiring communication to those charged with governance;
- 5 Received and considered Deloitte's fee letter for the audit of the County Council's 2014/15 financial statements and value for money conclusion. The Committee also considered the proposed fees for the audit of the North Yorkshire Pension Fund's financial statements for 2014/15. The Committee noted that the Audit Commission would be appointing new external auditors for both the County Council and the Pension Fund audits for 2015/16 onwards;

Internal Audit

- 6 Considered the changes to internal audit arrangements arising from the introduction of the new Public Sector Internal Audit Standards in April 2013. Approved the Internal Audit Charter.
- 7 Received and considered the results of internal audit work performed in respect of each Directorate and across different thematic areas. Monitored the progress made by management during the period to address identified control weaknesses;
- 8 Received and considered the Internal Audit Plan for 2014/15;
- 9 Monitored the delivery of the annual Internal Audit Plans through regular update reports presented by the Head of Internal Audit. Reviewed variations to the Audit Plans which were considered necessary to reflect new or changed County Council priorities;
- 10 Approved changes to the County Council's Whistleblowing Policy and the related Whistleblowing Policy for Schools to reflect new requirements introduced by the Enterprise and Regulatory Reform Act 2013 including changes to the definition of a 'qualifying disclosure';
- 11 Received and considered the outcome of the annual 2013/14 Fraud and Loss Risk Assessment. The Committee also reviewed the work of Internal Audit in respect of

suspected fraud including the results of investigations into matters reported via the County Council's whistleblowing facilities or directly by management;

- 12 Received and considered the Annual Report of the Head of Internal Audit which provided an overall opinion on the County Council's control environment. The Committee noted that the work of internal audit is primarily focused on those areas which represent the highest risk for the County Council. The Committee also considered the breaches of the Council's Finance, Contract and Property Procedure Rules which had been identified during audit work. The Head of Internal Audit confirmed that the Council's internal controls provided substantial assurance. In forming this opinion, the Head of Internal Audit had considered the progress made by management during the year to address identified control weaknesses. The Head of Internal Audit also drew the Committee's attention to a number of significant control weaknesses identified through audit work including issues related to information security, service continuity planning and the highways maintenance contract;
- 13 Assessed the performance of the County Council's internal audit provider, Veritau Limited against the targets set for 2013/14, and considered the performance targets for 2014/15. The Committee also considered the outcome of the internal audit quality assurance and improvement programme (QAIP). The QAIP is an ongoing process which helps to ensure internal audit work is conducted in accordance with required professional standards. The QAIP included the results of the external review of internal audit working practices carried out in April 2014 by the South West Audit Partnership. The Committee was pleased that internal audit practices met the required standards and therefore continued reliance could be placed on the arrangements operating within the County Council;

Risk Management

- 14 Reviewed the progress made by the County Council to identify and address corporate risks. This included consideration of the updated Corporate Risk Register;
- 15 Assessed the adequacy and effectiveness of each Directorate's risk management arrangements through consideration of the progress made to address issues identified in the annual Statements of Assurance. The Committee also considered the risks identified in the Directorate Risk Registers and how these linked to the Corporate Risk Register;

Corporate Governance

- 16 Considered and approved the Annual Governance Statement for 2013/14 of the County Council. The Committee also noted the issues identified in the annual Statements of Assurance prepared by Management Board, the Chief Executive and each Corporate Director, which inform the preparation of the Annual Governance Statement. The Committee also reviewed the progress made by management to address significant issues identified in the 2012/13 Annual Governance Statement;
- 17 Considered changes to the Local Code of Corporate Governance prior to referral to the Executive for approval by the County Council;
- 18 Considered the effectiveness of the governance arrangements for the North Yorkshire Pension Fund (NYPF) for 2013/14;

- 19 Considered the annual report of partnership governance. The report included details of the County Council's current partnerships, changes which had occurred in the year and the arrangements in place to monitor the management and performance of key partnerships. The Committee consider that partnership governance is effective and the existing arrangements are proportionate and commensurate to the risks;
- 20 Received regular reports on the effectiveness of the County Council's governance arrangements and the work being undertaken, where necessary, to develop policies and procedures, particularly in respect of information governance to reflect latest guidance and best practice. The Committee considered the ongoing work of the Corporate Information Governance Group (CIGG) which is responsible for developing the corporate information policy framework, identifying new or emerging risks, sharing best practice and monitoring compliance with corporate information governance standards;
- 21 Received a report outlining the progress made to implement revised business continuity arrangements across the County Council. Good progress has been made but there was still a need to improve consistency and ensure plans were properly tested. Consideration was also given to the business continuity plans in place to support the Tour de France;

Value for Money

- 22 Considered the arrangements adopted by the County Council to achieve value for money;

Financial Statements

- 23 Considered and approved the Statement of Accounts for 2013/14 of the County Council;
- 24 Considered the annual report of the North Yorkshire Pension Fund for 2013/14 (which had previously been approved by the Pension Fund Committee);
- 25 Received and considered proposed changes to the County Council's Accounting Policies. The only changes during the year had arisen as a result of CIPFA issuing an updated Code of Practice on Local Authority Accounting in April 2013. The main changes related to the definition of employee pension benefits and the localisation of business rates. The Committee also noted that further changes might be required to the Code of Practice as a result of recent proposals published by CIPFA;

Other

- 26 Received and considered proposed changes to the Contract, Property and Financial Procedure Rules prior to referral to the Executive and approval by the County Council. The need for changes had arisen due to a number of factors including changes in legislation or regulation, issues identified during the course of internal audit work and/or developments in business practice. The Committee was satisfied that the proposed amendments were appropriate and would help the County Council to maintain sound internal control and achieve Value for Money. The proposed changes were therefore agreed;

- 27 Received briefings from officers on issues and new developments facing the County Council including governance arrangements for the Statement of accounts, proposed changes to the finance function arising from 2020 North Yorkshire programme and an update on the IT Strategy;
- 28 Reviewed the progress which had been made by officers to address other issues raised at meetings of the Committee, including treasury management, the appointment of co-opted members to the Committee and proposed changes to the timetable for approving the Statement of Accounts;
- 29 Met with both the External Auditor and the Head of Internal Audit on a one to one basis.

Chairman of the Audit Committee

AUDIT COMMITTEE

TERMS OF REFERENCE

1. In respect of **Internal Audit**
 - to approve the Internal Audit Strategy, Annual Audit Plan and performance criteria for the Internal Audit Service.
 - to review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary.
 - to review the effectiveness of the anti-fraud and corruption arrangements throughout the County Council.
 - consider the annual report from the Head of Internal Audit Chief.
 - to review the effectiveness of the system of Internal Audit and the Committee itself on an annual basis.
2. To review the workplan and performance of External Audit.
3. To review, and recommend to the Executive, changes to Contract, Finance and Property Procedure Rules.
4. In respect of **financial statements**

For both the County Council and the North Yorkshire Pension Fund

 - to approve the respective annual Statements of Final Accounts
 - to receive and review the Annual Audit Letters and associated documents issued by the External Auditor
 - to review changes in accounting policy
5. In respect of **Corporate Governance**
 - to assess the effectiveness of the County Council's Corporate Governance arrangements
 - to review progress on the implementation of Corporate Governance arrangements throughout the County Council.
 - to approve Annual Governance Statements for both the County Council and the North Yorkshire Pension Fund.
 - to review the annual Statements of Assurance provided by the Chief Executive, Management Board and Corporate Directors.
 - to liaise, as necessary, with the Standards Committee on any matter(s) relating to the Codes of Conduct for both Members and Officers.
6. In respect of **Risk Management**
 - to assess the effectiveness of the County Council's Risk Management arrangements.
 - to review progress on the implementation of Risk Management throughout the County Council.
7. In respect of **Information Governance**
 - to review all corporate policies and procedures in relation to Information Governance.
 - to oversee the implementation of Information Governance policies and procedures throughout the County Council.

8. In respect of **Treasury Management**
 - to be responsible for ensuring effective scrutiny of the County Council's Treasury Management strategy and policies as required by the CIPFA Treasury Management Code of Practice.
 - To review these Treasury Management strategies, policies and arrangements and make appropriate recommendations to the Executive.
9. In respect of **Value for Money**
 - to have oversight of the arrangements across the County Council in securing Value for Money.
10. To meet not less than four times a year on normal business and review its Terms of Reference on an annual basis.
11. To consider any other relevant matter referred to it by the County Council, Executive or any other Committee. In addition any matter of concern can be raised by this Committee to the full County Council, Executive or any other Member body.
12. To exercise all functions in relation to the making and changing of policy relating to such audit and counter-fraud matters which fall within the remit of the Committee (save as may be delegated otherwise).

The Report of the Standards Committee

The Standards Committee met on 19 September 2014. Present:- County Councillors Caroline Patmore (Chairman), Andrew Goss, Helen Grant and Peter Sowray

1. Complaints Procedure: The Standards Committee has considered proposed amendments to the Council's Standards Arrangements arising from the Council's approval of the Standards Committee's Protocol for dealing with Unreasonably Persistent/Vexatious Complainants, details of which are contained in Appendix 1 to this report.

The Standards Committee RECOMMENDS:

That the proposed amendments to the arrangements for dealing with allegations of a breach of the Members' Code of Conduct, as set out in Appendix 1 to this report, be approved.

Caroline Patmore
Chairman

County Hall,
NORTHALLERTON.

4 November, 2014

NORTH YORKSHIRE COUNTY COUNCIL

ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF BREACH OF THE MEMBERS' CODE OF CONDUCT

These arrangements set out how a complaint can be made to North Yorkshire County Council that an elected or voting co-opted Member has failed to comply with the Council's Code of Conduct for Members. These arrangements are made under Sections 28(6) and (7) Localism Act 2011.

1 Independent Person

The Council has appointed an Independent Person whose views must be sought by the Council before it takes any decision on an allegation which has been decided should be investigated. The Independent Person's views can also be sought by the Council at any other stage or by a Member against whom an allegation has been made. In practice complaints are dealt with by the Monitoring Officer, and by the Standards Committee.

2 Members' Code of Conduct

The Council has adopted a Code of Conduct for Members, attached as an Appendix to these arrangements. It is also published on the ~~Authority's~~ Council's website.

3 Making a Complaint

If someone considers there has been a breach of the Code of Conduct by a Member, and wants to make a complaint, they should write or send an email to:

~~Carole Dunn~~ Barry Khan
Monitoring Officer
North Yorkshire County Council
County Hall
NORTHALLERTON
North Yorkshire
DL7 8AD

email: ~~carole.dunn@northyorks.gov.uk~~ barry.khan@northyorks.gov.uk

Where possible, the standard complaint form should be used. It can be downloaded from the Council's website, or is available from the Monitoring Officer at the above address.

It is important to provide a name and contact address. Please note that the Council will not investigate anonymous complaints unless there is a significant public interest in doing so.

4 Timescales

We aim to deal with any complaint, so far as possible, within 3 months of receipt, or as soon as possible thereafter.

The Monitoring Officer will acknowledge receipt of your complaint within 5 working days and will keep you informed of progress.

5 Assessment for Investigation or Other Action

Every complaint relating to the Code of Conduct will be received by the Monitoring Officer.

The Member who is the subject of a complaint ('the subject Member') will be advised of the complaint and copied into any relevant correspondence or complaint form received from the Complainant. The Monitoring Officer will review complaints and consult with the Independent Person in doing so, and will decide whether a complaint merits formal investigation. Where there is a difference of opinion between the Monitoring Officer and the Independent Person, then the allegation will be investigated.

This assessment will take place, where possible, within 20 working days of receipt of the complaint or as soon as possible thereafter. The Monitoring Officer may request more information to assist the decision as to whether investigation is appropriate.

The subject Member may also be requested to provide information about the matter.

The Monitoring Officer will advise you, in writing, of his/her decision about whether or not the matter should be investigated.

