

COUNTY COUNCIL QUARTERLY MEETING

18 February 2015

REVENUE BUDGET FOR 2015/16 AND MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20

**APPENDICES BOOKLET ONE
APPENDIX 2 TO THE EXECUTIVE REPORT**

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NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE

3 February 2015

REVENUE BUDGET FOR 2015/16 AND MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20

Joint Report of the Chief Executive and the Corporate Director – Strategic Resources

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| EXECUTIVE SUMMARY |
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Context

1. This report makes recommendations to the County Council regarding
 - The Revenue Budget 2015/16 and
 - Council Tax for 2015/16 and
 - MTFS for 2016/17 to 2019/20

Key Points

2. By the end of 2014/15 the County Council will have delivered £91.1m of savings. It is estimated, however, that a further **£75.4m** will be required from 2015/16 to 2019/20. The aggregate savings requirement of **£166.5m** broadly equates to a 34% reduction in the Councils spending power since 2011 (**paragraph 2.6**). It is therefore essential that the County Council has a sound medium to longer term strategy to address this financial challenge.
3. **£1.0m** of balances are projected to be used in 2015/16 in order to meet the residual shortfall after savings proposals and investments (**paragraph 2.8**).
4. Recurring improvements in the financial position in 2014/15 have been fed into the Revenue Budget for 2015/16. In addition, a further year of austerity has been factored in for 2019/20 (**paragraph 2.8**).
5. Whilst savings proposals of £58m have been identified from 2015/16 to the end of the MTFS, there remains a projected residual shortfall of **£14.2m** by 2019/20 which will, subject to further refinement, need to be addressed in future years (**Section 6.0**).

6. The key features of the “2020 North Yorkshire Programme” as set out in the February 2014 Budget report remain appropriate. There are some refinements outlined on some savings proposals that had previously been approved (reducing the savings proposal by £3.3m) but, given external uncertainties and the further development of the 2020 North Yorkshire Programme, there is no recommendation to consider any new (ie areas that were not part of the February 2014 Budget report) savings proposals at this stage (**paragraph 6.10**).
7. One-off funding of £4m in 2015/16 is recommended for further investment in superfast broadband. It is hoped that this will help in attracting further funding from government to enhance the roll-out to more rural areas (**paragraphs 7.3 to 7.5**).
8. One-off funding of £2m in 2015/16 is recommended for property related investments (**paragraph 7.6 to 7.7**).
9. It is proposed that a sum of up to £10m is earmarked within the General Working Balances in 2015/16 to reduce capital financing costs within the on-going Revenue Budget (**paragraphs 7.8 to 7.13**).
10. It is recommended that a council tax increase of 1.99% is agreed in line with the existing MTFS, resulting in a Band D council tax level of £1,099.98 for the County Council (**Section 8.0 and Appendix G**). The MTFS also assumes a 1.99% increase in council tax for each year thereafter up to and including 2019/20 (**paragraphs 8.1 to 8.3**).
11. The Revenue Budget and MTFS continue to reflect additional funding for delivery of the waste strategy and the subsequent position of the Pending Issues Provision (PIP) (**paragraphs 12.1 to 12.8**).
12. The North Yorkshire Business Rates Pool is currently running at a surplus. It is proposed that the surplus at the end of each year is delegated to BES in the following year in order to pump prime development work (**paragraphs 13.10 to 13.11**).
13. The draft pay policy statement 2015/16 is set out for consideration and recommendation to County Council (**paragraphs 13.16 to 13.20 and Appendix I**).
14. An assessment of the key financial risks to the County Council has been carried out in **Section 14.0**. It should be noted that the position in many of these areas of risk will not become clearer until after the May 2015 General

Election or, more likely, following publication of the new government's Spending Review expected later in the year.

15. Given the level of risks facing the County Council, it is proposed that the existing policy of maintaining a minimum level equivalent to 2% of the annual net revenue budget supplemented by a cash sum of £20m is maintained (combined total of £27.3m in 2015/16) to provide for potential delays in the delivery of savings. This supplementary sum is to be reviewed in line with progress of the delivery of the savings programme (**paragraph 15.22**).
16. The Corporate Director, Strategic Resources is obliged to offer a view of the robustness of estimates used in the Revenue Budget 2015/16 and the associated level of balances/reserves. The Corporate Director, Strategic Resources is satisfied that the report meets such a requirement but notes that decisions need to be taken in the context of an on-going decline in funding and a need to ensure that decision making is optimised (**paragraph 15.28**).
17. A number of recommendations are made in order to progress some areas of the 2020 North Yorkshire Programme to a greater level of detail, which will be referred back to the Executive, and to County Council where changes are recommended to the existing major policy framework (**Recommendations 18.1 k) to m)**).

RICHARD FLINTON
Chief Executive
County Hall

GARY FIELDING
Corporate Director, Strategic Resources
County Hall

5 February 2015

NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE

3 February 2015

REVENUE BUDGET FOR 2015/16 & MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20

Joint Report of the Chief Executive and Corporate Director – Strategic Resources

1.0 PURPOSE OF REPORT

- 1.1 For the Executive to make recommendations to the County Council regarding:-
- a) the Revenue Budget 2015/16,
 - b) the Council Tax for 2015/16 and
 - c) the Medium Term Financial Strategy (MTFS) for 2016/17 to 2019/20

2.0 CONTEXT

- 2.1 The MTFS over the last 4 years was developed to coincide with the period of austerity and reductions in public spending. By the end of 2014/15 the County Council will have delivered a savings programme of some £91.1m in a four year period. This effectively covers the first period of austerity and takes the public finances up to the May 2015 General Election.
- 2.2 In February 2014, the County Council set out an MTFS which incorporated 2015/16 as the government provided initial estimates of funding for that year. In addition, a longer term financial projection was made which covered the period up to and including 2018/19 on the basis that the Chancellor of the Exchequer had indicated that austerity was likely to continue into 2018/19.
- 2.3 A savings programme was outlined which sought to address the projected shortfall from 2015/16 to 2018/19 – the 2020 North Yorkshire Programme. This Programme sought to contribute towards the projected savings requirement of £73.4m that was identified to 2018/19 but also addressed the need to ensure that the County Council was fit for purpose and well placed for the end of the decade. Proposals were approved that identified £62m of those savings leaving a residual shortfall of £11.4m (based upon the estimates at that point in time).
- 2.4 Work has progressed well on the 2020 North Yorkshire Programme and some savings have been delivered in advance. However, the Chancellor of the Exchequer's Autumn Statement of 5 December 2014 set out longer term economic projections which posed further significant challenges to the public sector. The Office of Budget Responsibility (OBR) provided further in-depth analysis of the government's plans and policies (including the prioritisation of some elements of public spending such as health, schools and overseas development) and their work has been used to refine future projections on

funding for the County Council elsewhere in this report. This includes expanding the period of austerity to include a further year in 2019/20.

- 2.5 It is anticipated that the government will announce a new Spending Review shortly after the General Election in May 2015 and that details of the impact upon the public sector, and Councils in particular, will become clearer in the autumn of 2015. We would expect precise funding settlement figures, however, in December 2015 in the usual fashion.
- 2.6 A summary of the savings programme since 2011 and the updated assessment of savings requirement for 2015/16 to 2019/20 are identified in the Table below:-

| Item | 2011/12 to 2014/15 £m | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m | On- going £m |
|--|--------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Savings pre-Feb 2014 | 91.1 | 2.3 | 0.1 | - | - | - | 93.5 |
| February 2014 update | - | 25.2 | 17.9 | 16.3 | 14.0 | - | 73.4 |
| Additional Year | - | - | - | - | - | 12.9 | 12.9 |
| Improvements | - | (9.9) | (2.7) | 0.7 | (1.4) | - | (13.3) |
| Total Savings Required 2011/12 to 2019/20 | 91.1 | 17.6 | 15.3 | 17.0 | 12.6 | 12.9 | 166.5 |

- 2.7 The Table above illustrates that, following the long term projections and plans set out in this and previous Budget Reports that a programme of **£166.5m** of savings is estimated for the period 2011/12 to 2019/20. This aggregate savings requirement broadly equates to a 34% reduction in the Council's spending power since 2011 (circa £500m of gross expenditure excluding DSG in 2010/11). This analysis is markedly different from the calculation of spending power as used by government when announcing the Local Government Funding Settlement (**paragraphs 4.3 to 4.10**).
- 2.8 The Table above in **paragraph 2.6** identifies the quantum of savings required but it does not identify how much of that requirement has been planned for. In February 2014 the County Council launched the 2020 North Yorkshire Programme (2020NY) which sought to identify how further savings could be realised. Further work has now been undertaken on 2020NY resulting in more detailed plans and there have also been some significant changes to the overall finances of the County Council since. An updated assessment of the outstanding savings requirement is therefore provided in the Table below:-

| Item | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | On-going £000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Funding Shortfall as at Feb 2014 | 2,062 | 23,118 | 17,935 | 16,260 | 14,050 | - | 73,425 |
| 2020NY Saving | (740) | (22,535) | (15,308) | (10,528) | (8,887) | (4,027) | (62,025) |
| 2014/15 Shortfall rolled forward | (1,322) | 1,322 | - | - | - | - | - |
| Residual Shortfall as at Feb 2014 | - | 1,905 | 2,627 | 5,732 | 5,163 | (4,027) | 11,400 |
| Additional Year (paragraph 6.2) | - | - | - | - | - | 12,893 | 12,893 |
| Savings Reduction (paragraph 6.6) | - | 885 | 1,845 | (123) | (171) | 824 | 3,260 |
| Improvements (paragraph 6.8) | - | (9,961) | (2,659) | 704 | (1,406) | - | (13,322) |
| Projected Shortfall Still to Address | - | (7,171) | 1,813 | 6,313 | 3,586 | 9,690 | 14,231 |

This has the following impact upon The General Working Balances (GWB):-

| Item | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | Total |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Cumulative shortfall to address | - | (7,171) | (5,358) | 955 | 4,541 | 14,231 | 7,198 |
| 2014/15 Investments funded from GWB | | | | | | | |
| Q1 | | 7,677 | 2,180 | 2,000 | 2,000 | 2,000 | 15,857 |
| Q2 | | 500 | | | | | 500 |
| GWB requirement to fund net shortfall | - | 1,006 | (3,178) | 2,955 | 6,541 | 16,231 | 23,555 |

2.9 The Table in **paragraph 2.8** illustrates that the overall projected recurring shortfall has increased from £11.4m to **£14.2m** but this is mainly as a result of increasing the time horizon of the financial plan to include 2019/20 and other developments. These areas are explored at greater length in later paragraphs of this report.

2.10 **The overall conclusion from the above analysis is that the approach set out in 2020NY remains an appropriate response to ensure that the County Council is well placed in the medium term.**

Performance

2.11 The County Council has historically been a high performing Council and, whilst many of the external measures of performance have been removed, it is still the case that the County Council performs well when compared to other similar Councils. This can be evidenced through the information contained in the

Executive report on the Council Plan 2015-20 and is supported by the more specific information contained within the Quarterly Performance Monitoring Reports which is considered by the Executive.

- 2.12 It should also be noted that the County Council has managed its finances effectively to ensure consistent delivery against its savings programme. The Council has consistently delivered ahead of target which has helped to ensure that the Council has avoided some of the financial difficulties faced by other councils. This provides further confidence that the County Council is as well placed as any other to deliver a coherent yet challenging change agenda over the remainder of the decade.

3.0 BACKGROUND TO REVENUE BUDGET AND MTFS

- 3.1 In addition to providing a spending plan for the financial year, the preparation of an annual **Revenue Budget** is a legal requirement in order to calculate the Council Tax requirement and set a Council Tax precept.

- 3.2 A **Medium Term Financial Strategy** is not a legal requirement, but given the scale of financial challenges and risks / uncertainties it is important that shorter term decisions are seen in the context of a longer term position. It also ensures that:-

- resources are aligned to achieve corporate objectives over the medium / longer term and
- the Revenue Budget, Capital Plan, Treasury Management Strategy and required Prudential Indicators are appropriately aligned

- 3.3 The objectives of the MTFS, as previously established by the County Council are as follows:

- to support the achievement of the vision and corporate objectives expressed in the Council Plan
- to meet and respond to the perceived needs and priorities of local people
- to maintain and improve service quality and the Council's improvement planning priorities so as to secure high performance which is sustainable over the medium term
- to manage and minimise the risks to local services and customers
- to achieve effective use of all land and property assets

4.0 2015/16 LOCAL GOVERNMENT FINANCE SETTLEMENT

Provisional Settlement announcement on 18 December 2014

- 4.1 The 2015/16 Provisional Local Government Finance Settlement was announced by DCLG on 18 December 2014 and a briefing note provided to Executive Members is attached as **Appendix A**. An email highlighting the key points of the announcement was also sent to all Members on 18 December by the Corporate Director – Strategic Resources.