If the complaint identifies criminal conduct or breach of other regulation, the Monitoring Officer will consult the Police and/or such other regulatory agencies as he/she considers appropriate.

The Monitoring Officer will not refer for investigation matters which are, in his/her opinion, and after consultation with the Independent Person, vexatious, offensive, trivial or politically motivated. [Regard may be had to the Standards Committee Protocol for dealing with Unreasonably Persistent/Vexatious Complainants in this respect and in relation to the handling of such complaints generally.](#)

If the Monitoring Officer has a conflict of interest or does not for any other reason consider it appropriate that s/he undertakes initial assessment of a complaint, it will be referred to the Standards Committee.

The Standards Committee will be informed of the outcome of all complaints received.

6 Informal Resolution

Wherever possible the Monitoring Officer will seek to resolve a complaint informally without the need for formal investigation or referral to the Standards Committee.

This may involve trying to mediate between the parties, aiming to clarify misunderstandings, or encouraging discussion between the Complainant and subject Member to enable a resolution between them, or where appropriate, an apology. It may also involve other remedial action by the Council.

If the Member or the Council make a reasonable offer of local resolution but the Complainant is not willing to accept the offer, the Monitoring Officer will take this into account in deciding whether a complaint merits formal investigation.

7 Investigation

If the Monitoring Officer concludes that a matter merits investigation, the Complainant will be invited to submit all information they wish to submit in support of their allegation within 10 working days of request.

Once the information is received it will be sent to the Member who is subject to the complaint, who would also be invited to submit all information they wish to be considered in response within 10 working days.

Throughout the process the Monitoring Officer will ensure the subject Member and Complainant receive appropriate support and assistance.

The Monitoring Officer may also appoint a member of his/her staff to oversee the gathering of information relating to the matter which will comprise the investigation ("the Nominated Officer"). The Nominated Officer will consider whether any further information is needed and take steps so far as possible to secure its production.

A report containing the information provided by the Complainant and subject Member will be prepared by the Nominated Officer, and copied to both parties and sent to the Monitoring Officer. The report will conclude with a recommendation as to whether it is considered that there has been a breach of the Code.

8 Conclusion of no evidence of failure to comply with the Code of Conduct

The Monitoring Officer will receive and review the report and consult the Independent Person upon it. Subsequently, if satisfied that the report is sufficient, the Monitoring Officer will write to the Complainant and the subject Member notifying them that s/he is satisfied that no further action is required.

9 Conclusion that there is evidence of failure to comply with the Code of Conduct

The Monitoring Officer will review the report and consult the Independent Person as to whether local resolution may be possible. If any suggested resolution is not agreed, the matter will be referred to the Standards Committee for consideration.

If the matter can reasonably be resolved in the Monitoring Officer's opinion without the need for a hearing he/she will consult the Independent Person, with the Complainant and subject Member, to seek to agree a fair resolution which will also ensure higher standards of conduct for the future.

As with initial assessment this can include the Member accepting that conduct was unacceptable and offering an apology, and/or other remedial action by the Council. If the Member complies with the suggested resolution the matter will be reported to the Standards Committee but no further action will be taken.

10 Hearing

If local resolution is not appropriate, or the Complainant or subject Member are not satisfied with the proposed resolution, or the subject Member is not prepared to undertake any proposed remedial action, the report will be reported to a Hearings Panel ('the Panel') of 3 Members from the Standards Committee. The Independent Person will attend all Panel meetings and will be consulted by the Panel in making its decision about whether there has been a breach of the Code and any action to be taken.

The Panel will meet to decide whether the Member has failed to comply with the Code of Conduct and, if so, whether to take any action.

The report will be presented to the Panel. The Complainant and the subject Member will be invited to attend the Panel to present information and make representations in relation to the allegations that there has been a failure to comply with the Code of Conduct. The Independent Person will be present. The Panel can proceed in the absence of either the subject Member or the Complainant where it deems this to be appropriate.

The Panel shall consult with the Independent Person and be advised by the Monitoring Officer. It may conclude:

- (a) that the Member did not fail to comply with the Code of Conduct;
- (b) that the Member did fail to comply with the Code of Conduct; and, if it so concludes, the Panel may determine whether any action is necessary and, if so, what sanction is appropriate.

11 What action can the Panel take if there has been a breach of the Code of Conduct?

The Panel may:

- (a) issue a letter of censure to the Member and where appropriate require an apology to be given to the Complainant;
- (b) recommend to the Member's Group Leader that he/she be removed from any or all committees or sub-committees of the Council;

(c) instruct the Monitoring Officer to arrange training for the Member.

The Panel has no power to suspend or disqualify the Member or to withdraw allowances.

The Panel shall consult the Independent Person and decide what, if any, publicity should be undertaken regarding the outcome of the matter. Options for such publicity include a notice on the Council's website or a press release.

12 What happens at the end of the hearing?

The Chair of the Panel will announce the decision of the Panel as to whether the Member has failed to comply with the Code of Conduct and as to any action it deems necessary. The Monitoring Officer will prepare a Decision Notice which will be given to the subject Member and the Complainant within 10 working days. The outcome will be reported to the next meeting of the Standards Committee.

13 Revision of these arrangements

The Council may by resolution agree to amend these arrangements and delegates to the Chair of the Panel the right to depart from these arrangements where he/she considers it expedient to do so to secure the effective and fair consideration of any matter.

14 Appeals

There is no right of appeal for the Complainant or the subject Member against a decision of the Monitoring Officer or Panel.

If the Complainant feels that the Council has failed to deal with the complaint properly they may make a complaint to the Local Government Ombudsman.

| ~~15 October 2013~~ 19 September 2014

NORTH YORKSHIRE COUNTY COUNCIL**12 NOVEMBER 2014****STATEMENT OF THE HIGHWAYS AND PLANNING SERVICES PORTFOLIO HOLDER
COUNTY COUNCILLOR GARETH DADD****Highways and Transportation****Winter Service**

The County Council is ready for winter and all the necessary preparations are in place to deal with any frost, ice or snow. We have 55,000 tonnes of salt stockpiled which can be used by our fleet of 89 front-line gritters, which are supported in snow conditions by over 130 farmers and other local contractors. Members will recall that we routinely salt over half the County's roads in icy weather which is proportionally one of the highest by any County Council. Despite budget reductions across the highways service, the commitment to dealing with winter conditions remains the highest priority and the gritting route coverage remains at the level seen in previous years.

In preparation for the coming season, a new salt store has been built in Hawes. The County Council has worked with Hawes Auction Mart to build the store which will be used to aid routine operations and assist in our response to snow conditions. This improvement in our operations in one of the most remote parts of the county is an indication of our commitment to the service and will, I'm sure, be welcomed by those who use the roads in the Upper Dales.

The County Council is continuing its winter community partnership scheme, which gives parish councils, town councils and other community groups the opportunity to support an enhanced level of maintenance by bringing together volunteers who are willing to take part in clearing snow and treating roads and footways. Several partnerships already exist. The support offered includes health and safety operational training, advice and guidance and advance notification of severe weather using a specialist forecasting service.

Whitby Park and Ride

The Whitby Park and Ride site is now fully open following the completion of the building and only some planting and landscaping is left to complete, which is best done in Autumn. It started operating on Good Friday (18 April) and, during this first season, a number of surveys have been undertaken to monitor the impact of the Park and Ride scheme. Up to the end of August over 98,000 passengers used the park and ride 'town' bus service which is broadly in line with the forecast for the first year of operation.

Aligned to this scheme were a series of on-street parking management measures in Whitby and Sandsend. The parking data shows that the turn-over occupancy of spaces has increased and that visitors wishing to stay longer in Whitby may now be using the park and ride.

Obviously the data for the full season up to October is still being analysed and more detailed conclusions will be presented to the local Area Committee in due course, however, the indications so far are that the scheme is working well.

Grass Cutting

Since my last update you have all received information confirming details of where we shall continue to cut grass in urban areas and of the arrangements in place that will enable you to make representations on behalf of your parish councils to the Corporate Director in consultation with myself. The representations can only refer to the detail of the cuts or not, the principle already having been approved by this Council as part of previous budget setting approvals.

Highway Information

Our highway inventory mapping project continues, in the very near future, rather than having to refer to paper plans we will all be able to view highway information, such as areas of verge to be cut, over the internet on our web-site. Members will appreciate that there are significant benefits to all our stakeholders, contractors and partners alike as a consequence of making this sort of information easily available.

A684 Bedale Aiskew Leeming Bar Bypass

Members will be aware that the Department for Transport gave funding approval for the scheme in July 2014 and the contract was awarded to Wills Bros Ltd in August 2014.

The contractor now has a presence in Northallerton and has commenced detailed design of the scheme. Fencing of the scheme has started in preparation for commencing archaeological excavations shortly. The main works are planned to start in February 2015 with construction of the two roundabouts on the A684 at each end of the scheme in order to establish access to the site to construct the rest of the bypass. Officers are currently in discussions with the contractor about the details of an exhibition at which members of the public will have the opportunity to ask questions about the implementation of the scheme.

Planning Services

York Potash

Members will recall that I gave an update in July in relation to the revised proposals for the York Potash development. I can now confirm that a planning application for the mine and underground mineral transport system (by tunnel and conveyor belt) was re-submitted as anticipated on 30 September, although some application documents were subsequently amended and resubmitted. The application has been submitted in parallel to the North York Moors National Park Authority, and to Redcar and Cleveland Council. Negotiations are commencing between the applicant and County Council in relation to a package of developer contributions and mitigations. Initial views on the proposals are now being sought. Separate planning applications will be submitted by the applicant to Scarborough Borough Council for the required park-and-ride facilities and for temporary workers accommodation, and it is expected that this will happen during November. Meanwhile, proposals for the processing and harbour facilities on Teesside will be dealt with as a Nationally Significant Infrastructure Project and it is anticipated that this will be lodged later this year. I will ensure that the County Council makes its views in relation to the proposal known at appropriate stages in the planning process and keep you advised of the outcome in due course and any matters of significance arising.

GARETH DADD

NORTH YORKSHIRE COUNTY COUNCIL**12 NOVEMBER 2014****STATEMENT OF RURAL SERVICES, WASTE DISPOSAL, PUBLIC PASSENGER
TRANSPORT, TRADING STANDARDS AND ECONOMIC DEVELOPMENT PORTFOLIO
HOLDER COUNTY COUNCILLOR CHRIS METCALFE****Waste Management**

I am pleased to confirm that following the decision of the Council at the Extraordinary Meeting on 24 September, the long term waste management contract with AmeyCespa achieved Financial Close on 30 October. The preliminary enabling works have started and the construction contractor is being mobilised. Highway improvement works will commence shortly and construction proper will begin on site before Christmas. It will be nearly 3 years before we can expect waste to be delivered to Allerton Waste Recovery Park for the start of commissioning but I will keep Members informed regularly on progress. AmeyCespa have begun the process of forming their local liaison panel to ensure local residents are kept informed of progress, and I will take a keen personal interest to ensure the construction and eventual operation is carried out with as much respect and courtesy to local residents as possible.

At the July meeting of the Council I confirmed that we would begin charging for some types of construction and demolition waste delivered to household waste recycling centres from 4 August. We implemented a comprehensive communications programme to ensure as many people as possible were aware of the changes in advance, and we continue to field a range of enquiries. Despite the initial resistance and claims that we would suffer a huge increase in fly tipping, I can report that district and borough council colleagues have identified very little impact or increase in fly-tipping. We continue to monitor the scheme but initial indications are that it is a success and is achieving the required level of savings.

I am able to advise that improvements to the local road network have begun in preparation for the construction of a new waste transfer station at Kirby Misperton. The transfer station will provide a permanent local delivery point for waste collected in Ryedale and to enable the efficient transport of that waste to Allerton Waste Recovery Park when it opens in 2017.

Trading Standards**Investigations and Safeguarding**

Safeguarding and the use of volunteers - Trading Standards are working with the National Trading Standards Scams Hub by undertaking welfare visits to those people susceptible to scam mail. To date, 767 North Yorkshire residents have been identified on 'suckers' lists which have been seized from offenders. It is recognised that it is not feasible for Trading Standards staff to visit this number of people and in order to ensure the vulnerable people are safeguarded against future victimisation, Police volunteers have been recruited to establish contact with each individual. The use of trained volunteers not only aims to ensure vulnerable residents receive assistance to prevent further victimisation, but it also enables a substantial function at a much reduced cost to the service.

Safety of sunbeds - Trading standards officers have tested the output of sunbeds in use in salons in Northallerton and Harrogate and found that the radiation emitted exceeds the safe permitted limit in 73% of beds tested. The permitted limit, set by the EU, is equivalent to the midday sun in a southern Mediterranean country, and in some cases the output was found to be twice that limit. All beds which failed the tests were suspended from use until they could be repaired or have their bulbs replaced and were re-tested before they were allowed back into

use. Work is continuing to test beds around the County and also to investigate issues of concern with the use of particular bulbs and certain trading practices.

Farming, Food and Health

Animal Health – The welfare of farmed animals and the supporting of reputable farmers continues to be a Trading Standards priority. We remain vigilant to any animal health risks and take robust action when contraventions of animal health and welfare legislation occurs. For example, on 22 October 2014, Pateley Bridge Auction Mart and one of its directors were prosecuted for failing to adhere to animal movement restrictions, for failing to complete the necessary movement documentation and for failing to take reasonable steps to prevent the spread of disease. The director received a fine of £1174 and the company was fined a total of £2687.88.

Food - on 13 December 2014, the introduction of the Food Information for Consumers Regulations will affect over 7000 North Yorkshire businesses. All food catering businesses such as cafes, restaurants, public houses, schools, hospitals, care homes etc and all food businesses selling loose foods such as sandwiches, cakes, deli foods etc will be required to advise consumers as to whether the foods they supply contain any of 14 listed allergens, the most significant of which is peanuts. There are a number of cases each year of consumers dying from anaphylactic shock after unknowingly consuming a meal containing peanuts or peanut powder and this is one of the main reasons for the introduction of the legislation. The Trading Standards service is currently prioritising which establishments require face to face advice whilst arranging electronic advice for the remainder.

Public Health - the service continues to contribute to the implementation of the NYCC Alcohol and Tobacco Control Strategies with a particularly interesting initiative involving the Local Alcohol Action Area. The programme piloted in Scarborough aims to address alcohol misuse and the sociological issues which occur as a result. As part of a wide range of initiatives we are currently evaluating the effectiveness of systems employed by the pubs and clubs of Scarborough which look to prevent the sale of alcohol to minors. We are supporting local businesses in an attempt to initiate strategies which will benefit both the establishment and the community as a whole.

Economic Development

Following the York, North Yorkshire and East Riding LEPs successful £110million Growth Deal announced in the summer, a further much smaller round of funding is currently being negotiated. It is expected that a further £6million could be secured.

Additionally the £3.8m business grant fund which was launched by the LEP in early 2014 is now fully committed. This has been a major success, supporting 32 businesses leveraging £28million private sector investment and creating 460 jobs. Investments have been made in every North Yorkshire district.

Finally, bids have been submitted for NYCC to be accountable body for two LEADER programmes. LEADER will provide bottom up community led economic development and the bids are for circa £3m each. They will cover The Dales and its hinterland and the North Yorkshire Moors and its hinterland.

CHRIS METCALFE

**NORTH YORKSHIRE COUNTY COUNCIL
12 November 2014**

**STATEMENT OF THE PORTFOLIO HOLDER -
LIBRARY AND COMMUNITY SERVICES
COUNTY COUNCILLOR CHRIS METCALFE**

Council Statement October 2014

Libraries

New Supermobile is on the road

September saw the launch of North Yorkshire County Council's new Supermobile Library vehicle. The new vehicle replaces the previous Supermobile which has been retired after travelling some 233,000 miles serving towns and villages throughout the County since 2004.

The new vehicle comes complete with a stunning innovative artwork, the result of a countywide competition for young people, to find the most eye-catching way to represent the library.

On the new flagship vehicle customers have a choice of 3000 items of stock including books for all ages, audio books and DVDs. Two public access computers are linked to the internet by satellite technology so people can come on board and use the internet for emails, do some online shopping or browse the library catalogue. There is plenty of room for classes from local schools to be able to visit as well as for local partners such as the police or health professionals to run drop in information sessions.

The Supermobile serves some of the more remote communities in the County from Robin Hoods Bay and Sleights on the coast to Buckden and Kettlewell in the Dales, Danby and Rosedale on the North York Moors to Eggborough and Balne in the south. It is a popular service with around 8000 visits a year and with customers borrowing around 30,000 items.

Bilton Library

Residents in the Bilton and Woodfield area of Harrogate are now able to visit a brand new community library. Developed in partnership between North Yorkshire County Council and Bilton and Woodfield Community Library Group, it provides services designed for the needs of the local community in the 21st century.

The new Library opened on the site of Woodfield Primary School and Bilton Children's Centre on Monday 22nd September and is run by Bilton and Woodfield Community Library Group volunteers in partnership with North Yorkshire County Council. This project is part of North Yorkshire County Council's continuing drive to deliver a wide range of information and services through volunteer partners.

The County Council's investment has provided a wide range of new stock with public access computers providing free access to the internet. Customers are also able to make use of the free WiFi network to use the internet on their own mobile devices. Children have their own airy bright area with comfortable seating and space for exciting activities and stories.

Summer Reading Challenge

Once again over 10,000 young people in North Yorkshire joined in with this year's Summer Reading Challenge. This year also saw an increase in the number of young people volunteering in North Yorkshire – 118 volunteers in 27 libraries in 2014 compared to 90 volunteers in 29 libraries in 2013 with 25 of these young people continuing to volunteer with the library service.

“The whole experience throughout the summer has been very positive. It has helped my confidence by meeting and talking to different people every time I am present at the library. Everyone has been extremely helpful and understanding in helping me learn something new throughout the whole Summer Reading Challenge”

Registration Services

Changes to maternity unit at Friarage Hospital

The changes to the maternity provision at the Friarage Hospital came into effect on the 6th October 2014. In future, it is likely that about 400 -500 of the existing 1200 births will remain at the Friarage, with the rest taking place at James Cook Hospital in Middlesbrough. The Registration Service has now entered into special arrangements with Middlesbrough Council whereby staff at the Northallerton and Richmond offices in North Yorkshire will register births on behalf of Middlesbrough Council. This will provide a much more convenient and immediate service to parents who will receive their baby's birth certificate at the point of the registration.

Archives

Garrison Origins

The 'Garrison Origins' Project, funded by the MOD's Community Covenant programme to explore the history of Catterick Camp, has reached a successful conclusion. Three performances of the play 'Not About Heroes', commissioned by the project from Feelgood Theatre, were held at Catterick Library, Ripon Cathedral and Richmond Georgian Theatre in September and were well received by both the military and the civilian community. Pupils from Hipswell School worked with the project leader, a video artist and local residents to produce a short film exploring memories of the Camp and local schools received a resource pack to prompt further study. A listening post installed at Catterick Garrison Library will facilitate wide access to the oral history interviews recalling the history of the Camp which were collected by the project.

Parish registers online

Parish registers held by the Record Office are now available online for the first time. The registers have been digitised and published following agreement with leading UK family history website Find My Past. This is the first in a series of phased releases which will eventually make all the registers from the over 250 parish collections held by the Record Office accessible in this way.

The registers are fully searchable and available to view or download from the Find My Past website. There will be a cost to users of the site for viewing the parish register entries online from which the Record Office will receive a royalty and which will provide a valuable income stream. Free online access to the registers will be maintained at the Record Office and at North Yorkshire libraries.

CHRIS METCALFE

NORTH YORKSHIRE COUNTY COUNCIL**12 NOVEMBER 2014****STATEMENT OF THE PORTFOLIO HOLDER FOR
PUBLIC HEALTH AND PREVENTION
COUNTY COUNCILLOR DON MACKENZIE****Report of the Director of Public Health**

The Director of Public Health, Dr Lincoln Sargeant, has published his second Annual Report, which continues to show that North Yorkshire is one of the country's healthiest counties. Of the 32 indicators included in the county's Public Health England Profile, 20 were significantly better compared to the England average whilst just three were worse: namely, road injuries and deaths, smoking in pregnancy and excess weight in adults.

Action is being taken to address these three areas: the public health grant contributes to the Council's funding of the work of the 95 Alive Road Safety Partnership to improve road safety; the capacity of specialist stop-smoking advisors to encourage pregnant women to quit has been boosted; extra funding has been invested in weight management services for obese adults.

A further area of concern in the report is the widening gap in life expectancy for children born in Scarborough compared to Hambleton, where residents enjoy the best health and longest life expectancy in the Yorkshire and the Humber region.

Targeted public health work in Scarborough

We are ensuring that the public health services which we commission are effective, represent good value for money, and target those with greatest needs. Our public health team has been working with colleagues at Scarborough Borough Council and Scarborough and Ryedale Clinical Commissioning Group to increase the uptake of preventative services by residents in the district.

In particular, we have invested in initiatives to increase uptake of NHS Health Checks to identify those at risk of heart disease. By so doing, we can reduce the level of premature death in Scarborough. We have also joined with the CCG in providing funding for a team of NHS specialists who offer free advice about the risks of smoking in pregnancy. Their work is targeted at women giving birth at Scarborough Hospital.

Further initiatives in the borough include the promotion of breast feeding, which has been proven to support good childhood development, to reduce childhood infections and to lower the risk of obesity in later life.

Healthy Child Programme (HCP)

The Council has now awarded contracts following completion of the tender for HCP services for children aged 5-19 years. The Programme, which commences on 1 April 2015, sets out national good practice guidance for prevention and early intervention including weight management. The procurement coincided with the establishment of an integrated 0-19 years prevention service by the Children and Young People's Services directorate.

North Yorkshire Horizons

I was present at the launch of North Yorkshire Horizons, the newly commissioned service providing treatment and recovery across North Yorkshire for adults with drug and alcohol misuse and dependence. The service commenced on 1 October and features a single point of contact - a first for the county - as well as five service hubs located in Harrogate, Northallerton, Scarborough, Selby and Skipton, and additional outreach provision across the county. We are one of the first authorities to re-commission a core public health service since the transfer from the NHS in 2013.

Winter health

Each winter across North Yorkshire hundreds of people have died from the effects of being cold in their own home. Although they may have had underlying health problems they would not have been expected to die. Cold makes underlying health problems much worse, prompting heart disease, strokes and breathing problems. Cold also increases the risk of trips and falls with serious consequences for the frail and elderly.

We are leading work with partners to raise awareness of winter health and to assist the most vulnerable to “Keep Well, Keep Warm and Keep Safe”.

Keep Well – by increasing uptake of flu vaccination for vulnerable groups.

Keep Warm – by promoting energy efficiency, reducing fuels bills, supplying emergency warm packs and providing funds to cover the cost of repairs to fires and boilers.

Keep Safe – by improving security and fire safety in the home as well as falls prevention.

Innovation Fund

In my statement to Council in July, I informed members of the launch of the third round of awards from the Innovation Fund, which is supported by Health and Adult Social Care, using money from Public Health and the Supporting People programme. In the first two rounds, £934,000 has been made available to the voluntary sector to pay for effective community-based projects in areas of priority identified by North Yorkshire County Council.

The results of the bidding for the third round of awards totalling £458,385 were announced in August: 41 schemes were successful in obtaining funding of up to £15,000 each.

The areas of priority for the bids were:

- Reducing loneliness and isolation
- Preventing falls
- Supporting people to remain in their own homes

The programme is managed on the Council's behalf by Your Consortium, which has developed very close links with the voluntary and community sector. This organisation will ensure that the schemes deliver what has been agreed.