- 4.2 The key headlines of the announcement for NYCC were as follows:

- Total Grant Funding cut (Settlement Funding Assessment + other grants) of £21.1m or 13.8% over the comparable figures for 2014/15

- Only 2015/16 figures provided as expected. 2016/17 figures (and hopefully subsequent years) are only expected after the General Election and the later 2015 Spending Review
- There were few surprises as indicative figures were provided last year
- The impact on NYCC's 2015/16 Budget / MTFs is an overall improvement of about £0.6m compared with latest MTFs assumptions with the main item being increased rural funding of £0.4m
- The Government's Spending Power figure for NYCC however, which has been widely reported, is an increase between 2014/15 and 2015/16 of **£5.0m** or **1.2%** (national figure is a reduction of 1.8%) because it also includes Council Tax, Public Health and Better Care Funding but doesn't include some other grants which have been cut. This figure is highly misleading and is covered in more detail in **paragraphs 4.3 to 4.10** below.
- The Council Tax referendum threshold confirmed at 2%, the same as for 2014/15
- Confirmation of Council Tax freeze grant offer of 1%, the same as in 2014/15
- Some other grant allocations have been notified but others are still awaited from relevant Government Departments
- Figures are provisional with a consultation deadline of 15 January 2015 and subsequent final announcement in late January / early February 2015.

Spending Power

- 4.3 As indicated above and in **Section 4 of Appendix A** the Government continues to heavily publicise their own Spending Power calculation as part of their announcement on the Local Government Finance Settlement. This assessment is highly misleading.
- 4.4 Spending Power takes into account a Council's total funding sources rather than just Government grants that have been reduced and it therefore masks reductions in Government funding. The base used includes Government funding sources but also locally collected council tax and other funding sources which has the impact of depressing the cuts in Government funding.
- 4.5 The Government's Spending Power calculations for the County Council is a year on year increase from 2014/15 to 2015/16 of **£5.0m** or **1.2%** (compared with an overall national reduction of 1.8% and 0.8% increase for Shire Counties).
- 4.6 The inclusion of the BCF assumes that NYCC will receive 100% of the Fund despite the money coming from the Department of Health and the Fund being dependent upon the success of achieving targets on emergency admissions to hospitals. Even in the most optimistic assessment, NYCC will only ever receive a portion of this cash.

4.7 In addition to including locally collected Council Tax within the calculation it also chooses to exclude reductions in other grants from other Government Departments such as the Education Services Grant.

4.8 The table below shows the basis of the DCLG calculation then shows a fairer assessment of the situation if the Better Care Fund and the Public Health Grant are removed.

| Item | 2014/15 £m | 2015/16 £m | Increase / (Reduction) £m | % |
|---|---------------|---------------|---------------------------------|---------------|
| Locally collected Council Tax | 233.2 | 234.6 | 1.4 | |
| 2015/16 Council Tax Freeze Grant | 0 | 2.6 | 2.6 | |
| Settlement Funding Assessment | 139.3 | 120.7 | (18.6) | (13.4%) |
| Better Care Fund (BCF) | 17.2 | 36.4 | 19.2 | |
| Public Health Grant | 19.7 | 19.7 | 0 | |
| Adult Social Care New Burdens | 3.6 | 3.6 | 0 | |
| New Homes Bonus | 1.8 | 2.2 | 0.4 | |
| Other Funding Streams | 1.6 | 1.6 | 0 | |
| DCLG calculation of "Spending Power" | 416.4 | 421.4 | 5.0 | +1.2% |
| BCF & Public Health Grant (as shaded above) | (36.9) | (56.1) | (19.2) | |
| Spending Power excluding BCF / Public Health | 379.5 | 365.3 | (14.2) | (3.7%) |
| Other grants reduced | | | | |
| Education Services Grant | 9.5 | 7.5 | (2.0) | |
| Local Welfare Provision | 0.9 | - | (0.9) | |
| Fairer calculation of Spending Power | 389.9 | 372.8 | (17.1) | (4.4%) |

4.9 The above table shows that mainstream government funding to NYCC will reduce by **£18.6m (13.4%)** in 2015/16 (excluding some grant reductions which DCLG have chosen not to include in their calculation) and the Government's **1.2%** Spending Power increase for NYCC becomes a reduction of **4.4%** after removing BCF / Public Health Funding and then including other grant reductions.

4.10 It should also be noted that the above table does not take into NYCC's overall inflationary costs and other growth pressures such as increasing numbers of older people coming into social care. These pressures mean that further savings are required on top of the cash reduction in government funding.

Final Settlement Announcement (3 February 2015 + £545k)

4.11 At the time of writing it is still unclear when the Final Local Government Finance Settlement for 2015/16 will be announced. Last year's final settlement was on 5 February 2014 which was the day after the Executive's budget meeting. The announcement is expected very late in January or early in February.

- 4.12 It is envisaged that there will be little difference between the final and provisional settlements and it is therefore recommended that any difference in overall funding is merely reflected in a transfer to / from the General Working Balance (GWB) so long as the value is no greater than £1m (now not relevant)
- 4.13 Should the Recommendations in this report be compromised by any aspect of the Final Local Government Finance Settlement, then alternative recommendations would need to be formulated. Every attempt will be made to ensure that Members are advised of the implications of the Final Settlement and any proposed amendments on the part of the Executive (now not relevant).

5.0 REVENUE BUDGET POSITION IN 2015/16

- 5.1 The 2015/16 proposed revenue budget is set out below with further detail (including initial forecast MTFS assumptions through to 2019/20 in **Appendix B**)

The table below pulls together various strands including:

- (i) Increased spending in 2015/16
- (ii) Savings and cost reductions
- (iii) Adjustments to funding
- (iv) Core Funding available
- (v) The resulting bottom line net surplus / shortfall and how that will be dealt with

| Item | 2015/16 | |
|--|----------|----------------|
| | £000s | £000s |
| Start with the Net Budget requirement from 2014/15 | | 372,999 |
| Add Increased Spend in 2015/16 | | |
| Pay awards and inflation | 7,015 | |
| HAS Adult Care | 3,000 | |
| Treasury Management | (829) | |
| Highways Maintenance investment in 2014/15 | (5,000) | |
| Superfast North Yorkshire Broadband investment | 4,000 | |
| Corporate Property | 2,000 | |
| Customer Services Centre | 200 | |
| Yorwaste Dividend Shortfall | 410 | |
| Q1 2014/15 Investments (including Highways at £7m) | 7,677 | |
| Q2 2014/15 investments | 500 | |
| Pension Fund Deficit contributions | (1,665) | |
| Other (net) | (66) | 17,242 |
| Savings and Cost Reductions in 2015/16 over and above 2014/15 | | |
| Savings already approved in MTFS from prior years | (1,780) | |
| 2020 North Yorkshire Programme savings in February 2014 | (22,535) | |
| Subsequent reductions to the above | 885 | (23,430) |
| Adjustments to funding in 2015/16 | | |
| Education Services Grant reduction | 2,100 | |
| HAS Better Care Fund | (5,000) | |
| Local Welfare Reform Grant | 947 | |
| Other (net) | (341) | (2,294) |
| Total Forecast Spend in 2015/16 | | 364,517 |
| Core Funding Available | | |
| Revenue Support Grant | | 59,218 |
| Council Tax at 1.99% increase | | 241,795 |
| Business rates from District Councils | | 18,871 |
| Business rates top up from DCLG | | 42,588 |
| District Council Council Tax Collection fund surpluses | | 2,726 |
| District Council Business Rates Collection Fund Deficits | | (1,687) |
| Total Core Funding Available (=Budget Requirement) | | 363,511 |
| Funding shortfall proposed to be to be met from the GWB | | 1,006 |
| This is made up of | | |
| In year surplus (paragraph 2.8) | | (7,171) |
| Q1 2014/15 Investments | | 7,677 |
| Q2 2014/15 Investments | | 500 |
| Additional recurring savings (none proposed at this stage) | | 0 |
| Total net funding shortfall in 2015/16 | | 1,006 |

5.2 The 2015/16 Revenue Budget is therefore effectively balanced with a contribution of **£1,006k** from the General Working Balance.

- 5.3 An analysis of the 2015/16 revenue budget at Directorate level is attached at **Appendix E** together with further analysis for Corporate Miscellaneous at **Appendix F**.
- 5.4 The proposed 2015/16 Revenue Budget in **paragraph 5.1** above results in the following Council Tax requirements and Band D Council Tax Charge with more detail including the other Council Tax Bands A to H provided in **Appendix G**.

| Item | 2015/16 | |
|---|----------|------------------|
| | £000 | £000 |
| Council Tax Requirement | | |
| Net expenditure budget as above | | 364,517 |
| Contribution from the GWB (net shortfall) as above | | (1,006) |
| Net budget requirement (table in para 5.1) | | 363,511 |
| Funding from the localisation of Business Rates (BR) system | | |
| Share (9%) of BR income from District Councils | (18,871) | |
| Share of District Council BRI Collection Fund deficits | 1,687 | |
| BR 'Top up' from the Government | (42,588) | (59,772) |
| Revenue support grant from the Government | | (59,218) |
| Share of District Council's Council Tax Collection Fund surpluses | | (2,726) |
| Council Tax Requirement | | 241,795 |
| District Council Tax Base (equivalent number of band D properties) | | 219,816.84 |
| Basic Amount of Council Tax per Band D property | | £1,099.98 |
| Increase over 2014/15 (£1,078.52) | | |
| £ increase | | £21.46 |
| % increase | | 1.99% |

- 5.5 The increase of £21.46 equates to £1.78 per month or 41p per week for each Band D.

6.0 SAVINGS REQUIREMENT

- 6.1 The Table in **paragraph 2.8** identifies the residual savings requirement in each financial year from 2015/16 to 2019/20. In summary, the position on a recurring position is:-

| Item | Paragraph | Residual Savings Shortfall £000 |
|--|------------|---------------------------------------|
| As reported in February 2014 Budget / MTFS | 2.8 | 11,400 |
| Extending MTFS to 2019/20 | 6.2 | 12,893 |
| Savings Reductions | 6.6 | 3,260 |
| Improvements | 6.8 | (13,322) |
| Total Residual Savings Requirement | | 14,231 |

Each area above is further explained as follows:-

Extending MTFS to 2019/20

- 6.2 The Office of Budget Responsibility (OBR) produce a report alongside the Chancellor of the Exchequer's Autumn Statement. This report includes a detailed assessment of the economy and the subsequent impact upon the finances of the public sector. In the latest OBR report it stretches the period of public sector austerity into 2019/20 and this matches with broad consensus from economic commentators.
- 6.3 In February 2014 an assumption was made on core funding reduction in the latter three years (2016/17 to 2018/19) of £11.2m per annum based on the 10% reduction in real terms (8.2% in cash terms) indicated in the June 2013 Spending Review announcement for 2015/16. As well as indicating a further year of austerity, the OBR analysis also tends to suggest that the funding reductions in 2016/17 and beyond will be sharper than previously thought. In line with other similar authorities and commentaries based upon the OBR analysis it has therefore been assumed that the funding reductions in 2016/17 to 2019/20 will be in the region of 12%:12%:6%:6% respectively. At this stage the longer term projections have not been adjusted in the period 2016/17 through to 2018/19 but the additional net reduction in government funding has been estimated at £10m and has simply been aligned to 2019/20. Assuming the Business Rates Funding mechanism remained untouched this would reduce Revenue Support Grant to only **£15.6m** in 2019/20 compared with £89m in 2013/14. The year on year reductions are shown in **Appendix C**.
- 6.4 There are other factors which need to be considered alongside reductions in central government funding and a high level assessment has therefore been carried out to identify the additional £12,893k savings requirement for 2019/20:-

| Item | £000 |
|--|---------------|
| Assumed reduction in government grant | 10,000 |
| Inflation assumption (at 2% average with some exceptions) | 5,300 |
| Pay award assumption (at 2%) | 2,900 |
| Support for Adult Social Care # | 3,000 |
| Council Tax (assumed 1.99% increase plus 0.5% tax base growth) | (6,509) |
| Business Rates (assumed 2.5% RPI plus some local growth) | (1,657) |
| Other (net) | (141) |
| Total net impact of adding 2019/20 | 12,893 |

£3m per annum has previously been provided for demographic demand in HAS. Other risk factors are now being felt whether that is through ordinary residence; Deprivation of Liberty Safeguarding (DoLS); implementing the Care Act; or increasing demand as a result of demography. At this stage it is therefore assumed that provision of £3m will continue into 2019/20. Further information on these areas is included in **Section 14**.

- 6.5 Clearly the assumptions are best estimates at this stage but it should be noted that assumed increases in funding from local taxes broadly fund anticipated pay and price increases. We would anticipate a better understanding of the situation once the next Comprehensive Spending Review has been undertaken but even then the figures will be provisional.