DON MACKENZIE

NORTH YORKSHIRE COUNTY COUNCIL**12 NOVEMBER 2014****COUNTY COUNCILLOR CARL LES****North Yorkshire Police and Crime Panel**

I am the Council's representative on the North Yorkshire Police and Crime Panel. The panel continues to meet regularly, having met six times already this calendar year. At our most recent meeting in October, we carried out two of our statutory responsibilities: A review of the Commissioners' Annual Report, which we thought was a fair summary of her achievements over the previous year; and, prior to its publication, a review of her refreshed Police and Crime Plan 2013-2016, which we also supported - especially the selection of the four key priorities: Protect vulnerable people; Cut crime and anti-social behaviour; Prevention and early intervention; and Improve victim care. We liked the approach to presenting information by "local plans for local areas" because people can see what is being done to help them "feel safe and be safe" where they live.

When questioned about the recent Jay report on Child Sexual Exploitation in Rotherham and the HMIC inspection of South Yorkshire Police, Julia Mulligan, confirmed that, whilst she was largely satisfied at Chief Constable reassurances, that appropriate processes and practices are in place, she had asked for a thematic, in depth 'health check'. The Panel was satisfied that the PCC and Chief Constable are committed to the very best practices in child protection.

Come January, we enter the precept cycle - one of other key statutory responsibilities. We'll also take a closer look at how the PCC has responded to some recent HMIC inspections of NY Police activity.

Regional Macro Employer of the Year 2014 – National Apprenticeship Award

NYCC are the Regional Winners of the BT National Apprenticeship Award for Macro Employer of the Year 2014. This recognises NYCC's continued commitment to apprenticeships and young person's employment. Keeley Metcalfe, HR Adviser in Resourcing & Reward accompanied by Samantha Bredeson- Library Apprentice, her manager Amanda Ledson and Cllr Mike Jordan accepted the award on NYCC's behalf. In the recent economic climate, young people's unemployment has significantly increased and therefore it remains important that NYCC champion young person's employment where the opportunities exist.

Pay Award

NYCC like the vast majority of local authorities, is part of the national pay structure and arrangements which determines the annual inflationary pay award. The industrial action planned for last month was suspended pending further national negotiations. These have now progressed with a new proposal for local authorities and the trade union side to consider and hopefully reach a decision next month.

This proposal covers the outstanding award for 14/15 and 15/16 and is made up of a variable percentage pay award from January 2015 with staff on the lowest pay (below £14k) receiving the highest amount 8.56% and staff at the mid point upwards getting 2.2% with a sliding scale for the grades in between. It also includes a one-off lump sum payment of variable amounts between £325 and £100 pro rata paid in December 2014 again with the lower paid staff receiving higher amounts . The financial assessment so far is that the proposal is within the budgeted amount of 1% for 14/15 and 2% for 15/16 and so is affordable.

The increase in the lower pay grades will impact on some services such as cleaning and catering traded services and will increase the cost of those services and contracts for example to schools. However it will address the recent difficulties with the National Minimum Wage at the bottom of the pay band whereby pay had to be increased to meet the legal requirement last month and a likelihood that a further adjustment will be needed in October 15 when the national minimum wage increases again.

The County Council's view will be fed into the regional Employers Committee in November when the national employers side attends to consult on the proposal

Performance

A series of performance items at Members Seminars has been programmed for this year. This is a new initiative and gives an opportunity for Members to engage with officers on performance issues across the Council.

This follows comments from Members that there was insufficient time and opportunity at Quarterly Reports to the Executive to explore themes at directorate level. The programme started with the BES directorate at the Members Seminar on 1 October, and it seemed to be a useful session for all. Future dates include HAS performance on the 3rd of December and CYPs performance on 4 March 2015. Views are welcomed from Members so we can understand if they are helpful and if any further changes would be beneficial.

Procurement

Procurement continues to be an area of significant activity during 2014 with no less than 29 significant projects currently in progress. Procurement related savings of £3.4m were achieved for the period 2013/14. The Forward Procurement Plan is continually being reviewed and now reflects procurement activity associated with the 2020 North Yorkshire Programme.

The existing Corporate Procurement Strategy is currently being updated. The revised Strategy will also identify an Action Plan in order to deliver further financial savings and other areas of benefit. Details will be brought to Member's attention in the near future through Overview and Scrutiny Committee, the Audit Committee and the Executive.

CARL LES

NORTH YORKSHIRE COUNTY COUNCIL

12 NOVEMBER 2014

STATEMENT OF CHILDREN'S SERVICES PORTFOLIO HOLDER

COUNTY COUNCILLOR TONY HALL

Medium Term Financial Strategy & 2020 North Yorkshire

The Children and Young People's Service has continued to meet its savings targets. The scale of budget cuts required – and achieved to date, whilst maintaining service levels - has been a significant challenge. The objective has been to protect front-line services as much as possible, thus enabling a restructured Directorate to operate effectively across its universal, preventative, targeted and acute service responsibilities, in line with legislation.

Over the four year period 2011-15, the Directorate will have made savings of over £20m. As Members will be aware, the Council faces continuing work to deliver a balanced budget over the period 2015-19 and the Directorate's target within the 2020 North Yorkshire programme is a further £16m. A detailed programme is in place and will be implemented over that timeframe. The programme will result in a major transformation of delivery arrangements for some of our services, targeting our support on the most vulnerable and those with the greatest level of need. We have however also recognised the importance of early intervention and of continuing to deliver our statutory responsibilities in terms of safeguarding, special educational needs and disabilities and school improvement. Elements of the transformation programme will of course continue to be subject to public and staff consultation at appropriate stages in their progression.

This information appears in the Statements to Council for both Executive Members for the Children and Young People's Service as this reflects our joint responsibility for all relevant resources.

Looked After Children

The safe reduction in the number of looked after children remains a priority and consequently the number has decreased every month of this financial year to the current figure of 448 compared to 471 at the beginning of the year, a decrease of 23 (5%) in year. In the year to date 97% of reviews for looked after children have been conducted on time with 82% of looked after children participating in that review. The short term placement indicator (% with more than three placements in year) currently stands at 8.3%, and the long term indicator (% in place for two years+) at 63.4% which are both better than the last known statistical neighbours figure. The year to date figures for health and dental assessments are 80.5% and 85.6% respectively which are both an improvement on the previous quarter.

Child Sexual Exploitation

Child Sexual Exploitation (CSE) has been high profile in the media recently since the Jay report into Rotherham Council was published. We, along with partner agencies, have done much work in relation to this issue and have dedicated resource working on policy and strategy around CSE. A multi-agency group chaired by the Head of Crime Operations, North Yorkshire Police, has existed since 2012 taking forward a range of issues, such as advice and information for schools, e-safety, development of a CSE strategy, practice guidelines. The group has benchmarked North Yorkshire against both the Jay Report and national recommendations, and is now implementing an action plan.

Officers from the Children and Young People's Service and North Yorkshire Police meet on a monthly basis to review cases and to ensure that follow up actions are appropriate and

timely. In North Yorkshire the route for concerns about children and young people at risk of child sexual exploitation is exactly the same as any other concern, in that if a child is suspected of being at risk then referrals are made to the customer service centre. The local approach to CSE has been discussed both at a Member briefing session but also at the Children and Young Peoples Scrutiny Committee on 24 October.

Children's Social Care Performance

Quarter 2 saw sustained good performance in Children's Social Care. Demand has continued to rise – with the second highest number of initial assessments completed in any quarter in three years - and 12 % increase on the same quarter in 2012-13. Child Protection cases have increased by 10 % since the last quarter. However plans lasting for two years or more have decreased to only two indicating that work has progressed significantly whilst children are on child protection plans in order for agencies to confidently take children off plans.

A new Plan for Children, Young People and their Families

A very successful launch of the new Children and Young People's Plan 2014-17, known as "Young and Yorkshire". was held on 20 September in Harrogate. Young people from schools and representatives of the Youth Council of North Yorkshire joined county councillors and officers, including representatives from partner agencies, in celebrating the publication of this key strategic document which aims to improve the outcomes for all children, young people and their families in North Yorkshire through:

- Ensuring education is our greatest liberator, with a greater proportion of children attending good or outstanding schools and settings
- Helping all children enjoy a happy family life, with a safe reduction in the children and young people looked after by the county council
- Ensuring a healthy start to life, with more children and young people leading healthy lifestyles

The launch included a drama performance by Fuse Theatre, an inclusive theatre project running in North Yorkshire, funded by North Yorkshire Youth Support Service alongside the Big Lottery, a performance by a young singer from of St Aidan's School, Harrogate; and a graphic novel presentation on domestic violence by Harrogate's Safe and Sound youth group.

Excellent coverage of the new plan has also appeared on local television with contributions from pupils at Bilsdale, Midcable & Chopgate/Carlton & Faceby Primary Schools and from a member of the Youth Council.

The plan will steer the work of the Children's Trust and its multi-agency members over the next three years.

Update on CYPS 2020 Programme

You will recall that, as part of the Director's 2020 Programme, proposals were consulted upon to create a single 0-19 Prevention Service, replacing separate discrete services such as education social work, integrated services including children's centres and youth support. The consultation with staff and unions has now closed and this project has progressed to the assimilation stage. The new service is designed to provide support to children, young people and families at the earliest point to avoid late, more costly and more complex interventions and will be launched in April 2015.

Staff consultations have also been launched in relation to proposed changes to the portfolio responsibilities held by the Directorate's Assistant Directors to ensure these better reflect the

remodelling of services as part of the Council's 2020 Programme and in relation to residential services for Looked After children and young people, linked to the "No Wrong Door" DfE Innovation Project referred to below.

DfE Innovation Project (No Wrong Door)

As announced recently by Edward Timpson MP, Minister for Children at the National Adult and Children's Services, we received news from the DfE that we have successfully secured grant funding of £2.15million from the Governments [Children's Social Care Innovation Program](#). This was the first grant awarded nationally under the category of 'Rethinking Care for Adolescence' following a robust submission process through an investment board of industry experts. The award will jointly fund the development of two 'No Wrong Door hubs' which aim to improve and increase targeted edge of care interventions (maintaining more young people and adolescents at home) and improve stability in care for our hardest to reach and engage young people. The model will provide a multi-agency team around the child to manage risk and develop innovative interventions and solutions to help young people engaged with the specialist support they require at the point they most need it. The hub will reduce the number of unnecessary placement moves and provide young people with a 'Staying Close' secure attachment with a known adult during key transitions, including the difficult process of moving towards independence.

Developing Stronger Families

The Developing Stronger Families programme continues to make significant progress. As at 30th September 2014, we have worked with 831 identified families, which represents 98.3% of the total number of families needing to be worked with in North Yorkshire by March 2015. Excellent progress has also been made with regard to turning families around and making reward claims for the successful outcomes, with claims now made for 73% of the total number of 845 families.

As a result of the progress made by the Developing Stronger Families programme, North Yorkshire was asked to become an 'early starter' for phase 2 of the National Troubled Families programme. During the period 1st September 2014 to April 2020, North Yorkshire has been tasked with turning around the lives of a further 2,830 families.

Adult Learning and Skills Service

A full Ofsted inspection of the Adult Learning and Skills Service has just been undertaken week commencing 3 November. At the time of writing this statement, the outcome is not known. Members will recall that the service was last inspected in May 2013 with an overall judgement of "requires improvement". Much work has been undertaken since then working with a nominated HMI to drive improvement.

County Councillor Tony Hall, Executive Member for Children's Services

NORTH YORKSHIRE COUNTY COUNCIL**12 NOVEMBER 2014****STATEMENT OF SCHOOLS AND EARLY YEARS PORTFOLIO HOLDER****COUNTY COUNCILLOR ARTHUR BARKER****Medium Term Financial Strategy & 2020 North Yorkshire**

The Children and Young People's Service has continued to meet its savings targets. The scale of budget cuts required – and achieved to date, whilst maintaining service levels - has been a significant challenge. The objective has been to protect front-line services as much as possible, thus enabling a restructured Directorate to operate effectively across its universal, preventative, targeted and acute service responsibilities, in line with legislation.