Savings Reductions

- 6.6 The proposals brought forward for County Council consideration in February 2014 were high level and it was noted that there would be refinements as more detailed plans were developed. At that stage plans were not allocated to a specific financial year beyond 2015/16 but were identified as "Later Years". Now that plans are more developed it is possible to give an indicative time profile for each area but it should still be noted that there is likely to be further significant change given the transformational impact of many of the savings proposals.
- 6.7 A number of savings proposals have now been progressed to such a stage that it is possible to reduce / re-profile or remove the proposal from the County Council's Budget / MTFS. Those changes add up to a recurring reduction of £3,260k of savings, the detail of which is provided below.

| Savings Review | | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | On- going £000 |
|-------------------------------------|----|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| Grass Cutting (BES) | 1. | 200 | - | - | - | - | 200 |
| Economic Partnership Unit (BES) | 2. | 100 | - | - | - | - | 100 |
| HWRCs (BES) | 3. | - | - | 1,100 | - | - | 1,100 |
| Income (BES) | 4. | 300 | (300) | - | - | - | - |
| Concessionary Fares (BES) | 5. | - | 360 | - | - | - | 360 |
| Libraries (CS) | 6. | 500 | - | - | - | - | 500 |
| Developing Stronger Families (CYPS) | 7. | - | - | - | 1,000 | - | 1,000 |
| Re-profiling (HAS) | 8. | (215) | 1,285 | (1,264) | (630) | 824 | - |
| Re-profiling (CYPS) | 9. | | 500 | 41 | (541) | | - |
| Total | | 885 | 1,845 | (123) | (171) | 824 | 3,260 |

Notes

1. Initially £700k was identified as a potential saving on Highway related Grass Cutting. Further work has now been carried out and the latest assessment is that a saving of £500k is more likely (reduction of £200k). Work remains on-going, so this may be subject to further revision at a later stage.
2. At the time of the February 2014 budget report, it was intended that Economic Partnership Unit costs would be charged in "to the York, North Yorkshire and East Riding LEP, given the proposal that the LEP would start to receive the Council's share of New Homes Bonus". The Government then changed proposals at late stage in the budget process, so that councils retained New Homes Bonus, so it is not possible to achieve the original saving as anticipated.
3. At the February 2014 budget report, it was envisaged that a new charging regime would be explored for HWRCs, in order to maximise provision of the HWRCs around the county. Legal issues have been encountered which makes such an approach less likely and it is therefore considered prudent to remove this savings proposal at this stage. Further work remains on-going and it may be that more refined proposals can be brought forward for council consideration.
4. Measures to generate £600k of additional Highways and Transportation income in 2015/16 were originally planned. These measures are still due to be introduced in full, but the timing of the implementation is now scheduled for part way through 2015/16, resulting in an estimated profile of £300k in 2015/16 with the remaining £300k re-phased to 2016/17.
5. Initially £760k was identified as a potential saving on Concessionary Fares due to the knock-on impact on this budget from planned savings in the Bus Subsidy. The expectation being that resultant reductions in the bus services would lead to fewer Concessionary Fare journeys. However, this knock-on impact is now forecast to be lower by £360k due to bus service providers maintaining a higher level of service than originally expected, despite the reduced subsidy.
6. The original proposal for Libraries provision was that there would be a single council run library for each district (i.e. 7 in the County). Following the February budget report, there has been further deliberation and it is now envisaged that

there will be a further category of library known as “hybrids” where the County Council will still provide some support. In addition, it is likely that community libraries will receive some funding towards fixed costs. As a result, it is estimated that the total savings quantum will be reduced by circa £500k.

7. In 2013 the Government indicated that it was to provide an additional £200million to support the Troubled Families Programme nationally. The County Council’s response (Developing Stronger Families) has progressed well and it was envisaged that the County Council’s share of any future funding would provide headroom for savings given progress. As it has transpired, the County Council expects to receive only, on average, £900k per year rather than the £2m (i.e. 1% of £200million nationally). This is based on estimates of performance-related reward payments which will be achieved by working with an additional 2,830 families over the next 4 years. Whilst further opportunities may be realised for savings in this area, it is considered prudent to remove £1million of savings proposals at this stage.
8. During the summer of 2014, following the arrival of Richard Webb as the Corporate Director for HAS, a review was carried out of the overall HAS savings programme. The overall quantum of saving has not been changed, but there have been changes to the profile over the decade.
9. Following a lower than anticipated grant relating to Developing Stronger Families a review was undertaken to mitigate the impact. As a result there is some re-profiling within CYPS (which has benefitted from the early delivery of the savings from the Preventative Services review).

Improvements

- 6.8 As reported throughout 2014/15 in the quarterly monitoring reports, there have been a number of areas where the financial position of the County Council has been better than was envisaged at February 2014. Some of this is as a result of late announcements by government (ie post Budget) of additional funding allocations and some as a result of lower pressures on spending (eg inflation and pay awards). It is important that these improvements are fed into the overall budget process and the recurring impacts will then have a positive impact upon the savings requirement.

| | Note | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | Total £000 |
|---------------------------|------|-----------------|-----------------|-----------------|-----------------|---------------|
| Funding | | | | | | |
| Better Care Fund | 1. | 5,000 | (5,000) | | | - |
| Business Rates | 2. | (821) | 1,330 | (111) | (115) | 283 |
| Council Tax – taxbase | 3. | 2,987 | 258 | 266 | 276 | 3,787 |
| Council Tax - collection | 4. | 2,476 | (2,476) | | | - |
| Improved Settlement | 5. | 1,161 | | | | 1,161 |
| Spending | | | | | | |
| Treasury Mgt | 6. | 1,120 | 696 | (279) | 309 | 1,846 |
| PIP Inflation (Waste) | 7. | 800 | 1,500 | 1,500 | | 3,800 |
| Customer Services | 8. | (200) | | | | (200) |
| Pay Award | 9. | 1,016 | 23 | (64) | | 975 |
| Other Inflation | 10. | 1,087 | 626 | 350 | 200 | 2,263 |
| Pension Fund Deficit | 11. | 1,665 | | (1,700) | | (35) |
| Yorwaste Dividend | 12. | (410) | | | | (410) |
| Other | 13. | 80 | (298) | (666) | 736 | (148) |
| Investments | | | | | | |
| Superfast Broadband | 14. | (4,000) | 4,000 | | | - |
| Property | 15. | (2,000) | 2,000 | | | - |
| Total Improvements | | 9,961 | 2,659 | (704) | 1,406 | 13,322 |

Notes

1. An additional £5m of funding from the Better Care Fund has been negotiated with health partners. There are still a number of uncertainties so at this stage it has been included on a one-off basis in 2015/16. Further information is provided in **paragraph 14.12**.
2. Business Rates (BR) variations reflect three elements – the 9% of locally collected BR paid over by the Districts which is now forecast to be less than originally envisaged; a significant BR collection fund deficit in 2014/15 which has to be funded in 2015/16; various grants now being paid by DCLG in relation to BR reliefs which at the time of the February 2014 MTFS were uncertain.
3. A significantly increased forecast District Council Tax Base in 2015/16 (£3m more than provided in the February 2014 MTFS). This is due to a number of reasons including prudent estimates being provided for 2014/15 (resulting in 4 below); the impact of District Council Tax Support Schemes continuing to hold-up better than envisaged (**paragraphs 13.14 and 13.15**); and tightening up of various other CT discounts and exemptions.
4. A significant provisional District Council tax collection fund surplus in 2014/15 which is distributed in 2015/16 (£2.5m more than provided in the February 2014 MTFS).
5. The net impact of the 2015/16 Local Government Finance Settlement announcement on 18 December 2014 (**paragraph 4.2**) with the impact of the

final settlement announcement (on 3 February 2015) still awaited (+ £545k). The main area of improvement is on Rural Services Delivery Funding.

6. Treasury Management savings are due to a combination of factors including capital expenditure slippage which is funded from borrowing; utilising the unspent Corporate capital pot in lieu of new borrowing; lower forecast external borrowing rates in future years; reducing debt levels resulting in lower capital financial costs; forecasts for the % investment returns in future years being higher than estimated in February 2014; and levels of cash balances remaining higher than originally estimated.
7. See **paragraph 12.6**
8. 2020 NY has seen greater use of the Customer Services Centre as the Council seeks to rationalise its customer contacts. Savings are being accrued within service directorate budgets as part of a customer shift but it becomes difficult to disentangle from wider savings. As a result, it is proposed that £200k is built into the Customer Services Centre in order to provide adequate resource to meet the demands of 2020NY (including an increasing number of public consultations).
9. The February 2014 budget / MTFs included 1% for the 2014/15 pay award and a further 2% for 2015/16 (3% over the 2 years). The ultimate award for the 2 years to 31 March 2016 is 2.2% plus more for the lowest paid thus achieving a saving of £1m per annum against the 3% provision made.
10. Current inflation levels that will impact on 2015/16 budgets together with forecasts for later years are lower than provided for in the Budget / MTFs agreed in February 2014. Key areas include transport (particularly fuel), highways and various other contracts together with general inflationary levels.
11. See **paragraphs 12.24 to 12.27**
12. BES currently has a base budget of £662k for a dividend from Yorwaste. The waste management market has changed significantly in recent years and the company has struggled to meet the base budget requirement for some years now. There is little prospect of this level being reached in future years and the Teckal approach that is being explored will possibly lead to a more fundamental change to the way in which benefit is released to the County Council (as majority shareholder).
13. The net impact other variations on spending and income including a change to the funding approach for County Council Elections and changes to employers national insurance contributions.
14. See **paragraphs 7.3 to 7.5**
15. See **paragraphs 7.6 to 7.7**
- 6.9 The above Table includes one-off investments on Superfast Broadband and Property which effectively net off the improvements. Further detail on these proposed areas of investment is provided in **Section 7**.

Aggregate Savings Proposals

- 6.10 The aggregate savings proposals for 2015/16 to 2019/20 are set out with a summary on the final page of **Appendix D** with a total of £58,025k over the period 2015/16 to 2018/19. This can be traced back to the 2020NY Programme as set out in February 2014 as follows:-

| Item | £000 |
|---|---------------|
| Total savings proposals set out in Feb 2014 | 62,025 |
| LESS: Bus subsidy savings delivered within 2014/15 as per Feb 2014 report | (740) |
| Feb 2014 savings 2015/16 and later years | 61,285 |
| Savings reductions (para 6.7) | (3,260) |
| Savings proposals as per Appendix D | 58,025 |

- 6.11 The savings total of £58,025k over the period 2015/16 to 2019/20 is therefore included within the Budget for 2015/16 and the MTFs for 2016/17 to 2019/20. The Recommendations included within this report (**paragraphs 18.1 d**) and **j**) therefore reflect these savings proposals.

Conclusion on Savings Requirement

- 6.12 The overall residual savings requirement is now higher than was estimated in the February 2014 Budget Report. That is, however, principally as a result of increasing the planning horizon by a further year to include 2019/20.
- 6.13 A long term savings shortfall of circa **£14m** is regarded as acceptable at this stage given a number of variables and the assurance that can be derived from the approach being taken as part of 2020NY. **Whilst it is likely that further savings will have to be found, no further savings proposals (ie above and beyond those agreed in February 2014) are put forward for consideration by Members at this stage.** Rather it is felt that 2020NY should continue to be used as the basis for identifying any further savings opportunities so that a more coherent and long term strategy can be used rather than any “knee-jerk” reaction. This approach is also helped by the County Council’s approach and policy relating to General Working Balances (**paragraphs 15.19 to 15.26 and Appendix M**).
- 6.14 There is however a need to ensure that the Council is agile and well placed to meet any sudden further financial challenges that may follow the General Election in May 2015. It may be that the savings requirement for 2016/17 (and 2017/18?) will be steeper than set out in this report. A failure to provide adequate savings will therefore result in greater use of one-off balances. Whilst this is feasible, it is suggested that a review of 2020NY is carried out in order to identify areas where savings plans could be accelerated and / or other savings be identified. Any proposals are likely to result in a change to existing policy and would therefore need to be considered by full County Council. A further supplementary budget report may therefore be required sometime in 2015.

7.0 INVESTMENTS & PROPOSED USE OF GWB

7.1 Whilst the recurring revenue budget is under severe pressure, the County Council has committed one-off funds in order to maintain and develop essential infrastructure across the County. Such investments include £24m of highways funding; £3.1m for superfast broadband across North Yorkshire communities; and £7m to support the roll-out of extra care facilities as part of the modernisation of adult social care provision.

7.2 As identified in the Table in **paragraph 6.8**, two further areas of investment are proposed, both on a one-off basis.

Superfast North Yorkshire

7.3 The County Council has been successful to date in attracting £31.5m of investment into North Yorkshire to deliver superfast broadband. It is one of, if not the leading rural counties in delivering this technology. It is, however, recognised that the current funding and the existing plans from BT will not deliver the 100% high quality target broadband that the County Council signed up to; further investment will therefore be required at some time in the near future.

7.4 On 18 November 2014 the Executive considered a report on whether to bid for further funding from BDUK (the government's delivery arm for roll-out of superfast broadband). It was resolved that no such bid would be made at that stage as there were concerns about the value for money achievable given tight timescales and a wish to establish whether more cost effective alternative technologies could be utilised in 2015. **The commitment to maximising superfast broadband across the rural parts of North Yorkshire remains and it is therefore proposed that a sum of £4m is earmarked to provide for matched funding to increase broadband coverage in the County.**

7.5 Any proposal to drawdown this proposed funding, should it be approved, will require a further Executive report and this will provide the ability for Members to test the value for money aspects of any proposal.

Property

7.6 Part of 2020NY involves the rationalisation of the County Council's property estate. It is envisaged that this will result in an on-going saving in property costs and potential capital receipts where it is possible to sell assets. However there are a number of significant pressures on the Council's current property budgets:-

- a) the repairs to the Brierley building in County Hall are well beyond the existing repairs and maintenance budget. It is estimated that circa £1m will be required to complete the repairs which include structural work to the roof; asbestos removal; as well as repairs to ornate and listed plaster works.
- b) it has become increasingly clear that some buildings are no longer fit for purpose and, whilst their longer term future may be unclear, there is a short term imperative to bring them to a satisfactory operational standard.

- c) as the future property estate of the Council becomes clear it will be essential that adaptations are made so that new customers and staff can use the buildings in the most productive way possible. These changes are likely to require some reactive work and also some investment as part of any future plans.

7.7 It has not been possible to provide an accurate assessment of the costs of b) and c) above but a further sum of £1m has been estimated, accepting that this may well be used over a period greater than the 2015/16 financial year. **It is therefore proposed that £2m be invested on a one-off basis in the property budget for 2015/16.**

Capital Financing Initiatives

7.8 Members approved a number of Investments at Q1 and Q2 2014/15 in relation to some identified service pressures and issues together with aiding delivery of the savings required from the 2020 North Yorkshire Programme. Many of the areas of investment will span a number of years and are being funded from one off savings, the General Working Balance (GWB) together with funding already earmarked from the Pending Issues Provision (PIP) for 2020 North Yorkshire proposals at the time the February 2014 Budget / MTFS was agreed.

7.9 A further area of 'investment opportunity' identified which has not been submitted to Members to date relates to utilising further one off funding such as surplus unallocated GWB for 'technical' capital financing related initiatives. Although such initiatives don't achieve any direct service benefits or improvements they do achieve recurring annual revenue savings in future years, particularly in the area of capital financing charges (principal and interest) required to service the historical capital debt levels and future capital borrowing needs of the County Council. There are also other benefits.

7.10 Three potential areas that have been considered are:

1. Increased one off additional contributions to capital debt repayment (in excess of the required Minimum Revenue Provision (MRP) for debt repayment of £14.3m in 2015/16 with the impact being:
 - Reduced levels of capital debt (internal or external depending on early repayment penalties and current interest rate forecasts)
 - Recurring revenue savings resulting from reduced future MRP requirements equivalent to about £40k per annum (4%) per £1m used
 - Reduces cash balances and consequential credit risk on the investment portfolio
 - Any future interest savings would depend on the relationship between long term external borrowing rates and short term investment rates
2. Substitute planned future annual prudential borrowing as reflected in the approved capital plan by using the GWB with the impact being:
 - The Q3 Capital Plan reflects £24m of approved Prudential Borrowing in 2015/16 and later years and some of this could be financed by using the

GWB as a revenue contribution instead of the currently planned borrowing

- The impacts would be similar to 1 except on debt levels (this option would avoid increasing capital debt whereas 1 would actually reduce existing levels) and certainty (the extent this option could be used would depend on annual capital expenditure levels needed to be funded from borrowing whereas 1 could utilise any sum)

3. Additional One Off Contribution to the North Yorkshire Pension Fund (NYPF) to reduce the historical fund deficit attributable to NYCC with the impact being:

- Expected to generate a better return through the PF over time but dependent upon PF market performance relative to investment rates available to NYCC
- Potentially reduced future employer contribution rates, deficit sums and / or deficit recovery periods but no benefit until 2017/18 after the next revaluation
- Reduces cash balances and consequential credit risk on the investment portfolio
- Significant sums would be needed to have any real impact from 2017/18 and any benefit is likely to be swallowed up and lost within the impact of other PF asset and liability revaluations

7.11 In reality there is little difference between 1 and 2 above and although 3 has some attraction, no benefit would be achieved until 2017/18 and even then the actual benefit is very uncertain and might ultimately be difficult to quantify at that time. Thus it is proposed that option 3 is deferred for the time being, although still left on the table for future consideration.

7.12 **It is proposed that options 1 and 2 above should be pursued further and it is therefore recommended that a sum of up to £10m is provisionally earmarked within the GWB in 2015/16 for this purpose although the actions may ultimately be fully or partially implemented in a subsequent financial year.** In addition it is also recommended that both the timing and mix of 1 and 2 is determined by the Corporate Director – Strategic Resources during the course of the financial year dependent upon the progress of in year capital spend and changes to relative longer term borrowing rates and short term investment rates. The ultimate actions taken will be reported to Members as part of the Quarterly Performance Monitoring reports.

7.13 The potential impact of this proposal is not currently reflected in

- The Treasury Management and Prudential Indicator Reports in respect of debt levels and the various Treasury Management Prudential Indicators and
- The 2015/16 revenue budget / MTFs figures in relation to potential revenue budget savings that would be achieved in subsequent years.
- The projections of the General Working Balance (GWB) set out in **paragraph 15.25 and Appendix M.**

8.0 COUNCIL TAX

Council Tax proposals

- 8.1 The MTFs approved in February 2014 assumed a 1.99% increase in Council Tax in each year to 2018/19 and the recommendation included within this report is to increase Council Tax in 2015/16 by 1.99%. This is within the Government's 2% Council Tax referendum limits for 2015/16 as set out as part of the Provisional 2015/16 Local Government Finance Settlement announcement on 18 December 2014 (**paragraphs 4.1 to 4.2 and Appendix A**).
- 8.2 The MTFs included within this report also assumes further Council Tax increases of 1.99% in 2016/17 and subsequent years including (the newly added) 2019/20. This is consistent with the MTFs and longer term financial plan which was approved by County Council in February 2014.
- 8.3 The rationale behind this Council Tax strategy is to maximise this particularly significant income stream for the Council recognising the vagaries of central government funding and the to ensure sustainability of core finances to support priority service delivery.

Council Tax Freeze Grant

- 8.4 The 2015/16 Provisional Local Government Finance Settlement includes confirmation of a further 1% Council Tax Freeze Grant offer for 2015/16 which had previously been announced in the June 2013 Spending Review. The County Council's indicative allocation for this offer is £2.58m which is marginally higher than 1% (about 1.1%) as it is based on a higher (pre localisation of Council Tax Benefits) tax base.
- 8.5 Although it is expected that this new grant offer will be built into the Spending Review baseline to avoid the 'cliff edge' effect of the grant disappearing in due course its value may, however, be eroded over time as further reductions are made to overall Local Government Funding. The extent to which the Council Tax Freeze Grant may be eroded will depend upon its treatment in future finance settlements and it is therefore not possible to be certain at this stage.
- 8.6 The County Council had accepted the Council Tax Freeze Grants for three of the four offers made since 2011/12 as follows:-
- (a) 2011/12 – a grant equivalent to a 2.5% increase in council tax with the County Council receiving £6.149m. The Government agreed to continue to pay this grant (at the same cash level) for each year of the 2010 Spending Review period up to 2014/15. As part of the 2013/14 Local Government Finance settlement this sum was consolidated into the overall core funding baseline for councils which means that it will be eroded away in subsequent years as a result of reductions in the core funding envelope.
- (b) 2012/13 – a further 2.5% offer but unlike 2011/12 this was payable for one year only. The County Council received £6.164m.

- (c) 2013/14 – the County Council accepted the grant offer of 1% and received £2,495k. Since 2014/15 this grant has been consolidated into the core funding baseline allocations. As a result, it will be eroded in subsequent years as a result of reductions in core funding.
- (d) 2014/15 – The County Council did not take up a further 1% grant offer but increased council tax by 1.99%

8.7 The freezing of Council Tax in the three years 2011/12 to 2013/14 as indicated in **paragraph 8.6 (a) to (c)** above, saved the average Band D household a recurring £76 per annum had Council Tax increased by 2.5%, 2.5% and 2% (the referendum trigger) in those years.

Alternatives

- 8.8 The alternatives to the recommended 1.99% increase in council tax in 2015/16 would be to:-
- (a) accept the 1% Council Tax Freeze Grant offer resulting in a recurring lower yield of £2.4m per annum plus the potential impact of further grant erosion in the future. This would add £2.4m to the residual savings requirement as identified in **paragraph 6.1**.
 - (b) set the Council Tax increase at somewhere between 1% and 2% - each 0.1% equates to an additional £240k per annum.
 - (c) increase Council Tax by more than the 2% referendum trigger which would require planning a second budget. The requirements of a Council Tax Referendum are covered in more detail in **paragraphs 8.10 to 8.14**
- 8.9 A 1.99% increase in 2015/16 would cost the average Band D household an additional £21 per annum (£1.78 per month or 41p per week) in relation to the County Council's element of the overall bill

Council Tax Referendums.

- 8.10 The Localism Act included the provision and requirement for Council Tax Referendums from 2012/13
- 8.11 This process replaced the former 'Council Tax Capping Powers' whereby the Government would announce their 'capping criteria' (the level of Council Tax increase that they deemed to be excessive) after local authority budgets had been set in March each year. In setting their budgets all authorities had to be mindful of what these principles might be.
- 8.12 The main principles of the process are as follows:
- (a) the Government will determine an annual limit (based on a set of principles) for Council Tax increases which is expected to be announced as part of the annual Local Government Finance Settlement (ie before local authority budgets have been set.)

- (b) The legislation allows additional principles for different categories of local authorities
- (c) If an authority proposes to increase its Council Tax above the prescribed annual limit it will have to hold a referendum to get approval from local voters (all registered electors not only those who pay Council Tax)
- (d) In addition to having to hold a referendum a local authority proposing to exceed the limit will be required to prepare a shadow budget based on the maximum Council Tax increase allowed by the principles.
- (e) There are various rules and procedures as to how a referendum would have to take place but there will be no minimum requirement for voter turnout and a simple majority of those voting will be sufficient to determine the outcome of the referendum
- (f) The referendum would have to take place between the Final Settlement announcement at the end of January / early February and the first Thursday in May – the usual date for local authority elections
- (g) A local authority carrying out a referendum will be required to provide factual information to Council Tax payers. Although Members can make the case for their proposed Council Tax increase, the authority will be prohibited from campaigning
- (h) If a simple majority vote against the proposed increase the authority would have to adopt the shadow budget
- (i) The Government have suggested that the cost of a referendum (including the costs of re-billing by the Districts if the referendum is lost) is likely to be in the range of £85k to £300k

8.13 The process and rules of this arrangement are clearly designed to discourage authorities from setting council tax increases above the referendum threshold. As a result no authority has yet held such a referendum although several have reportedly come close.

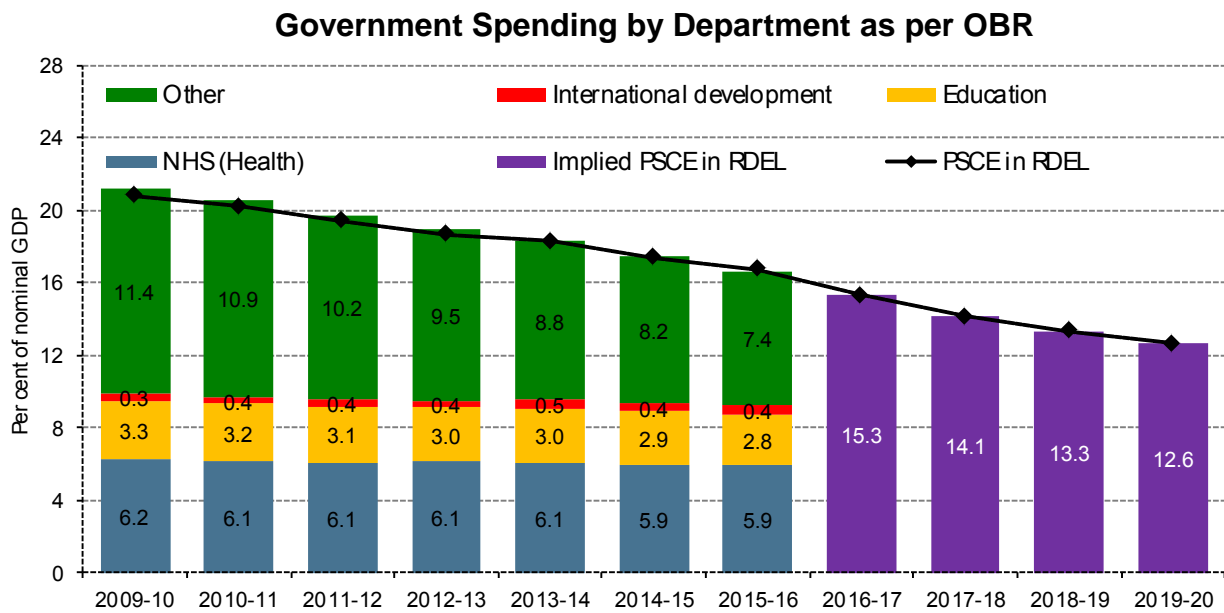
8.14 The 2015/16 limit of 2% was announced as part of the Provisional Local Government Finance Settlement on 18 December 2014 although there was earlier speculation that the Communities Secretary was suggesting a lower limit. This 2% limit is the same as for 2014/15 which was only announced very late on 5 February 2014 as part of Final Local Government Finance Settlement for that year.

9.0 BEYOND 2015/16

9.1 The Budget Report in February 2014 provided forecast net funding shortfalls through to 2018/19 based on previous Government announcements that reductions to local government and other public services funding after 2015/16 would continue at similar levels. Since then the OBR has carried out detailed

analysis of the economy alongside assumptions about policy priorities of the coalition government and the main political parties in order to model impacts upon public spending.

9.2 There appears to be a high degree of consensus amongst the major political parties that the health service and schools will continue to receive priority, if not complete protection, from further austerity measures. This has an inevitable impact upon those other areas of government spending such as local government given the sheer size of spending on health and schools in quantum. The Table below from the OBR demonstrates the point. (Whilst recognising that the measure of spending is as a percentage of GDP in the Table it demonstrates the “gearing” effect).



Plans for RDEL excluding depreciation upto 2015-16. Beyond 2015-16 based on implied PSCE in RDEL calculated from the Government assumption for TME. Other includes unallocated amounts.