Over the four year period 2011-15, the Directorate will have made savings of over £20m. As Members will be aware, the Council faces continuing work to deliver a balanced budget over the period 2015-19 and the Directorate's target within the 2020 North Yorkshire programme is a further £16m. A detailed programme is in place and will be implemented over that timeframe. The programme will result in a major transformation of delivery arrangements for some of our services, targeting our support on the most vulnerable and those with the greatest level of need. We have however also recognised the importance of early intervention and of continuing to deliver our statutory responsibilities in terms of safeguarding, special educational needs and disabilities and school improvement. Elements of the transformation programme will of course continue to be subject to public and staff consultation at appropriate stages in their progression.

This information appears in the Statements to Council for both Executive Members for the Children and Young People's Service as this reflects our joint responsibility for all relevant resources.

CYPS 2020 Programme

As part of the Directorate's 2020 programme, projects are progressing in relation the use of children's centre buildings and, following the publication of the Commission's recommendations, in relation to delivery of school improvement services.

We have consulted with local communities on proposals to change the use of some of our children's centre buildings. Following those consultations we have enabled premises in East Whitby, Falsgrave, Harrogate South, Sowerby and Stokesley to be used by schools to provide additional school places, or by local early years providers to increase the numbers of childcare places. DfE approval was gained to such changes of use in order that they do not seek to claw back the capital previously granted to build the centres. We have also withdrawn from sole use of rooms in Pickering and Markington. This term consultations have taken place on the future of our children's centre building on the site of Grassington Primary School and we are expecting to see proposals about that later this year, which will involve the school and the local early years provider. Consultations are planned in Easingwold, Catterick and Skipton over the next few weeks, which is it hoped will produce viable projects in all of those places.

All of these developments have included careful discussion with the users of the centres and have been undertaken with a view as to how the services of a children's centre can still be available and accessible to parents, even if we are not maintaining a specific building. The team has been working very closely as part of the Stronger Communities 2020 workstream and it is expected that community based plans that involve children's centre services being organised by the local community will be developed in at least four places.

In relation to **School improvement**, discussions have continued around the Commission for School Improvement's proposals. The overall ambition is for all schools and settings in North Yorkshire to be good or outstanding. The focus has been on sector-led improvement with Headteachers and collaboratives playing a more significant role in school improvement. Draft proposals were considered at meetings with Headteachers and Governors recently and feedback has been constructive. It is expected that the Education Partnership and the Improvement Partnerships will be in place by April 2015. The model will be more transitional, as will the funding, and will evolve over time so there will be a greater number of LA officers working with the Partnerships than originally expected. This is in direct response to feedback from Headteachers and Governors. It is also proposed that, in addition to the five primary, one secondary and one special school Partnership, there will also be an Early Years Partnership. It is crucial, however, that Early Years is fully integrated with the Primary Improvement partnership so this needs to be explored carefully. The remodelling of the School Improvement Service has started with a staff engagement day. Proposals for both the Improvement Partnerships and the service must be completely aligned and firmed up proposals will be shared with Headteachers and Governors at meetings in January 2015.

HMS Heroes Annual Service at Ripon Cathedral

I am pleased to report that a very successful service was held last month at Ripon Cathedral, attended by over 600 children and young people from about 30 schools, all of whom have significant numbers of Service pupils on their rolls. They were joined by school staff, guests and VIPs from both the civilian and military communities, including the Deputy Lord Lieutenant of North Yorkshire. The event followed last year's service to dedicate the organisation's Standard and reflected on the theme of support in this special year of commemorations for World War One. In particular, the service celebrated the role of HMS Heroes, a schools-based peer support initiative for Service Pupils, which aims to give young people a voice, to help support each other recognising the unique needs that go hand in hand with being part of a military family, and to encourage Service pupils to actively participate in their local communities. The schools who attended also contributed to an exhibition of work linked to World War 1 which is currently on display at the cathedral. HMS Heroes continues to grow and this year, for the first time, they are participating in the Royal Festival of Remembrance at the Royal Albert Hall and the two North Yorkshire standards will be borne in front of the Queen by two students from Ripon Grammar School and Bedale High School.

2014 Pupil Performance Outcomes

The most recently available unvalidated pupil performance data for 2104 shows that North Yorkshire has maintained its high performance at GCSE and A-level and has made significant improvement in both Early Years and at Key Stage 2 (end of primary).

In 2013 there was a substantial change to the Early Years Foundation Stage profile assessing children's development at the end of the Reception year. Unusually the outcomes in North Yorkshire fell some way below the national in 2013. In 2014 61% of pupils achieved a good level of development – an improvement of 17% and twice the national rise – placing North Yorkshire again above the national figure.

At the end of Key stage 2 pupils are assessed using National Curriculum tests for reading and for mathematics and by teacher assessment of writing. The key accountability measure is the proportion of pupils achieving level 4+ in all of reading, writing and mathematics. Following disappointing results in 2013 schools and the local authority worked closely together to identify strategies to improve outcomes. In 2014 the outcomes for reading, writing and maths combined for North Yorkshire improved from 73% to 77% - a 4% rise compared to a national rise of 2%. There remains work to do - the 2014 North Yorkshire results place the authority just below the national average. Changes to assessment methods in key GCSE subjects – most notably in

English – and to the way in which results are to be published in the performance tables have resulted in some lack of clarity and volatility. It is not possible to directly compare 2014 results with previous years. The key indicator of the proportion of pupils achieving at least 5 GCSEs at A* to C including English and maths is 60% in North Yorkshire compared to 56% nationally – both indicators have fallen by around 5% compared to last year. North Yorkshire has maintained its position in the top 20% of all local authorities.

The complex range of qualifications post-16 means that there is not one key headline as for the other key stages. The most common headline outcomes are average points score per entry and average points score per student for A-level and equivalent. The highest A-level grade A* equates to 300 points with 270 points for an A grade, 240 for a grade B and so on. The average points per student have risen by over 30 points placing North Yorkshire in the top 10 of all local authorities and the points by entry has risen by 3 points placing North Yorkshire in the top 25.

OfSTED Outcomes

Ofsted data on 1 October 2014 showed that 81% of primary schools and 71% of secondary schools in North Yorkshire are good or outstanding with 79% of primary and 77% of secondary pupils attending good or better schools in North Yorkshire. The proportion of pupils attending good or better schools has improved since July 2014 by 1% at primary and by 3% at secondary, whilst the national averages are little changed. This compares with national averages for the percentage of schools being good or outstanding at 81% for primary and 71% for secondary. Nationally, 81% of primary pupils and 75% of secondary pupils attend schools which are good or outstanding.

Of the five primary schools OfSTED had judged to be inadequate in July, there are now only three schools - Farnley, Skipton St Stephen's and Skipton Ings. Skipton Ings has just had a very positive OfSTED visit and is on the verge of coming out of the category. Barrowcliff Junior and Braeburn Junior have merged with their respective infant schools as a result they lose their previous serious weakness judgements. The local authority continues to provide intensive support to both schools. Her Majesty's Inspectors (HMI) continue to be satisfied with the progress of those primary schools judged as requiring improvement.

There are currently two secondary schools in special measures - Graham School and Filey School. Filey school had been inspected at the time of the last statement, only 14 months after their previous inspection, but the result had not then been published. Graham School has had a second positive HMI monitoring visit. Aireville School (which had been in special measures) has become the Skipton Academy with sponsorship from the Craven Education Trust. There are currently 10 schools judged as requiring improvement with HMI are currently undertaking their Autumn Term monitoring visits.

School Funding

In my last update to Council, I noted that we had just responded to the latest DfE consultation on moving to a national funding formula and we asked for some changes regarding the allocation of funding for sparsity, a recent component introduced by the Department as a result of lobbying by this and other councils. We also commented positively on the DfE's plans to determine that the Schools Block element of LA Dedicated Schools Grants would be recalculated from April 2015. As a result of this, the Schools Block DSG for North Yorkshire would have increased by £7.1m or 2.2%.

In July, the DfE confirmed the results of its consultation. While the additional funding has actually been increased for schools in North Yorkshire (now £9.8m or 3.1%) the additional flexibility on funding of sparsity has not been quite as hoped for. The changes do bring an improvement but we continue to have concerns about the impact on small sparse secondary schools. We will therefore continue to lobby DfE on this point. We have been working with the Schools Forum to ensure that

this additional funding is allocated equitably to all schools in the county. There will be no top-slicing and every extra £ will be delivered in full to headteachers and governors.

Schools Organisation

A number of school organisation proposals have been implemented since my last statement to Council. Richard Thornton's CE VA Primary School in Burton in Lonsdale closed on 31 August 2014. In Scarborough three pairs of infant and primary schools were amalgamated from September 2014 to form three enlarged schools – Gladstone Road Primary School, Barrowcliff Primary School and Braeburn Primary School.

Whitby Community College and Caedmon School amalgamated on 31 August 2014 through the closure of Caedmon School and enlargement of Whitby Community College to create an 11-18 school, Caedmon College Whitby, operating across two sites. Discussions are continuing with Eskdale School following the DfE's refusal to allow their conversion to Academy status earlier in the year.

In addition a number of further school organisation proposals are now being progressed. A consultation has been undertaken on a proposal to amalgamate Northallerton College and Allertonshire School to form an 11-18 school operating across the current school sites from 2 April 2015. It is proposed that this will be achieved through the technical closure of Northallerton College and the change of age range and enlargement of Allertonshire School. The federation governing body is proposing that Allertonshire School becomes a voluntary controlled school to allow historical links with the Dean and Chapter of Durham Cathedral to be maintained.

Planning is progressing on the development of a new primary academy to serve the Staynor Hall development in Selby town. An evaluation of bids from potential sponsors has been undertaken and a preferred sponsor selected. A recommendation will shortly be made to the Department for Education who will take the final decision. A planning application has been submitted for the new school site and building.

Consultation opened in June 2014 on the provision of additional primary school places to serve the Sowerby Gateway development in Thirsk. A decision will be taken later in the Autumn Term on whether this should be through the expansion of existing schools or the development of a new primary academy. The places will be needed by September 2017 or 2018 depending on the speed of housing completions.

Support is being given to the proposers of a new University Technical College in Scarborough. The UTC has "in principle" approval from DfE for opening in September 2016 and will provide education and training in advanced engineering for up to 600 students aged 14-19. The proposal is led by local employers and the Borough Council. If final approval is given the UTC will be an academy funded directly by the Education Funding Agency.

On 30 September the Executive agreed to a two year programme of investment totalling £58m which is designed to create up to 3200 additional pupil places, 1700 of which are expected to be in place by September 2017. The programme will be funded through £40m of LA capital funding plus developer contributions from major housing developments across the County.

Universal Free School Meals initiative

Since September, all infant aged children are eligible for daily Free School Meals. Previously around 10% of infant children qualified as a result of economic circumstances. There has been an additional cost to this. Revenue costs have been supported by a DfE grant and there has also been an acceptance that there would be some capital expenditure required. A national fund of £150m was set aside, and North Yorkshire has been allocated £1,269,049 (plus a further £184,466 for Voluntary Aided schools). Our completed assessment showed that the capital funding allocated

is insufficient for all needs and therefore will need to be carefully allocated. Officers are working through a number of feasibility studies and proposals will be brought forward shortly regarding how best to use this limited funding, with work expected to be carried out during 2015. In the last few weeks, the government has announced a further fund of £20m (which we can bid into by 20 November 2014) and we will be putting together our case to access some of that money.

In the meantime, although interim arrangements have been needed in some schools (such as transporting meals from other schools) until the improvements to building and equipment are completed, our catering service and schools in the county have done a magnificent job in ensuring that we have met the very challenging requirement. The catering traded service has funded necessary improvements in some kitchens and dining centres from its own reserves without any call on the Council's budget. It has also recruited additional staff.