Source: HM Treasury Autumn Statement 2014, HM Treasury Public Expenditure Statistical Analyses, July 2014

9.3 In February 2014 an assumption was made on core funding reduction in the latter three years (2016/17 to 2018/19) of £11.2m per annum based on the 10% reduction in real terms (8.2% in cash terms) indicated in the June 2013 Spending Review announcement for 2015/16. As well as indicating a further year of austerity, the OBR analysis also tends to suggest that the funding reductions in 2016/17 and beyond will be sharper than previously thought. In line with other similar authorities and commentaries based upon the OBR analysis it has therefore been assumed that the funding reductions in 2016/17 to 2019/20 will be in the region of 12%:12%:6%:6% respectively. At this stage the longer term projections have not been adjusted in the period 2016/17 through to 2018/19 but the additional net reduction in government funding has been estimated at £10m and has simply been aligned to 2019/20.

9.4 The forecast financial projections and resulting shortfalls for beyond 2015/16 are set out in **paragraph 2.8** (each year to 2019/20) with **paragraph 6.4** showing the outcome of extending the MTFs to 2019/20 which includes the £10m government funding reduction mentioned in **paragraph 9.3** above.

9.5 The 2020 North Yorkshire Programme has been constructed in such a way as to plan in a coherent and forward looking way to bridge the savings gap. **By having a longer term plan it is possible for the County Council to deliver its savings requirement in 2015/16 and await more precise information about the quantum and profile of further funding reductions following the General Election.** It will then be possible to firm up the associated savings requirement and to consider:-

- i) whether savings proposals be brought forward from later years and / or
- ii) additional savings proposals that can be implemented and the extent to which the County Council can utilise its General Working Balances in order to assist longer term decision making and avoid “knee-jerk” reactions by cashflowing any in-year shortfalls.

9.6 The situation will clearly need to be monitored very carefully and, in the event of any Emergency Budget (akin to the one carried out in the summer of 2010) then the County Council will need to respond. Any changes to the 2020 North Yorkshire Programme will be subject to the existing delegations and any significant proposals to vary the approach will require Executive approval and may indeed be subject to full County Council consideration. A subsequent Budget Report to full County Council later in 2015 is therefore a distinct possibility.

10.0 2020 NORTH YORKSHIRE PROGRAMME

10.1 The first 4 years of savings proposals (2011/12 to 2014/15) within the County Council have sought to protect frontline services as much as possible. The Table below identifies the broad areas of savings achieved:-

| Item | £m |
|---|-----------|
| Back Office | 20 |
| Procurement | 15 |
| Increased Income & New Ways of Working | 11 |
| Management | 6 |
| Administrative Support | 3 |
| Staff Terms & Conditions | 2 |
| “Efficiency” Savings | 57 |
| Frontline Savings | 37 |
| Total savings 2011/12 to 2014/15 | 94 |

10.2 Even within the analysis of frontline savings it is arguable that some changes have not been at the detriment of services to customers. For example some community libraries are delivering more services to more customers; extra care facilities are replacing elderly persons homes with greater focus on the individual needs of residents.

- 10.3 The 2020 North Yorkshire Programme was set in broad terms as part of the Revenue Budget report in February 2014. It set out a high level vision to re-position the County Council given the financial and operational challenges faced. Some of the features included:-
1. A smaller Council
 2. Flexible and agile
 3. Clear about what it will deliver
 4. Enabling and supporting others, particularly within local communities, to deliver for themselves and
 5. Strong leadership on issues important to the public of North Yorkshire.
- 10.4 One year on and the 2020NY Programme has a much more detailed and developed plan. Robust programme management arrangements are in place. Management Board acts as the operational Programme Board and feeds into the Executive and ultimately County Council where policy changes arise.
- 10.5 The 2020NY Programme continues to prioritise the frontline over “back-office” but it works on the basis that further salami-slicing will be ineffective and there is a need to re-design the way the Council works. That was the reasoning behind the fundamental review of service areas and the further rationalisation of the back office. The product of these reviews can principally be seen in the savings proposals set out in **Appendix D**.
- 10.6 The February 2014 Budget Report set out a number of cross-cutting themes which underpin the 2020NY Programme. It is therefore appropriate to provide a brief update on these areas (to supplement the Members Seminars and other briefings provided).

Stronger Communities

- 10.7 Our vision is of stronger and more vibrant communities in all parts of North Yorkshire, effectively using their skills and assets to coproduce, with the Council and others, a range of local support and services that maximises the wellbeing of local people of all ages (children, young people, families, adults and older people).

The Stronger Communities team is working with local residents, community groups and other partners from the public and private sectors across North Yorkshire to identify opportunities. Community groups are being encouraged to work together where appropriate, maximising the use of buildings, assets and volunteers in order to create a focal point or local network of support.

A team of Delivery Managers have been recruited, one for each of the district areas in North Yorkshire, who will help local groups who are interested in taking on a greater role in the delivery of services to access the full range of support being offered by the Council. A grant programme has been put in place to support this area of work with 49 applications currently in development and 3 projects having received approval.

We will continue to be honest with communities about what services we can no longer provide and how we can work with them so that they can seek to keep the services they want to keep.

Customer

- 10.8 A blueprint for Customer Services within North Yorkshire is being developed with a cross organisation team. The different aspects of the programme are developing key approaches which ensure that high quality customer information is collected consistently and accurately to develop a clearer picture of customer need. This will support the development of quicker and more effective services, a reduction in duplication and the ability to intelligently target services to meet customer requirements.

The 2020 Programme is committed to providing high quality, accessible and cost effective services for its customers and the success of this work will ultimately be decided by the Council's customers themselves. It is therefore critical to ensure that the development and implementation of the Customer theme is based on active and genuine engagement with stakeholders from inside and outside of the organisation.

Work is underway to ensure that the principles and practices identified within the Customer theme are used to inform decision-making relating to face to face contact with customers. The intention is to ensure that there is a clear Council-wide approach to dealing with customers and that this will impact upon all customers from a general enquiry through to the initial stages of a social care assessment. This theme also has strong links to Stronger Community networks, the Council's physical estate and the development of new digital ways of working, whilst also continuing to support more traditional approaches for customers where this is not possible.

Partnerships

- 10.9 "Partnership" remains an integral part to much of the Council's working and plans for development, as witnessed by relationships with schools and plans for greater social care collaboration / integration with health.

In 2013 North Yorkshire County Council (NYCC) and Selby District Council (SDC) agreed that their organisations would collaborate for the benefit of both organisations and the public they service. The resulting Better Together Programme aims to make a positive impact and support better local outcomes for communities with a seamless delivery in front line services within a locality.

Currently work is being undertaken across a number of back office functions to identify future working relationships with joint working already delivering results in move of the Registrar's office to the main Selby District office, and a shared and consistent approach to customer within the wider customer programme.

Alternative Delivery Models (ADM) & Commercial

- 10.10 The aim of the Alternative delivery group is to develop and maintain a coherent oversight of opportunities for the Council to generate income and proposals to

establish alternative delivery models and to share learning on both across the Council. As described in **paragraph 10.9** above, partnership working with other councils would continue to be one form of ADM.

In parallel, the traded services predominantly, but not exclusively, provided to schools have been brought together into a single entity - SmartSolutions. This has initially involved rationalising so that customers have a single contact and traded services have enhanced support services but the agenda is more ambitious as further markets and income are sought for the Council as a whole.

Organisational Development

- 10.11 The focus of the organisational development cross cutting theme is to ensure the cultural change of the wider programme is embedded into the organisation as we develop towards delivering the 2020 Vision. The programme is split into a number of established areas to bring focus to this important area of work.

Part of the theme is focussing on transforming the organisation - ie driving changes that will help the council adopt new ways of working, identifying the use of technology to allow an increase of mobile working and the development of HR policies to support this new flexible working style. Transforming the culture focuses on the organisational aspect which is often defined as 'the way we do things round here' – to ensure that we as a Council change to reflect our future size and working practises.

There is also focus on driving performance to help managers and employees to continually improve performance, enabling the organisation to become more innovative, entrepreneurial, and to share successes while managing and developing.

Property

- 10.12 The North Yorkshire 2020 Property Work stream is being undertaken alongside Directorate service reviews as part of the overall 2020 NY Programme. Although savings targets are primarily being driven by service Directorates it has been identified that some of the themes will be impossible to deliver without a cross-council approach to a number of identified issues. A number of these will impact on the Council's property portfolio and its property service, including a fundamental review of service delivery and the rationalisation of back office functions. The key aim of the Property theme is to identify how the Council can achieve its savings in respect of property related expenditure whilst ensuring that the remaining property is fit for purpose in supporting service delivery for 2020 and beyond. There is a specific target for the Property Service to achieve savings of £1.5 million by 2020 based upon this approach.

The work stream has a number of interrelated components which are underway including a review of the current property estate and the development of proposals for its rationalisation within the context of the 2020 Programme. A review of the arrangements for, and costs associated with, the management of property in the Council is being undertaken along with a full review of the traded services that are delivered by the Property Service.

10.13 Whilst the Programme has developed significantly in the year since its initiation, the scale of savings and ambition is such that there will inevitably be a need to keep under review. It is clear that some ideas will not work as envisaged (as per the savings refinements set out in this report in **paragraph 6.7**); some will work in line or even better than originally set out; and some new ideas will be needed. This report requests approval to implement the savings for 2015/16 and to carry out the necessary preparatory work for later years as set out in **Appendix D**. County Council will have a further opportunity to consider savings proposals which extend beyond 2015/16 in subsequent years should that prove necessary.

11.0 CONSULTATION

The Citizens' Panel

11.1 The Citizens' Panel provides a consistent mechanism for testing public attitudes towards proposals and this year the Panel were asked about the level of Council Tax. The Panel were asked whether or not they supported an increase in Council Tax by 1.9% in order to avoid a further £2.3m of savings. 1,089 responses were received. Of those responses, 63% supported an increase in Council Tax and 37% opposed an increase in Council Tax. In addition, the public were invited to offer their views on the website and the conclusions were similar with 61% supporting a council tax increase and 39% opposing an increase – it should be noted that the response to the website was low at just 102 responses.

Members Involvement

11.2 A number of Members Seminars have been carried out during the year to include the Budget and 2020 North Yorkshire following the approval of the Budget at County Council in February 2014. These included:-

| | |
|------------------|---|
| 13 February 2014 | Budget Update |
| 1 October 2014 | BES Directorate Issues incorporating 2020 North Yorkshire issues |
| 3 December 2014 | Budget Update plus HAS Directorate Issues incorporating 2020 North Yorkshire issues |
| 7 January 2015 | Budget / 2020 North Yorkshire Update |

11.3 In addition relevant Overview and Scrutiny Committees have held discussions with Corporate Directors and Portfolio Holders to gain a better understanding of the Council's Budget / MTFS. It is anticipated that Overview and Scrutiny Committees will be further involved as the 2020 North Yorkshire Programme progresses. Specific discussions on the wider 2020 North Yorkshire Programme also took place on:-

| | |
|---------------|---|
| 4 April 2014 | Children & Young People's O.S.C. |
| 16 April 2014 | Transport, Economy & Environment O.S.C. |
| 24 April 2014 | Care & Independence O.S.C. |
| 28 April 2014 | Corporate & Partnerships O.S.C. |

11.4 The Executive are regularly briefed on progress on the Programme, both collectively and as individual portfolio holders. The financial savings are also an integral part of the revenue budget and will therefore feature within the quarterly performance monitoring reporting regime.

11.5 The impact of the Programme is such that on-going Member dialogue is essential. This is particularly the case in relation to initiatives to secure community support and activity, recognising the role of Member as community leader. Individual Members will therefore be kept informed of local issues and the wider Membership will continue to be communicated with through existing channels and further Members Seminars will be held on the Programme and / or further budget related developments.

12.0 RELATED ISSUES THAT IMPACT ON THE MTFS

Waste Strategy

- 12.1 The provision of additional funds for the Waste Strategy has been a feature of the MTFS since 2008. A detailed financial model has been developed to cover all aspects of the overall Waste Strategy and considers such issues as inflation; increases in land-fill tax; increasing costs of re-cycling; anticipated waste treatment costs as part of the long term waste treatment contract; and residual waste disposal. The future estimated projections for increases required for the Waste budget from the Pending Issues Provision (PIP) (as a consequence of increasing costs predominantly in landfill disposal in advance of any longer term waste treatment contract) are identified within the Table in **paragraph 12.7**.
- 12.2 County Council voted to progress the Allerton Park Waste Recovery Project on 24 September 2014. As a result the project has been progressed and more detail is provided in **paragraph 12.6** below.