Early indications show that take-up of the offer has been 85%. In terms of meal numbers served by NYCC Caterers, this equates to an additional 7,000 meals (or 40%) being served every day and we expect this figure to increase over time.

Early Years Pupil Premium

I am pleased to announce that North Yorkshire has been selected as one of six Local Authorities nationally to progress early implementation of the Early Years Pupil Premium from January 2015. The EYPP is additional funding to support disadvantaged three and four year olds receiving the early education entitlement. It will be paid to local authorities, through the Dedicated Schools Grant, who will be required to pass it onto early years providers for each eligible child. All registered early years providers will be eligible to claim the EYPP funding those three and four year olds who meet the criteria. The early implementation areas have been sent up to allow DfE to test the delivery model for the early years pupil premium including systems for checking eligibility and allocation of funding.

As part of the trial the early years team will consult with settings, schools and childminders to explore ways to use the EYPP and to measure its impact. Providers will receive EYPP funding early in the spring term 2015. Following this an impact evaluation will be undertaken to identify how the funding has been used to make a difference for children.

Forest Moor (formerly Foremost) School

Following a period of consultation, proposals were determined on 21 October, which make a number of changes to provision at the school. The school can now admit younger pupils, including girls, and has now begun to do so in a managed way and the school will operate as a day school only. In addition, the governing body have renamed the school as Forest Moor School.

The local authority and governing body have monitoring and evaluation arrangements in place and the school continues to receive appropriate levels of support to ensure that progress is maintained towards coming out of Special Measures. It is likely that the next monitoring visit by Her Majesty's Inspectorate will be conducted in November. There has been positive media coverage of the progress being made at the school and a staff restructuring has commenced. This is the start of a financial recovery plan with the aim of returning delegated powers to the governing body in the Spring 2015.

Growing Up In North Yorkshire Survey 2014

This biennial survey took place in schools in the summer term 2014 with an excellent school participation rate (including 100% participation of all local authority maintained secondary schools) well above that of similar surveys in other local authorities. The survey is commissioned from, and developed in partnership with Schools Health Education Unit, Exeter. The combined final sample size was 19,924 pupils across primary and secondary schools.

The questionnaire has continued to evolve to ensure it is collecting pupil perception data on relevant issues related to learning and wellbeing and is closely aligned to the 'Young and Yorkshire' Children and Young People's Plan 2014-17 and performance scorecard. In the 2014 survey there is an increased focus on risk taking behaviours, including additional questions on e-safety, use of e-cigarettes and healthy relationships. There is also an enhanced focus on secondary age pupil perceptions of the Careers Guidance they receive. The questionnaire also includes the use of two new nationally recognised scales to measure pupils' emotional health and wellbeing: primary aged children the 'Stirling Children's well-being scale' and for secondary the 'short Warwick-Edinburgh Mental Wellbeing scale'. There is also a specific focus on 'self-harm' in the secondary survey. Reporting has been broadened to include a specific focus on outcomes for 'Disadvantaged pupils' in every report where sample size permits.

Early indications from the survey will be reported through the Health and Wellbeing Board on the 26 November with the summary county report being published by the end of December 2014. The outcomes of the 2014 survey will also be shared and its implications debated at the Young People's Overview and Scrutiny Committee in January 2015.

County Councillor Arthur Barker
Executive Member for Schools

NORTH YORKSHIRE COUNTY COUNCIL

12 November 2014

**STATEMENT OF THE ADULT SOCIAL CARE AND HEALTH INTEGRATION PORTFOLIO
HOLDER COUNTY COUNCILLOR CLARE WOOD****Dementia Support**

I was very pleased to attend the official launch of the Dementia Support Services, which took place in Harrogate on 13 October. Over the last few weeks other local launches have taken place across the county for these vital new services. Funded by both the County Council and the County's NHS Clinical Commissioning Groups, they are already helping people newly diagnosed and living with dementia with personalised advice and information. They are also a resource to help people link with support in their local area.

Two organisations will provide the services: Making Space will be working in Craven, Hambleton, Richmond and Whitby and Scarborough and Ryedale; Dementia Forward will be working in the Harrogate and Rural District and the Vale of York areas. Alongside the dementia navigator support, the two organisations will help to develop dementia awareness and dementia friendly communities by offering advice and training to community and voluntary groups.

Extra Care

I am pleased to confirm that the application and allocation process is under way for the Limestone View, the new Extra Care scheme in Settle. It is expected that residents will start to move in during the week beginning 10 November. A successful "open day" was held on 24 October.

The Jazz Court development in Eastfield is on course to open in early December when residents will move from Braeburn House Elderly Persons Home. There has been some exciting historical finds on the Extra Care site in Leyburn. A small section of the site was found to contain two skeletons (possibly from the Bronze Age) and a stone structure thought to be a small chapel. Leyburn schools are being invited to visit the site as part of their study of local history. The finds are not likely to delay the building work on the Extra Care scheme.

The consultation on our Care and Support Where I Live Strategy concludes on 17 November. The strategy proposes the further development of our Extra Care programme, with the ambitious aim of an Extra Care scheme in every major town in the County. Older people have consistently told us that they want to be able to stay in homes of their own with the care and support they need, rather than move into a care home. The expansion of the Extra Care programme will be a crucial part of achieving this objective. The procurement of framework partners has been agreed by the Executive and will commence at the end of December.

Deprivation of Liberty Safeguards

The law on the Deprivation of Liberty Safeguards is one of the ways in which vulnerable people can be protected when they do not have the mental capacity to make decisions for themselves. Anybody without capacity who is subject to care which could be considered to

deprive them of their liberty has to be fully assessed and the deprivation authorised by the Council. Changes in the legal interpretation of the safeguards have been introduced following what is known as the Cheshire West judgment. The impact of this legal judgment, nationally and locally, means that many more people require specialist assessments and authorisations. Like all local authorities this is a challenge, but every effort is being made to ensure that resources are found to address the increase and to follow advice from the Association of Directors of Adult Social Services (ADASS). We are working to address the situation locally and to work with other councils, ADASS and the Local Government Association to ensure that the Government has accurate information about the impact of this legal judgment in terms of people's lives and costs to the public purse.

Monitoring of Care Services

The Directorate has a responsibility to ensure that the services it commissions are of a high quality. In most instances this is the case and our contract monitoring team play an essential role in this. However on occasions we do need to take action and as a result a care home in the Harrogate District has recently closed. I would like to thank the families concerned, our staff and NHS colleagues, for their part in handling this difficult situation. This situation also strengthens the need for us to actively manage the provider market which will be a requirement of the Care Act. Regular updates are being provided to members of the Care & Independence Scrutiny Committee on these matters.

The Better Care Fund

I am delighted to announce that North Yorkshire's plan for the Better Care Fund has been approved by the Government. We have been awarded 'approved with support' status, which is a very positive outcome: only five councils were approved without support and a number have either had their plans approved with conditions or have not had approval. We therefore move into the implementation phase of the plan, which will involve further investment in community health services, intermediate care and reablement, mental health liaison services and money identified for the protection of adult social care and for the Care Act. I would like to thank Health and Well-being Board members, County Council and NHS partners for their work on this plan.

Health Integration

I am pleased to let you know that our joint entry to the "Health Service Journal" Awards 2014 with Hambleton, Richmondshire and Whitby Clinical Commissioning Group, which highlights partnership working on the integration of health and social care, has been shortlisted for an award.

The Care Act

The Government has just published the regulations for the Care Act. Further work is taking place locally as to what these requirements mean for North Yorkshire. A Members' Seminar on this important issue will take place in the New Year.

Clare Wood

NORTH YORKSHIRE COUNTY COUNCIL

12 November 2014

SCRUTINY BOARD

STATEMENT BY THE CHAIRMAN

The Scrutiny Board meeting scheduled for 19 August 2014 did not go ahead. Instead, Scrutiny Chairmen met informally for a briefing and trial run of the new video conferencing facility now set up in Room 7 at County Hall. Unfortunately I was not able to attend.

The links with other establishments across the County are now more reliable.

Video conferencing has the potential to significantly reduce the cost and time taken up by Members and officers travelling around the County to attend meetings.

County Councillor Elizabeth Casling
Chairman: Scrutiny Board

30 October 2014

North Yorkshire County Council**12 November 2014****Young People Overview and Scrutiny Committee****Chairman's Statement**

My Chairman's statement for this full Council includes details of the Committee meeting on 24 October 2014. The main points I would like to highlight from the meeting are highlighted as follows.

1. Preventative Services review

The prevention service review was established to examine how best to deliver early help and support to children, young people and their families across North Yorkshire.

The review covers over 500 staff and has included consultations on specific local issues in addition to the main consultation that was completed in June of this year. It has been a major task.

We heard that the Review is now in the implementation phase and appointments have been made to the posts which will lead the area teams. Arrangements are being made for the voluntary sector to become more involved in direct service delivery.

We expect a further update in the New Year on how the new service is configured across the areas and the arrangements that are being put in place for the prevention service to be more closely aligned with children's social care within the Children's and Young Peoples Service.

2. Annual Report of the North Yorkshire Safeguarding Children Board

Members were pleased to receive the Annual Report of the North Yorkshire Safeguarding Children Board. This Report highlights the excellent work being carried out across the County to improve E-Safety and to tackle Child Sexual Exploitation.

I would like to take this opportunity to commend the work of the Safeguarding Children Board, including its independent chair, Professor Nick Frost and his team. They are particularly seeking to involve children and young people in developing services.

Members will recall the excellent work on On-line Safety which the task group drawn from the Young People Overview and Scrutiny Committee and led by Cllr Joe Plant undertook in the summer. That work clearly helped to inform the members of the Safeguarding Board and we look forward to a further report on their progress.

3. North Yorkshire Local Assistance Fund (NYLAF)

The North Yorkshire Local Assistance Fund (NYLAF) was established in April 2013 following the abolition of Crisis Loans and Community Care Grants under the Department for Work and Pensions' (DWP) Social Fund scheme.

The NYLAF provides emergency support for vulnerable people aged 16 or over, to move into or remain in the community, and to help families under exceptional pressure to stay together. The NYLAF does not replicate what was previously provided by DWP. No cash payments, crisis loans or community care grants are available. Awards are now made in kind, in the form of goods or services. Items requested must be essential and critical to the needs of the applicant or those of their family. Available items include essential items of household furniture and equipment, beds and bedding, food vouchers, clothing vouchers, utility top-up vouchers, utility reconnection charges and essential home repairs.

We heard that whilst the DWP has allocated additional funding to the county council for NYLAF, the amount provided for awards in 2013/14 and 2014/15 was £793k per year, compared to the DWP expenditure of £915k on awards in North Yorkshire in 2011/12 – a reduction of 13%.

Our views were sought on the options for the future of the NYLAF ahead of a decision being taken by the Executive early in the New Year.

Following an interesting debate, in which it was suggested that perhaps vouchers could be issued which individuals could exchange for food at local shops or supermarkets, Members voted on the 3 options.

Their conclusion was that we recommend Option A, ie. continuing with the NYLAF and providing awards similar to those to date by central government.

4. Child Sexual Exploitation

We received a comprehensive report on work across North Yorkshire to tackle Child Sexual Exploitation. We heard that work taking place across the County is not knee-jerk reaction to the situation identified in Rotherham and was in progress well before the Jay Report was published. The message coming across was that agencies in North Yorkshire are effective at detecting and prosecuting the perpetrators of exploitation but there is no room for complacency. There was a recognition that we need to improve how we support and provide therapy to victims.

There is a good deal of work taking place to gather data and intelligence on this matter. This is reassuring but we felt it was worth highlighting the need to ensure that "hard to reach" children and young people are not excluded in any survey work. Young people who may be less articulate than others or who have a physical or learning disability sometimes feel less inclined to respond to such surveys.

5. North Yorkshire Key Stage Outcomes – 2014

The Committee maintains its interest in Key Stage Outcomes.