Pending Issues Provision

- 12.3 The Pending Issues Provision (PIP) was set up in 2008/09 as part of the MTFS process, to underpin a financial strategy that would ensure sufficient recurring funds are available in future years to meet the predicted year on year additional costs of the Waste Strategy.
- 12.4 The initial funding into the PIP was from increasing council tax over the three year period 2008/09 to 2010/11 by more than was strictly needed to pay for the cost of the County Council's services in those years. This created a recurring annual income stream and such a course of action would not be possible now as a result of the Government's strong control over council tax increases. A subsequent annual inflation increase has also been applied to the initial provision.
- 12.5 In addition, to providing long-term funding for the Waste Strategy, the element of the PIP not yet required by the Waste Strategy has been and remains available to fund non-recurring items. As **Appendix H** shows, significant allocations have been made to date from the PIP. In particular, the PIP has been used recently to fund:-
- Resources to HAS to support delivery of savings relating to review of Fair Access to Care Standards
 - Upgrading of the Councils financial system (Oracle)
 - Tour de France revenue costs

- A number of graduate posts
- Contribution to a Redundancy Reserve
- Pump priming delivery of 2020NY
- Procuring a new Engineering and Building Design Contract
- Health and Adult Services Extra Care Initiatives

12.6 Following the decision of full County Council on 24 September 2014 the Waste PPP proceeded to 'financial close' on 31 October 2014. As a result, the requirement for PIP funding each year until 2018/19 has been fully reassessed. This has resulted in a reduced Waste Strategy requirement each year and also on a recurring basis from 2018/19. £3.8m of recurring PIP funding has therefore been released (via reduced inflation) and fed into the MTFs. This represents a £0.4m increase over the £3.4m reported to County Council on 24 September 2014.

12.7 The projected funding position through to 2018/19 reflecting allocations agreed by the Executive to date together with updated sums that would be required to fund the Waste Strategy and resulting lower annual inflationary increases required from 2015/16 as referred to in **paragraph 12.6** above (and **paragraphs 12.1 to 12.2**), is shown in **Appendix H** with a summary being as follows:-

| item | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---------------|---------------|---------------|----------------|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| Funding Available | | | | | |
| Initial budget allocations | 14,394 | 14,394 | 14,394 | 14,394 | |
| + subsequent inflationary increases | 7,556 | 7,556 | 7,556 | 7,556 | |
| - allocations to Waste Strategy | (14,079) | (15,019) | (17,689) | (21,129) | |
| + estimated funding carried to be forward from 2014/15 | 20,100 | | | | |
| = funding available | 27,971 | 6,931 | 4,261 | 821 | |
| - allocations previously agreed by Executive including some re-phasing between years | (7,949) | (4,165) | (2,182) | (2,100) | (400) |
| = total PIP remaining to be allocated at February 2015 | 20,022 | 2,766 | 2,079 | (1,279) | (400) |
| = cumulative sum available | 20,022 | 22,788 | 24,867 | 23,588 | 23,188 |

12.8 Based on the allocations and earmarked provisions set out in the table in **paragraph 12.7** above there is currently still £23,188k available for one off issues in the period to 2018/19. This is until such time as the Waste Strategy draws down its full and final requirement scheduled for 2018/19. It is important to bear in mind however when considering the availability of PIP funding that the

funds for each year making up the total as shown in the Table above do not actually exist until the relevant financial year.

Schools Funding

- 12.9 As in previous years, the Council will continue to receive a specific ring-fenced grant – the Dedicated Schools Grant (DSG) – which funds all school-related responsibilities, included delegated budget shares.
- 12.10 The amount currently allocated for 2015/16 is in line with expectations. Overall there has been an increase in the baseline figure of £5.3m to £390.0m. In the past few years, the Council has been part of a campaign to ensure a more equitable distribution of funding to Councils across the country and this has manifested itself in the allocation of the equivalent of an extra £9.8m (or 3.1%) compared with 2014/15. All of this additional funding will be allocated to schools.
- 12.11 The lower overall net increase includes an adjustment for the funding of early education for some 2-year olds of approximately £4.7m. This will continue to be funded from the DSG but the indicative allocation for 2015/16 will not be announced until June 2015.
- 12.12 The DSG allocation is based on pupil numbers and although primary numbers have started to increase, the impact of lower numbers of students in secondary schools means there is a net reduction of £590k. Further additional funding has also been provided to cover the new Early Years Pupil Premium and national pressures related to High Needs pupils. In summary therefore, the change in DSG (before deductions for Academies) shows:

| Item | £000 |
|---------------------------------|----------------|
| 2014/15 DSG | 384,719 |
| Additional funding | 9,824 |
| 2 -year old nursery funding | -4,747 |
| Fall in pupil numbers | -590 |
| Early Years Pupil Premium | 257 |
| Additional Funding - High Needs | 513 |
| 2015/16 DSG | 389,976 |

- 12.13 The DSG supports – with the permission of the Schools Forum – a number of Council budgets and services, amounting to over £7m, and although the Forum has recently reconfirmed this support for the period 2015-17, there remains a risk that this could change at some point in the future.
- 12.14 As in previous years, the DSG will be recalculated regularly throughout the year to take account of future Academy conversions and changes in Early Years numbers.
- 12.15 **For this reason it is recommended that Executive agrees that the Corporate Director – Children and Young People’s Service is authorised to take the final and any subsequent decisions, as result of continuing amendments to**

the DSG, on the allocation of the Schools Budget, in consultation with Executive Members.

Health and Social Care Funding

- 12.16 The Better Care Fund (BCF) was originally announced in the June 2013 Spending Round as a 'pooled budget' for health and social care services, shared between the NHS and councils to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people. The local government elements of the BCF (including the £1.1bn transfer from health to social care) are based on local government formula and the health elements on Clinical Commissioning Group (CCG's) formula.
- 12.17 A BCF submission for North Yorkshire (NYCC plus 5 CCGs) was made in April 2014 and was subsequently approved. This submission included an allocation of an additional £10m (on top of £7m already transferred as part of the transfer to the County Council) in order to protect adult social care in recognition of the growing pressures facing local government and the dependencies between health and social care. However, following the well-publicised pressures faced by some hospital A&E wards, the government announced that BCF submissions also had to meet new targets relating to avoidance of emergency admissions.
- 12.18 A revised BCF submission therefore needed to be negotiated between the County Council and the CCGs. The increased targets meant that the CCGs felt that they could no longer afford to honour the £10m commitment previously given as failure to hit government targets on admissions meant that sufficient funding would not be generated. Following further discussions a revised plan was submitted in September 2014 which was fully 'approved' on 2 January 2015. This submission included a funding commitment of an additional £5m to protect adult social care in 2015/16 but there was recognition that the direction of travel was to secure an additional £10m for this purpose in the near future.
- 12.19 Whilst there has been a commitment to continue with the additional £5m per annum support to adult social care, and indeed increase to £10m, it can not be regarded as secured funding at this stage. In the relatively short life of the BCF there have already been significant changes from government and further changes can not be precluded, particularly beyond the General Election. Whilst there is a widely held recognition that the Better Care Fund, or something similar will be established for 2016/17, at present there is no certainty. As a result, £5m has been incorporated into the County Council's budget for 2015/16 at this stage on a one-off basis. The County Council does however expect its health partners to honour this on a recurring basis and to increase the additional contribution to £10m per annum at the earliest opportunity reflecting the greater financial cuts that have been placed on local government.
- 12.20 Further related information on associated risks can be found in **paragraph 14.12** later in this report.

Supporting Delivery of 2020 North Yorkshire Programme

- 12.21 Delivery of the overall 2020 North Yorkshire Programme has required pump priming from one-off monies given the transformational nature of the Programme and the impact upon the Council's ways of working. £3m was earmarked in last year's Budget to fund a range of support over the life of the Programme.

12.22 There may be a need to make further calls upon corporate resources, whether that is to assist in implementation of the Programme (on one-off basis) or whether it is to test new approaches. As the task of delivering savings becomes harder then the need for innovation increases and the risks of failure in trying out new approaches becomes an inevitable consequence. Such innovation is likely to require some element of funding to pump prime and an acceptance of increased risk. **At this stage there is no proposal to earmark further funds for supporting delivery of the Programme but the situation will be monitored on an on-going basis.**

12.23 Management Board oversees the delivery of the 2020 North Yorkshire Board (in a Programme Board role) and updates are to be provided to the Executive (and all other Members) in the usual fashion through quarterly monitoring reports. Any requests for additional resources, whether from the PIP, Balances or other existing budgets will therefore be progressed through those channels.

North Yorkshire Pension Fund (NYPF)

12.24 The estimated implications of the 2013 Triennial Valuation were incorporated into the 2014/15 budget with this valuation based on employee data at 31 March 2013, establishing employee contribution rates for the three years 2014/15 to 2016/17.

12.25 Provision in the 2014/15 budget / MTFs at February 2014 was needed to cover the new 'current service cost' of 14.4% of gross pensionable pay from 1 April 2014. This was previously 12.4% with the 2% increase broadly expected as a result of changes to the assumptions used to calculate the cost of pensions benefits. Provision was also needed for the 'cash lump sum historical deficit' contributions of £11.5m in 2014/15, £12m in 2015/16 and £12.5m in 2016/17 (which were lower than expected due to the Fund's strong investment returns as well as lower than expected salary growth). The provision made was therefore:-

- a) The existing 19.2% employers contribution consisting of a 12.4% current cost contribution + 6.8% towards the historical deficit
- b) An existing £2.1m block provision in Corporate Miscellaneous towards the historical deficit contribution required and
- c) An additional provision in 2014/15 of £1.75m to cover the estimated net additional overall cost of funding the total new current service cost and deficit contributions required

12.26 A subsequent reassessment of the provisions made was undertaken to reflect the cash lump sum deficit contributions being discounted following agreement to pay the Pension Fund early, a newly determined (from 1 April 2014) employers contribution rate of 21.2% (instead of the previous 19.2%) together with updated data. The result of this reassessment was that £1.665m out of the £3.85m block provision made (b+c above) could be released back into the 2015/16 Budget / MTFs and this has been effected.

12.27 As the next Triennial valuation will impact in 2017/18 however (3 years from 1 April 2017) £1.7m has been added back into the MTFs in that year as a provision for increased contributions (current service cost + historical deficit contribution) that might well be expected. This will however be reviewed each year as part of future budget / MTFs updates.

13.0 TECHNICAL ISSUES AND ASSOCIATED MATTERS

13.1 There are a number of technical and statutory issues and associated matters that need to be addressed as part of the Budget / MTFs process as follows:-

Calculation of Council Tax Requirement and Basic Amount of Council Tax

13.2 The County Council has a statutory duty as a major precepting authority in accordance with Section 42A of the Local Government Finance Act 1992 (as amended by Section 75 of the Localism Act 2011) to calculate its Council Tax requirement each year. Additionally in accordance with Section 42B of the Local Government Finance Act 1992 (as amended by Section 75 of the Localism Act 2011) it must also calculate the basic amount (Band D equivalent) of Council Tax for each financial year. Details of the statutory calculation for 2015/16 are therefore provided in **Appendix G**.

13.3 **Appendix G** also shows the calculation for 2015/16 including the Council Tax levels for each Council Tax Band A to H.

13.4 A full exemplification of the 2015/16 net budget requirement, Council Tax requirement and resulting Band D is shown in **Appendix C** which is based upon the Provisional Local Government Finance Settlement and information provided by District Councils on taxbase and business rates income. This statement also shows equivalent MTFs figures for 2016/17 to 2019/20.

Localisation of Local Government Funding

13.5 A key feature of the 2013/14 Local Government Finance Settlement was the introduction of the Localisation of Business Rates (BR) and Council Tax (CT) Benefits from 1 April 2013. An update of the current position is as follows:

Localisation of Business Rates (BR)

13.6 NYCC receives 9% of the BR collected by the 7 District Councils with the 2014/15 budget provision being £18.7m based on estimates from each District. An early estimate for 2015/16 as included in the budget proposals in this report is £18.9m. Year on year variations arise from an annual inflationary uplift (but see **paragraph 13.8**), new or fewer businesses and the impact of any successful appeals by businesses against their rateable values.

13.7 In addition as part of its overall Settlement Funding Assessment from the Government, the County Council also receives a 'BR Top up' (because NYCC only receives a small 9% proportion of the locally collected BR). This sum is increased annually in line with the national BR inflationary uplift and was £41.8m for 2014/15. For 2015/16 £42.6m has been included in the budget proposals in this report as included in the Provisional Local Government Settlement announcement on 18 December 2014.

13.8 The annual RPI inflationary uplift that should have applied to the funding in **paragraph 11.6** and **paragraph 11.7** above (3.2% in 2014/15 and 2.3% in 2015/16) have however been capped at 2% by the Government in each year (the 2015/16 cap was announced on 3 December 2014 as part of the Chancellor's Autumn Statement). To compensate councils for the lost revenue the Government have provided grant funding with NYCC receiving £642k in 2014/15.

For 2015/16 an indicative grant of £896k has been notified which covers the continuing impact of the 2014/15 cap and the new cap for 2015/16 and this sum has been included in the 2015/16 revenue budget.