We noted that North Yorkshire schools continue to improve and perform well across most stages.

We particularly learnt that in respect of Early Years Foundation Stage Profile 2014, North Yorkshire outcomes have risen by over 17% to place the local authority slightly above the national average percentage of children achieving a good level of development. This returns North Yorkshire to its usual position of being broadly in line with national average.

At Key Stage 1 (end of Year 2) teachers assess pupil progress in reading, writing and mathematics. Level 2+ is the nationally expected level of attainment and North Yorkshire ranks in the top 30% of local authorities on all the level 2+ indicators.

In respect of Key Stage 2 (Year 6) the key indicator is the proportion of pupils achieving level+ in reading, writing and mathematics combined ("RWM4+"). In North Yorkshire we heard that whilst we have improved more rapidly than national averages, the headline outcome is 77% - just below the national average of 78%.

At key stage 4 (GCSE) the key indicator is the proportion of pupils achieving 5 or more GCSEs at grade C or above including English and mathematics. Changes to the assessment in some subjects, together with changes to the way that school performance is now determined, mean that 2014 outcomes cannot be compared to previous years. The available unvalidated data show that 63% of pupils achieved the key indicator – 5% above the national figure and maintaining North Yorkshire's position in the top 20% of local authorities.

Due to the range of qualifications post-16 there is not one key headline as for other key stages. The most usual headline outcomes are the average points scores per entry and the average points per student for A-level and equivalent qualifications. An A* grade at A-level equates to 300 points, A is 270, B is 240 etc. North Yorkshire's results have improved at a faster rate than the national and the LA remains in the top 15% of all local authorities.

For vulnerable groups, work is in hand to close the gap in attainment compared with other pupils.

6. Annual Report the Director of Public Health

The Annual Report provides a challenging analysis of the public health issues we face in North Yorkshire. It provides a blue print for a concerted effort, involving all partners, for instance, towards promoting physical activity, promoting smoking cessation, reducing obesity and tackling drug and alcohol abuse. It also highlights the importance of Mental Health. We must not overlook the pressures which young people face and how mental health problems do not only affect adults and older people.

We fully supported the need for a strategic approach in which partnership working will be essential whilst at the same time incentivising volunteering to take the public health message out to individuals and communities.

County Councillor Elizabeth Shields

Chairman Young People Overview and Scrutiny Committee

October 2014

NORTH YORKSHIRE COUNTY COUNCIL**12 NOVEMBER 2014****CARE AND INDEPENDENCE OVERVIEW AND SCRUTINY COMMITTEE****CHAIRMAN'S STATEMENT**Care and Support Where I Live Strategy

1. When we reviewed the consultation document: "2020 North Yorkshire Care and Support Where I Live," we were wholehearted in our support for a strategy which, as the foreword says, represents a significant part of the Council's vision to meet people's needs now and in the future. We welcomed the notion of planning ahead to respond to the increasing number of people who need care and support. It is also indeed vital that Extra Care homes are at the heart of the community in targeted locations so that people know they can receive the help, support and advice they need. Equally important is that we continue to manage demand to cope with the implications of demographic change.
2. We look forward to the results of the consultation process and emerging Directorate thinking being available for our January meeting, prior to a decision being taken by the Executive.

Local Account 2013-14

3. Given that the Local Account is now an essential part of sector - led improvement and must be an honest assessment of social care performance over the previous years, it was important that the Committee had an opportunity to review, pass comment and make suggestions for any amendments, before it is published. We found the document well written and accessible. It passed what for us is perhaps the pivotal test: it is not self-congratulatory, evidenced in part by the included case studies which describe how the Directorate has learned from experience, and then improved practice.
4. The Local Account is seen as a replacement from the previous - some would say onerous - inspection and performance regime. The present emphasis is very much on producing something accessible and "public friendly". None of us would disagree with that aim. But because it is not a statutory requirement, with no definitive rules about what should be reported and in what level of detail, it is difficult to gauge the extent of what its scope should be. What is apparent, however, is that CQC would take a dim view were we to stop publishing a Local Account on an annual basis. For all the reasons outlined above, the North

Yorkshire version is a high quality document, so it came as no surprise to us that the CQC has held up the North Yorkshire Local Account as an example of best practice.

5. Each year we look at how the Account is published, where it is “on deposit”, to whom it is sent - how people can get to see it and comment if they wish. This year, consideration is being given to publish this year’s Local Account in electronic format only. The cost benefits might speak for themselves, but Members wanted reassurances about the document’s continued accessibility. When it was explained that hard copies would still be available for those that want and/or need it, and it is intended to continue to spread the word through existing networks, we were comfortable with this streamlined approach.

2013 Annual Report of the Director of Public Health for North Yorkshire

6. The Director of Public Health’s second Annual Report reaffirmed the view I know many of us hold: public health is back where it belongs, within the sphere of local authority responsibility. As a Committee, we are increasingly taking an interest in how public health activity and intervention in specific public health initiatives. Beyond the obvious benefits to the population, this work also complements our social care priorities, especially prevention, which could prove critical in the continuing financial challenges ahead.
7. We congratulated Dr Sargeant on both the clarity of his report and for the inclusion of recommendations that are targeted, realistic and achievable.

Safeguarding Annual Report

8. Safeguarding is a range of activity aimed at upholding an adult’s fundamental right to be safe, at the same time as respecting peoples’ rights to make choices. Raising the profile of safeguarding is as important as it ever has been; we all share a responsibility for safeguarding, but scrutiny Members must also ensure that proper arrangements are in place with partners to ensure safeguarding of our communities is effective. The evidence in the North Yorkshire Safeguarding Board’s report for 2013/14 convinced us (as previous years’ reports have done) that partners demonstrate strong, strategic commitment to this agenda.
9. Everyone has the right to the money and property that is legally theirs. Financial abuse is the theft or misuse of money or personal possessions, which involves an individual's resources being used to the advantage of another person. I’m pleased that the vitally important work Trading Standards do to

protect people from this growing form of abuse - which we became aware of earlier this year - will feature in the Members Seminar on the 5th November 2014. Our work on financial abuse has a wider safeguarding focus in that it has looked at the range of strategic and community based activity to protect vulnerable adults.

North Yorkshire Local Assistance Fund (NYLAF)

10. When NYLAF was first implemented, the Committee recognised just how much the scheme was designed to assist and help people, especially vulnerable adults, to remain in their communities and help families under exceptional pressure to stay together. Awards from the fund are made in kind, in the form of goods or services. Items requested must be essential and critical to the needs of the applicant or those of their family. Available items include essential items of household furniture and equipment, beds and bedding, food vouchers, clothing vouchers, utility top-up vouchers, utility reconnection charges and essential home repairs.
11. At our recent meeting we reviewed progress, specifically how NYLAF has adapted to ensure that expenditure is used wisely, but does not exceed its existing budget. We recognised the challenges for 2015/16 onwards and the stakeholder consultation undertaken. As part of this consultation we were presented with a number of options regarding funding for the future. Because of the support NYLAF gives to some of our most vulnerable adults we strongly recommend that the NYLAF should continue as currently. This means NYLAF continuing to provide awards up to the amount that has been provided to date by central Government. In reaching this decision, we were particularly mindful that even relatively small sums, when made available to struggling families, can have a significant, often life-changing impact. That said, in coming to this recommendation, we did acknowledge the financial implications this has for the County Council now that the Government has announced that funding to support NYLAF will be incorporated into mainstream grant funding.

Members Involvement in Inspection Matters

12. The importance of the elected Member role in promoting stronger communities was uppermost in our minds when we looked at how, as community leaders, Members could be better informed about the arrangements for regulation and inspection of care establishments. Nevertheless, we recognised the sensitivities about entering what is effectively someone else's home. We also took into account the difficulties in managing these arrangements so that Members are in a position to contribute positively.

13. The Directorate is looking to redesign its quality assurance process and framework, with links to the requirements of the Care Act and provision of information to the public. This provided us with an opportunity to engage Members in the inspection role HAS carries out as a commissioner of adult social care. Members will then have the opportunity to feed in comments from constituents about issues they are experiencing personally, or in relation to family members. In addition, the HAS team will share information about the care home and domiciliary care market with Members.

14. We can see this approach working in principle, but further fine tuning on detail is needed before any proposals are finalised and brought to a Committee meeting.

COUNTY COUNCILLOR PATRICK MULLIGAN
Chairman, Care and Independence Overview and Scrutiny Committee

County Hall,
NORTHALLERTON

October 2014

North Yorkshire County Council**12 November 2014****Corporate and Partnerships Overview and Scrutiny Committee****Chairman's Statement**

- 1 My statement for this full council includes details of the library workshop held on 1 September and the Committee meeting held on 13 October 2014.

Library Workshop – 1 September

- 2 The purpose of the workshop was to look at the criteria for the categorisation of libraries. We wanted to reassure ourselves that any decisions taken around libraries in the future were based on sound evidence. Criteria used as a guide for establishing how future library services might be provided include: population, business levels, geography & rurality, socio – demographic & equalities. We suggested that in addition to these, areas to be put forward for closer consideration by officers should be 'accessibility' (transport, use of Section 106 agreement monies/and broadband availability) and future residential developments. We felt that any future review of libraries should not just be about closing or transferring libraries but also establishing if they are in the right place. Could they for example be re-located and incorporated into other buildings?

Committee – 13 OctoberProperty rationalisation

- 3 In a similar vein the Committee received a report on the 2020 Property Workstream. Part of its focus is to slim down the County Council's operational property portfolio and review the way that property is managed across directorates. (This excludes schools, pupil referral units and our non-operational property portfolio such as farms.) The intention is that there will be more shared accommodation across directorates. Property reviews will be taken on an area by area basis, working with directorates to establish what their future requirements will be.
- 4 I am keen to ensure that when the County Council disposes of property it gets optimal value especially when selling on the open market. No doubt many local authorities will be seeking to redevelop land and assets over the next few years and there is a risk that assets could be undersold because of pressure to do deals quickly.
- 5 We also noted that there could be more opportunities to share property with other public sector partners, and there are several examples of best practice already in the county but also examples of where property appears to be under-utilised.

- 6 We will be holding a workshop in December to explore property planning further.

Workforce update

- 7 The Committee received an update on the County Council's changing workforce and details of the Workforce Plan which takes the workforce up to 2020.
- 8 Staffing reductions have to date focused mainly on managerial and back office post. However, inevitably there will be a bigger impact on frontline posts from now on due to the budget savings that we need to make.
- 9 A key aspect of the 2020 Workforce Plan is to ensure that staff are supported, maintaining their personal resilience during the on-going period of uncertainty and change. This includes having the right skills for the right job. A number of Members on the Committee will be attending the Members Workforce Development Group in December to discuss in further detail what measures are being taken to support staff resilience. It will give us an opportunity to consider this work in detail and determine whether it is sufficient and adequate and to contribute our views and additional ideas.

**County Councillor Derek Bastiman
Chairman**

Corporate and Partnerships Overview and Scrutiny Committee
County Hall
Northallerton

21 October 2014

North Yorkshire County Council**12 November 2014****Transport, Economy and Environment
Overview and Scrutiny Committee****Chairman's Statement**

- 1 My statement for this full council includes details of the Committee meeting held on 15 October 2014.

Committee – 15 OctoberLocal Flood Risk Strategy

- 2 The Committee received the various consultation documents relating to the Local Flood Risk Strategy, which has now been launched for a six weeks public consultation.
- 3 The Committee was pleased to note that the strategy is intended to be more than a tick box exercise undertaken to meet a statutory duty! The approach taken in North Yorkshire means that it provides a basis for the County Council, the Environment Agency and other key partners to develop flood alleviation plans in a consistent, coordinated and complimentary fashion. By working in partnership in this way it will be more likely that we will be able to exploit funding opportunities for flood alleviation measures. The challenge though will be to secure local sources of funding – including from businesses - alongside government funding for local capital projects. The government is clear that funding from Whitehall should not be the only source.

Outcome of the 'Initial Phase' of the Temporary Vehicle Activated Signs (VAS) Protocol

- 4 The Committee was instrumental in the County Council introducing a Temporary VAS Protocol. The 12 month pilot phase has now come to an end.
- 5 We heard that of the 31 communities that took part most of the feedback was very positive and demand for the signs in the future is high with a further 25 communities expressing an interest to use the Temporary VAS.
- 6 The County Council absorbed the capital costs of purchasing the initial batch of signs in the pilot phase. It also provided a lot of officer time in setting up and supporting the schemes – far more than anticipated. The proposal now is that communities located in areas with a history of low speeds and low casualties should fund all the costs associated with the project.
- 7 We expressed our support in principle for the continuation of the Temporary VAS protocol as it provides useful reassurance to communities concerned about speeding in their local area. It also has led to a tangible speed reduction in before and after speeds. However because the County Council will no longer be subsidising the purchasing/leasing costs of the Temporary VAS for some areas,

we suggested that a questionnaire be sent out to parish councils to find out their level of interest.

Grass-cutting reductions

- 8 The Committee was provided with an update on the planned consultation with parishes for County Council reductions in grass-cutting in their area. A report detailing the outcome of the consultation will be provided at the Committee's meeting in January. Members urged the need for maps showing the grass cutting areas to be sent out to all parishes as soon as possible and we were assured that they would be provided with this information by the end of October.

Local Bus Services Review

- 9 The Committee agreed the final report including the recommendations to be presented to the Executive.
- 10 The review came about because of the planned future reductions in the bus subsidy and the recommendations are intended to influence the forthcoming review of the contracted bus network. However our review went wider than just looking at bus services funded by the County Council. We looked at the access needs of communities in our county in general and how these might best be met using a range of transport options. Consequently the findings and recommendations have wider merit in terms of working with commercial bus operators, community transport providers and local communities.
- 11 The report was presented to the Executive on 28 October 2014 and the recommendations were supported.

County Councillor David Jeffels Chairman

Transport, Economy and Environment Overview and Scrutiny Committee
County Hall
Northallerton

29 October 2014

NORTH YORKSHIRE COUNTY COUNCIL

12 November 2014

SCRUTINY OF HEALTH COMMITTEE – STATEMENT BY THE CHAIRMAN

The main areas of involvement of the Scrutiny of Health Committee and developments in the NHS impacting on our work since my last report are summarised below.

Safe and Sustainable Review of Children’s Congenital Heart Disease – Suspension of Service at Leeds General Infirmary (LGI) in 2013

Members will recall that the LGI agreed to suspend their paediatric heart surgery on 28 March 2013. The decision was taken after Sir Bruce Keogh, then NHS medical director at the Department of Health and the Care Quality Commission (CQC) had been informed of concerns about mortality data for the unit, parental concerns and issues raised by other NHS professionals. A rapid review of the LGI children’s cardiac unit was carried out between 5 and 7 April 2013. It found “no immediate significant safety concerns in terms of clinical governance, staffing or in the management of the patient pathway for surgical care in the Unit or for referral to other Units”. As a result, the suspension of surgery was lifted on 8 April 2013 and surgery resumed on 10 April 2013.

The situation created many uncertainties and in November 2013 NHS England commissioned three further reviews into paediatric cardiac surgery at LGI:

- a detailed mortality case review by an externally-led team of specialist clinicians;
- a detailed interview into parental concerns;
- an investigation of the concerns of other professionals raised around 14 specific cases.

The overarching report bringing together the findings across all three of these reviews, published on 28 October 2014 concluded that:

- clinical management of the cases examined showed medical and surgical care to be in line with standard practice;
- families who wished their experiences, views and concerns to be heard had been listened to;
- with regards to the concerns of other professionals, the review concluded that there had been some weakness around risk assessment and delays in seeking second opinions/referrals and in certain aspects of communication. Reassuringly, medical records showed no evidence that the LGI was unwilling to make referrals to centres outside Yorkshire, nor that it was unwilling to refer to the Freeman Hospital, Newcastle in accordance with its referral policy or when requested to do so by families. The balance of the evidence did not support some of the situations described by families and by clinicians in Newcastle.

The review also commented that the Safe and Sustainable process put centres in competition with each other and had damaged the trust that some parents had in the neutrality of the advice they were being given from those treating their children.

I agree whole heartedly with this comment. The Safe and Sustainable Review set hospitals against each other and undermined the confidence and trust that parents could place in the advice they were being given.

National Review of Congenital Heart Disease (Adults & Children)

The Safe and Sustainable Review of children's congenital cardiac services in England was brought to a halt in June 2013.

A new review, led by NHS England, is now underway to consider the whole lifetime pathway of care for people with congenital heart disease (CHD). As part of that work a consultation from 15 September to 8 December 2014 on 13 Standards and a Service Specification is taking place. The standards will underpin a specification under which there will be three levels of CHD services for children and adults:

- specialist surgical centres (level 1);
- specialist cardiology centres (level 2); and
- local cardiology centres (level 3).

The Yorkshire & Humber Joint Scrutiny Committee met on 17 October 2014.

I think there is broad support for the proposed standards and the service specification. Inevitably "the devil will be in the detail" in terms of how these 3 levels are achieved locally, including how different hospital trusts will work together in networks to ensure an equitable access across the whole country. This particular issue is outside the scope of the consultation and we are being told it will be a matter for NHS England Local Area Teams to take forward. As yet how and in what circumstances the local area teams might consult on this aspect is unclear. They must not repeat the mistakes of the Safe and Sustainable Review and put centres in competition with each other.

Further meetings of the Joint Scrutiny Committee are planned during November with a view to submitting a response to the consultation.

Mental Health Services

There is a good deal of work taking place nationally to improve mental health services. Our meeting on 5 September 2014 was an opportunity for the Committee to further its understanding of mental health and to hear how the service is developing locally.

Our discussions focussed around the need for greater integration of health and social care and for mental health to be given parity with physical health. We also heard that in-patient mental health care is only the tip of the iceberg – most of the care takes place in the community and in people's own homes. There should be no stigmatisation of people who suffer with mental health problems; particularly as on average 1 in 4 of the population will suffer with the condition at some time.

The meeting also gave us an opportunity to be brought up to speed on developments taking place in the Leeds & York Partnership NHS Foundation Trust at Bootham Park Hospital and the Lime Trees Unit in York.

A recent Care Quality Commission (CQC) report highlighted concerns about the physical state of both facilities.

Under an interim plan we heard that measures include changing wards at Bootham Park Hospital to make them more suitable for providing in-patient care; and moving Ward 6 (older people's ward) and the Electro-Convulsive Therapy (ECT) suite to Cherry Tree House in York.

In-patient specialist mental health services (Tier 4) for children and young people, commissioned by NHS England, will move from Lime Trees to Mill Lodge in York. This will provide a better environment with more space, and will improve care for more children and young people in in-patient facilities close to their homes and families

We also heard that across the Tees, Esk & Wear Valleys NHS Foundation Trust a number of service developments and improvements to its estate that have been made or are in the pipeline. Cross Lane Hospital in Scarborough and the Springwood Unit in Malton are first class facilities.

The Minister of State for Care and Support has recently stated publically that child mental health services are "not fit for purpose and are stuck in the dark ages". A government task force has been launched in a bid to make improvements. It is anticipated that the task force will report early in 2015. The task force's report will inform work which the Committee is planning to undertake in the New Year with a view to assessing how services locally measure up to its recommendations and models of best practice.

Harrogate and District Community Healthcare Services Review

At our meeting in September we were also updated on progress towards developing improved community healthcare services in the Harrogate locality and how these services would in future be more aligned with the Better Care Fund and the Joint Health & Wellbeing Strategy. An informal consultation is being planned.

The Work of Monitor in Two NHS Foundation Trusts Serving North Yorkshire

Monitor, the external regulator of NHS foundation trusts, is investigating both the South Tees Hospitals NHS Foundation Trust and the York Teaching Hospitals NHS FT.

In the case of the STHFT, Monitor's concerns relate to the Trust's financial position and the rate of clostridium difficile infections. At the meeting on 7 November we will be exploring how the Trust intends to transform healthcare services and achieve a long term sustainable long term financial position.

In the case of YTHFT, Monitor's concerns relate to waiting times for patients showing early signs of cancer and waiting times in A&E. On 7 November we will be seeking assurances from the Chief Executive of the Trust that it does have a plan for addressing these concerns.

The Committee needs to maintain a close eye on the situation in both Trusts.

I will report verbally to County Council on the outcome of our discussion on 7 November 2014.

Right Care First Time – Urgent Care Services in Scarborough and Ryedale

Between January and March of this year the Scarborough and Ryedale CCG consulted formally on proposals for improving urgent care services in Scarborough and Ryedale.

'Urgent care' is for a sudden illness or injury that needs treating fast, but is not considered to be a 999 emergency. No appointment is needed to access an urgent care service. Urgent care services should not be used to treat minor symptoms that could be treated by GPs, pharmacists or using over the counter medicines.

The current urgent care services included are:

- GP out-of-hours service
- Walk-in service at Castle Health Centre, Scarborough
- Malton Minor Injuries Unit (MIU)

The consultation helped to inform a specification for the service and the contract was put out to tender during the summer months.

An announcement on the successful tenderer and how the service will be configured is expected shortly.

We have consistently expressed concern over the fact that the CCG did not stipulate where exactly the centres should be located, other than to say they should be in Scarborough and in Ryedale. Our main concern is over the long term future of the MIU at Malton Hospital if the Ryedale centre is not located at that Hospital.

Catterick GP Out of Hours service to temporarily move to Northallerton

On 23 October the Hambleton, Richmondshire and Whitby CCG announced that the GP Out of Hours Service (OoHS) in Catterick, based in part of the Duchess of Kent Barracks at Catterick Garrison, would temporarily move as of 18:00 on Friday 24 October 2014 to the Friarage Hospital in Northallerton.

The move followed a fire risk assessment carried out by the Ministry of Defence which stated that the majority of the emergency lighting in the building was substandard and therefore the building was unsafe to use.

The CCG and the Harrogate and District NHS Foundation Trust, the provider of the OoHS, were given only 4 days' notice.

At a meeting of Richmondshire District Council's Scrutiny of Health Committee on Tuesday, 28 October 2014 local Councillors and members of the public expressed serious concerns over the proposals and sought an assurance that the service would return to Richmondshire as a matter of urgency. The CCG and the HDFT responded that moving the service to the Friarage was part of a contingency plan to ensure the service continued and it was only a short term solution. They also advised the Committee that they were liaising with the Harewood GP Practice in Richmond with a view to the OoHS being relocated at that practice from 11 November 2014. In the long term they commented that the intention was to relocate the service to the Friary Hospital in Richmond.

I am pleased to be able to report that on Thursday, 30 October 2014 the CCG confirmed that the service would relocate to the Harewood Medical Practice in Catterick Garrison from 11 November 2014.

I acknowledge the NHS was given only very short notice, but I do feel they could have done more to notify and reassure local Councillors and the public before the change went ahead. I also feel the CCG and the HDFT should review their contingency plans to ensure that in the

event of similar problems occurring in other services communication will be handled effectively and any interim solutions would not seriously undermine access to those services.

The NHS Five Year Forward View

The NHS Five Year Forward View which was published on 23 October 2014 sets out a vision for the future of the NHS and describes proposals for change over the next five years within the overarching headings of:

- a new relationship with patients and communities;
- new models of care.

Patient groups, clinicians and independent experts provided their advice to create a collective view of how the health service needs to change over the next five years if the NHS is to close the widening gaps in the health of the population, quality of care and the funding of services.

These issues regularly feature strongly in the work of the Scrutiny of Health Committee.

County Councillor Jim Clark

Chairman: North Yorkshire County Council Scrutiny of Health Committee

25 October 2014