- 13.9 In 2014/15 the Government also agreed a number of other BR reliefs including for small businesses and various retail reliefs. Although this resulted in lower BR estimates from the District Councils under **paragraph 13.6** above, the Government did not confirm that grant funding would be provided to councils to compensate them for the lost revenue until after Councils had set their budgets. No budget provision for such grant was therefore made but grant totalling £1,116k for 2014/15 was however subsequently notified and has featured as a contributing factor towards the Q1 and Q2 projected revenue outturn savings position. As a number of these reliefs are now being continued in 2015/16, as announced in the Autumn Statement, and the Government have indicated that they will reimburse local authorities for the resulting lost revenue, a provisional grant provision of £1m in the 2015/16 budget has been made.
- 13.10 As previously reported to Members the County Council joined a BR pooling arrangement with 5 North Yorkshire District Councils (all except Harrogate and Selby) from 1 April 2014. The latest 2014/15 forecast suggests that this arrangement will produce a net surplus of about £1.3m for the pool compared to each authority being treated as a separate entity within the BR retention system of which NYCC would receive about £0.3m (30% after setting aside the first 20% or max of £250k into an economic development fund). The outcome can be volatile however as a result of potential appeals in the pipeline by some large businesses against the rateable values of their premises.
- 13.11 Given the volatile nature of the Pool it is regarded as unwise to build into base budgets and it is proposed that any pool surplus is ringfenced in order to pump prime developments within the County. At this stage it is not proposed to lock down any definition of development but potential uses could include advanced design of highways or flooding schemes so that they are best placed to meet external funding terms and conditions (ie close to being “shovel ready”). **It is therefore proposed that once the net pool surplus attributable to NYCC for each year is identified, this sum is added to the following years revenue budget for BES on a one off basis.** The surplus for 2014/15 once identified would therefore be added to the in year 2015/16 BES budget. The Corporate Director, Business and Environmental Services would then take the lead in identifying appropriate pump priming schemes across the County Council.
- 13.12 Following detailed monitoring of the position for 2014/15 and early forecasts for 2015/16 the County Council has agreed to continue to be part of the existing pool arrangement for 2015/16.

Localisation of Council Tax (CT) Benefits

- 13.13 Funding for the localisation of CT benefits scheme is included within the overall Settlement Funding Assessments from 1 April 2013 and is not identified separately. The County Council received £22.7m in 2013/14 to compensate for the impact of a reduced CT base (after reflecting a national 10% cut in funding which cost NYCC about £2.7m in 2013/14) when CT benefits previously funded by the Government, became CT discounts. As this money is part of the overall Local Government Funding Pot and individual local authority Funding

Assessments it will continue to be eroded each year as part of subsequent on-going reductions in local government funding.

13.14 2015/16 is the third year of this fundamental change in funding and at District Council level the impact of their local 'CT Support Schemes' in both 2013/14 and 2014/14 has been better than expected. Their CT base has not reduced as much as originally forecast, which is partially due to successfully tightening up various other CT discounts and exemptions. In addition the costs of operating the scheme in terms of administration and costs of collection (bad debts etc) have not been as great as envisaged. As about 69% of CT collected by Districts is paid over to NYCC, this improvement is welcomed.

13.15 The Districts are currently finalising their 'local CT Support Schemes' for 2015/16 with some retaining their 2014/15 schemes for a second or even third year where no changes were made for 2014/15. Others are looking to tighten up their schemes further with the aim of reducing (in percentage terms) the level of support provided. This is against a background of the Districts ultimately relaxing their initially proposed schemes for 2013/14 to be eligible for one off 'Transitional Funding' grant in 2013/14 (NYCC received £0.6m). In addition to agreeing their 2015/16 local 'CT Support Schemes' the Districts are also looking at any further opportunities for tightening up other CT discounts and exemptions.

Pay Policy Statement 2015/16

Introduction

13.16 The first pay policy statement was published in April 2012 in accordance with the Localism Act 2011. It needs to be produced annually and can be amended in year on resolution by full County Council. It does not require schools staff to be included.

This report sets out the primary changes made to the draft pay policy statement for 2015/16 for agreement by full County Council.

Changes

13.17 There has been 1 senior post change since the 14/15 statement which is a reduction of 0.5FTE Assistant Director post, following a HAS management restructure.

New appointments - Approval of salary packages in excess of £100k

13.18 The pay policy statement details the pay arrangements and salaries for Chief Officers and Senior Management. An appointment will not be made to an alternative or varied pay and remuneration package without a recommendation being submitted by the Chief Officers Appointments and Disciplinary Committee to full County Council and agreed by it. Likewise any severance payments over £100k will not be made without a recommendation from the same committee to full County Council.

Amendments to pay policy

13.19 There is no expectation that this policy will need amending during the period it covers (April 2015 to end of March 2016). However if circumstances dictate that a change of policy is necessary and appropriate during the year then a revised

draft policy will be presented to full County Council for consideration National pay settlements for the year 2015/16 apply and have already been agreed for implementation although these do not cover Chief Officers and Chief Executive. For other senior managers covered by this policy the increase is 2.2% from January 2015 for the 2 year period 2014/15, but not backdated, and 2015/16.

Transparency

- 13.20 All the information provided in the attached pay policy statement (**Appendix I**) has been fully disclosed and accessible to the public for a number of years on the Council's website and published data and information as required in the Transparency Code.

14.0 RISK ASSESSMENT

- 14.1 There are always a number of significant risk factors which it is necessary to consider in determining the Budget / MTFs. It is clear that we are less than half way through the period of austerity and despite that, pressure remains to deliver more reform whilst some areas see increased demand. Regardless of the May General Election, it is arguably the most challenging environment in the history of modern local government. The following Section attempts to highlight some key risk factors but it should not be considered as exhaustive.
- 14.2 The risks have been broken down into 2 key areas – corporate risks; and more specific service pressures.

Corporate Risks

- 14.3 **Delivery of savings programme** – Whilst the Council has done well in delivering the savings to date broadly on time (and in some cases early), 2015/16 represents a further stepped increase in terms of the value of savings required. It is also anticipated that further years will see steep savings profiles (ie more of the savings requirement falling earlier) and the nature of the savings are that they become harder to deliver, particularly where there are plans to manage demand for services. The risks are mitigated by having a robust programme approach and by having sufficient Balances to deal with any adverse impacts but the risks associated with the savings programme will remain high when there is higher expectation / demand for services at a time of reducing resources.
- 14.4 **Further reductions in government grant** – the MTFs and longer term projections are based upon trajectories similar to the 2010 CSR. There have, however, been indications that Revenue Support Grant could, in the long term, be eroded to almost zero. There is also a distinct possibility that the profile of savings in the early years of the next Spending Review will be steeper than previously thought. It is impossible to accurately assess this position until the next government publishes its Spending Review but the County Council will need to ensure that it is able to be flexible in meeting any additional challenges.
- 14.5 **Assumptions on council tax yield** – the MTFs continues to assume a 1.99% increase in council tax for each year from 2015/16 to 2019/20. Although this is within the 2% referendum cap for 2015/16 there is of course uncertainty in relation to the years after 2015/16, particularly given the speculation last year

and this, of pressures within Government to set a lower cap. An increase of 1% in council tax equates to £2.4m.

- 14.6 **Specific grants** – There is the risk of key grants (such as Education Services Grant) being further eroded or discontinued altogether. Whilst discontinuation of grants is generally known in advance, an “emergency budget” can not be ruled out post the General Election, similar to that experienced in 2010 when a number of grants were stopped instantly despite on-going commitments.
- 14.7 **Unplanned incidents / emergencies** – adverse weather conditions, disasters and unforeseen events remain a constant feature. Increases in litigation remain an increasing phenomenon within society.
- 14.8 **Inflation and pay levels** – although the December 2014 Chancellor’s Autumn Statement signalled that the Government will need to continue to take tough decisions on public sector pay while it continues to reduce the current budget deficit until 2017/18, latest earnings figures throughout the country are showing the first signs that pay growth is strengthening. Thus there is a risk that future pay awards will exceed the MTFS assumption of 2% per annum and this risk is heightened with continuing pressures to increase the minimum wage. Continuing strong economic growth may also start to fuel inflationary pressures above MTFS assumptions (about 2% per annum for the full MTFS period)
- 14.9 **Interest rates** – the budget for 2015/16 and MTFS through to 2019/20 is based on interest rates starting to rise in very late 2015 and then continuing to steadily increase. Any significant deviation to this in either timing (eg as the number of people out of work reduces the prospect of an increase in interest rates rises) or rate of increases will impact on both investment returns and potential new external borrowing costs. Early steady increases in rates may also have an adverse impact upon contract prices as businesses face higher operating costs.
- 14.10 **Levels of business rates collected by North Yorkshire District Councils** – 9% of locally collected business rates (circa £19m) is paid to the County Council and the projections up to 2019/20 assume a modest annual growth. Although each 1% increase or decrease is equivalent to only £190k, there is the potential for more significant variations if large business rates payers close, move out of the County or make successful appeals against their rateable values.

Service Specific Issues

- 14.11 **Care Act** - 2015/16 sees the introduction of the new right of assessment and services for carers as a result of the Care Act. Whilst the Council currently provides carers assessments (approximately 6,000), it is known that there are a significant number of carers, potentially 60,000 based on census data, who have not been assessed. Modelling suggests a 25% increase in assessments, but with a national media campaign there is significant uncertainty of the likely increase in workload. Funding allocations for 2015/16 have been announced and indications are that there is likely to be a shortfall based on national models completed.

April 2016 sees the introduction of the care cap (£72,000) and changes to capital limits. The consultation on the changes is expected by the end of January 2015 with the final guidance later in the years. This change will see the need for ‘self-

fundings' (individuals receiving care either domestically or in residential nursing homes, but not as a result of assessment by the Council and financing the costs themselves) to be assessed in order to accrue against their individual care account. Again there is a national media campaign and estimates of the number of individuals through modelling suggests an additional 12,000 assessments. Whilst applicable from April 2016 these assessments are planned to start from October 2015, with the working assumption that half of the assessments will be undertaken in 2015/16. From April 2016 there will also be changes to 'capital limits' (the threshold above which clients fully fund their own care). This is likely to result in the County Council losing significant levels of income from existing clients as well as needing to financially support more individuals who currently pay for their own care. Because of the General Election and the autumn spending review the council is unlikely to know how much the government will contribute towards these additional costs until late in the calendar year.

Both of the above represent risks in demand management and service delivery with a significant recruitment, technology and training issue to manage the increased workload. The requirements for staffing are replicated in all social care authorities through the implementation of the act with the potential impact on other work if sufficient staff are not secured. It is also possible that the assessment will result in self-funders having their care needs assessed and financed in part or in full by the Council.

14.12 **Better Care Fund** - Whilst the Fund is approved for 2015/16, the primary source of the fund is the CCGs. The fund in 2015/16 provides direct funding of £12m to the Council for the protection of adult social care (an increase of £5m on the previous year). The 5 CCGs within North Yorkshire have varying financial positions. Significant pressures within the Health System, as recently evidenced could, if occurring over a sustained period, result in financial difficulties for one or more CCGs. In such a scenario it is possible that renegotiation of the level of protection of social care may be requested.

14.13 **Demand level for services** – demand remains of concern for many of the biggest areas of Council spending including Adult Social Care, Children's Social Care, Waste and Highways. The statutory obligations of the Council mean that demand will need to be met in some form and even more cost effective means of service delivery may alone be insufficient to offset the costs of increased demand.

In year monitoring of HAS service demands show a trend of higher spending on purchasing budgets for care and this is currently being offset by savings through staff vacancies with a significant proportion from the START Reablement service. In addition evidence is showing that whilst the number of packages of home care are being contained, the average package is of greater need, indicating that people are increasingly frail when approaching the Council. The increase in targeted prevention work, as part of the HAS 2020 programme, over the coming years is expected to result in delayed need for care, but ultimately potentially greater packages of care when services are required.

Spending in children's social care has remained within budget and workforce statistics show low sickness absence and low turnover. There are no agency staff. This has helped to safely reduce the looked after population by over 6%

despite the impact of external factors which have led to a higher profile and increased contacts relating to child protection. The County Council is very well placed but external factors may well have further impact leading to higher referrals, a potential reversal in the size of the care population and ultimately higher / more expensive care packages.

- 14.14 **Dedicated Schools Grant (DSG)** - although the majority of the DSG is allocated directly to establishments, a significant proportion funds, or partially funds, a number of Council services. Such funding must be made after consultation with, and in some cases with the agreement of, the Schools Forum. The total amount of funding available for these services cannot increase, and in the past few years, the trend has been to maximise delegation to schools and establishments. As priorities change, funding can be switched to other budgets (as long as the legal requirements governing the use of DSG are met) and in some cases can assist services to meet budget reductions required by the MTF5 or 2020 North Yorkshire Programme.

The Forum agreed last year to continue to fund services in the Schools Block to the tune of around £7.5m for at least the next two financial years (2015-17) and there is also support in the High Needs and Early Years blocks. The services which are funded enable the Council to support schools with resources which can be prioritised to meet need. Although additional funding of £9.8m will be allocated to schools in 2015/16, and additional funding has also been made available from within the DSG to increase the allocations to schools and Early Years settings, there remains the risk that the Forum might review this approach at some point in the future

- 14.15 **Legal Challenge** - the threat of legal challenge is likely to be faced on a more regular basis across the sector as austerity bites further. This impacts across all that the Council does given the statutory nature of almost all of the services provided.

2014/15 has seen a tenfold increase in assessments to HAS which are required to meet Deprivation of Liberty Standards (DoLS) following a case at the Supreme Court, referred to as the Cheshire West judgement. Additional recurring costs of approximately £1.2m are projected for 2015/16 through the increase in workload and requirements on all authorities. The Council also faces risks with issues such as Ordinary Residence and the need to refresh residential care rates again in 2015/16.

- 14.16 **Contract Prices** – in recent years the economic downturn has acted to suppress tender prices and the County Council has benefited financially. However, as confidence in the economy grows and costs rise, tender prices are likely to increase. Over a period of time this may manifest as a cost pressure to the County Council. No specific financial planning is required at this stage, but it is an issue that will be monitored and assessed as various services are procured.

- 14.17 A number of these risks align to the Corporate Risk Register, a copy of which is attached as **Appendix J**. It is clearly not possible to predict the financial impacts of these risks with any degree of certainty. The Table below, however, provides some sensitivity analysis and acts as a broad “ready reckoner”:-

| Risk | Quantification | £m | Recurring? |
|--|--|------|------------|
| Under achievement of savings 2015/16 to 2019/20 | £75.0m savings requirement over 5 year period | 15.2 | No? |
| Further funding cuts from government | 1% additional cut in funding (in single year) | 1.3 | Yes |
| Insufficient funding for Care Act: | | | |
| 2015/16 | Net cost based on modelling | 1.7 | Yes |
| 2016/17 | Gross cost based on modelling | 16.0 | Yes |
| Risk of adverse weather conditions | Extreme spend on adverse weather in excess of budget | 5.0 | No |
| Acceleration of inflation above assumptions on supplies and services within the MTFS | 1% increase in inflation (in single year) | 2.0 | Yes |
| Pay awards above assumptions in Budget / MTFS | 1% increase in pay awards (in single year) | 1.5 | Yes |
| Potential shortfall on Council Tax yield based upon MTFS assumptions | 1% Council Tax variation | 2.4 | Yes |
| Potential increase in Looked After Children (LAC) | 10% increase in LAC | 1.0 | Yes |
| Better Care Fund – protection of Social Care | 100% of Fund used to underpin adult social care in 2015/16 | 12.0 | Yes |
| Potential increase in demand for Adult Social Care | Additional 2% demand | 2.0 | Yes |
| Legal challenge relating to DoLS | Modelled cost in meeting assessed need | 1.2 | No |
| Reduced collection of Business Rates | 5% less Business Rates generated | 1.0 | Yes |
| New Homes Bonus (NHB) – government review results in full loss | NHB value in 2015/16 | 2.2 | Yes |

15.0 LEGAL IMPLICATIONS

15.1 The legal duties upon the Council to calculate the budget, consider savings proposals, calculate Council Tax requirement and the amount of Council Tax are set out in the report and particularly in **paragraph 13.2** and in the remainder of this Section.

Equality Implications

15.2 The County Council must demonstrate that it pays due regard in developing

its budget and policies and in its decision-making process to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities with regard to the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation. This includes taking account of the additional compounding factors such as the rural nature of the county and the cumulative impact of proposals on groups with protected characteristics across the range of services. The impact of proposals and decisions on the County Council's activities as a service provider and an employer must be considered.

- 15.3 At the earliest possible opportunity, significant proposed changes in service provision and budget are considered to identify whether there are likely to be any equality implications.
- 15.4 If potential equality implications are identified, the County Council follows an Equality Impact Assessment (EIA) process to enable the collection of data and analysis of impacts and to try to reduce and mitigate any impact. EIAs are developed alongside savings proposals, with equalities considerations worked into the proposals from the beginning.
- 15.5 If a draft EIA suggests that the proposed changes are likely to result in adverse impacts, further detailed investigation and consultations are undertaken as the detailed proposals are developed. Proposed changes will only be implemented after due regard to the implications has been paid in both the development process and the formal decision-making process.
- 15.6 Where the potential for adverse impact is identified in an EIA, services will seek to mitigate this so far as it is possible to do so in a number of ways including developing new models of service delivery, partnership working and by helping people to develop a greater degree of independent living.
- 15.7 The County Council has also carried out a high level equality assessment to highlight which protected groups are affected by the budget proposals in 2015/16, identify any emerging themes and cumulative impacts, and consider them within evidence gathering and more detailed EIAs. The high level equality assessment can be found at **Appendix K**. Members should also have regard to the individual EIAs that have been carried out already when determining the budget proposals.
- 15.8 The majority of probable impacts for 2015/16 are currently assessed as neutral, although given the nature of the changes, i.e. cuts to some services, it is inevitable that there will be some adverse impacts particularly for older people, disabled people and people on a low income and/or living in a rural setting. Some of the impacts are positive, e.g. making services simpler to access or providing residents with more information about choices they have.
- 15.9 The high level equality assessment has been reviewed by the 2020 Operational Group and the Council's Management Board and is updated on a regular basis as projects are developed and are taken through the formal decision-making process.

Other Statutory Requirements Relating to Budget Setting

Background

15.10 The requirements of the Local Government Act 2003 as it affects the Budget setting process are provided in **Appendix L**. The key part is Section 25 which is addressed below.

Section 25

15.11 Under the terms of Section 25 of the Local Government Act 2003 the s.151 Officer is required to report to the County Council, at the time when it is making its Precept, on two specific matters:-

the robustness of the estimates included in the Budget, and
the adequacy of the reserves for which the Budget provides

15.12 The County Council then has a statutory duty to have regard to this report from the Section 151 Officer when making its decision about the proposed Budget and Precept (see **paragraph 15.28** below for the Section 25 opinion of the Section 151 Officer)

Robustness of the estimates

15.13 In accordance with the principles laid out in **Appendix L**, the Corporate Director, Strategic Resources, as Section 151 Officer, has undertaken a full assessment of the County Council's anticipated potential financial risks in 2015/16 and the subsequent period up to 2019/20 as far as that is possible including:

- the realism of the Revenue Budget 2015/16 estimates for
 - price increases
 - fee / charges income
 - loss / tapering of the remaining specific grants and / or changes to their eligibility requirements
 - provision for demand led services
 - the financing costs arising from the Capital Plan. The existing policy decision to establish a cap (proposed to continue in 2015/16 at 10% elsewhere on the Executive's agenda) on the level of capital financing charges as a proportion of the annual Net Revenue Budget provides additional assurance on this aspect of the Budget
 - the impact of current and forecast interest rates on the expected returns from investment of cash balances
 - the probability of achieving the necessary savings targets required to minimise any further likely drawdown on Reserves / Balances

- the realism of the Capital Plan estimates in light of
 - the potential for slippage and underspending of the Capital Plan
 - the possible non-achievement of capital receipts targets and its implications for the funding of the Capital Plan

- financial management arrangements including
 - the history over recent years of financial management performance
 - the impact on current financial management arrangements of the budget savings required on finance and related functions across the Council, whilst at the same time retaining a capability to help achieve the necessary saving targets across the County Council as a whole
- potential losses including
 - claims against the County Council
 - bad debts or failure to collect income
 - major emergencies or disasters
 - contingent or other potential future liabilities

15.14 An assessment has also been made of the ability of the County Council to offset the costs of such potential risks. The MTFs therefore reflects:

- the provision of a contingency fund in the Corporate Miscellaneous budget
- specific provisions in the accounts and in earmarked reserves
- a commitment to maintain the level of the General Working Balance at its minimum 2% policy target level with an additional (and reviewable) cash sum of £20m to provide additional contingency for delays in delivery of savings targets over the challenging period of 2015/16 to 2019/20 (**paragraph 15.22**)
- comprehensive insurance arrangements using a mixture of self funding and external top-up cover

15.15 Estimates used in the Budget for 2015/16 are also based on pragmatic assumptions taking into account:

- future pay and price increases across all services
- anticipated further reductions in both specific and general grants
- the impact of the economic situation on future interest rates, the Council Tax taxbase, District Council Collection Fund surpluses and deficits, (including the impact of reduced Council Tax Benefit funding) and the future levels of Business Rates collected in North Yorkshire
- policies and priorities as expressed in the Council Plan and associated Service Plans
- the need to plan for the forecast costs of the Waste Strategy in the years beyond 2015/16
- commitments in terms of demand for services (e.g. adult social care, safeguarding of children, adverse weather on highways)

15.16 Whilst these estimates are based on pragmatic assumptions, some elements are inevitably subject to a degree of potential variance. This variance is likely to increase as the time horizon extends. The assessment for 2016/17 and beyond will continue to be re-assessed and is inevitably subject to many external factors which it is impossible to quantify precisely at this stage. Nevertheless, it is important that the Council is able to plan appropriately and the Medium Term Financial Strategy period 2016/17 to 2019/20 provides a planning framework including savings targets. Many of these savings targets are however still at a

high level and require further detailed work in order to fully understand the implications of the proposals and the financial consequences.

- 15.17 The Council operates on a basis of cash limited budgets for each Directorate. Historically there has been an expectation that each Directorate will ensure that any potential overspends will firstly be offset against elsewhere within the Directorate budget. Whilst this remains the case in principle, the increasing consequences of austerity render such an approach less sustainable. In recent times there has been a deliberate approach to centralise contingencies within the Council and, as a result, there is a heightened risk that budgetary pressures felt in Directorates may not be able to be contained within their cash limited budgets. Where that is the case, it is likely that there will be a need for corporate funding. Such issues will be picked up as a matter of course as part of the usual budget monitoring arrangements.
- 15.18 These cost pressures and variances are monitored on a regular basis and reported, alongside other key performance information, to the Executive on a quarterly basis. The Budget process also provides an annual opportunity to comprehensively review and recalibrate the future years within the MTFS. These monitoring processes have been, and will continue to be, critical in identifying the progress of the County Council in achieving the savings targets that underpin the proposed MTFS.

General Working Balance (GWB)

- 15.19 A key feature of the Revenue Budget 2014/15 and Medium Term Financial Strategy as approved in February 2014 was to maintain the GWB at a defined minimum acceptable level agreed as:
1. Maintenance of a minimum of 2% of the net revenue budget for the GWB in order to provide for unforeseen emergencies etc supplemented by
 2. An additional (and reviewable) cash sum of £20m to be held back in the event of a slower delivery of savings targets
- 15.20 The previous target was to maintain a minimum level of GWB of 2% of the net revenue budget (ie only 1 above) but this was changed in February 2014 to reflect.
1. The increased number of risk factors which the County Council is facing as set out in **section 14** of this budget report and in particular
 2. Savings Targets not being delivered on time and
 3. The increased level of risk falling on the GWB resulting from the on-going review and consequential release of earmarked reserves into the GWB (£8m in 2013/14 and a further £5m in 2014/15 – see **Appendix M**) in that some of the risks which have been covered by these reserves will now fall on the GWB

Appendix M sets out the current policy and also includes a set of “good practice rules”.

- 15.21 As part of agreeing the new target it was also proposed that the new policy is reviewed annually in light of further savings requirements and delivery of savings as set out in the 2020 North Yorkshire Programme and this has been undertaken and is covered in more detail in **Appendix M**. Since the new policy was agreed

in February 2014, significant changes to the forecast levels of the GWB have resulted from:

1. Improvements in 2013/14 and 2014/15 to date from one off savings and windfalls
2. One off Investments agreed in Q1 and Q2 2014/15
3. A further review and release of earmarked reserves (**Appendix M**)
4. MTFS savings reductions (**paragraph 6.7**)
5. MTFS improvements from 2015/16 (**paragraph 6.8**)
6. Adding a further year 2019/20 (**paragraph 6.4**)

15.22 **Given these changes it is proposed that the same minimum target level of GWB as agreed in February 2014 is retained as part of this year's revenue budget / MTFS but will continue to be reviewed on an annual basis.** At this stage there is little evidence to believe that this approach would change until late in the delivery of the 2020 North Yorkshire Programme although the GWB may well be drawn down in the event of a slower savings delivery. There is also the key issue of the level of future Government funding cuts which will not be known until next year's Local Government Finance Settlement.

The benefit of retaining the existing approach is that the County Council will be able to review its savings programme and ensure that longer term measures can be put in place rather than having to resort to immediate cuts in order to achieve a balanced budget.

15.23 Based on the 2014/15 Q2 Revenue Budget Monitoring report, the projected level of GWB at 31 March 2015 is £64.7m which is £37.3m in excess of the 'target minimum level' made up as follows:

| Item | £000 |
|--|---------------|
| Total GWB at 31 March 2014 | 78,491 |
| Less earmarked for carry forward into 2014/15 | (25,058) |
| = Unallocated GWB at 31 March 2014 | 53,433 |
| - Contribution required to 2014/15 Budget | (1,322) |
| - Additional investments agreed Q1 2014/15 profiled in 2014/15 | (427) |
| + Net savings in 2014/15 proposed to add to GWB (at Q2) | 8,031 |
| + Release of earmarked reserves into GWB (Appendix L) | 5,004 |
| = Forecast unallocated GWB at 31 March 2015 | 64,719 |
| Minimum target of 2% of net revenue budget + £20m | (27,460) |
| Forecast in excess of target | 37,259 |

It is important to note, however, that this forecast reduces significantly when projected beyond 2015/16 as set out in **paragraph 15.25** below.

15.24 The availability of this one off cash in excess of the target minimum level is welcome but needs to be considered in light of the longer term risks of savings being delivered on time and future levels of Government funding cuts. These figures should not mask the scale of financial challenge over the remainder of this decade, and potentially longer, with further recurring annual savings of **£14.2m** from 2019/20 still to be identified.

15.25 Taking into account the net revenue budget changes and proposals each year as contained in this report and assuming that the cumulative net shortfalls each year up to 2019/20 were fully funded from the GWB without any further savings coming on stream by 2019/20, the annual movements in the GWB would be as set out in the table below. (see also **Appendix M**).

The table also shows the target levels based on the new minimum levels agreed in February 2014 and comparable figures to 31 March 2016 as reported in February 2014.

| Date | MTFS Feb14 | | MTFS Feb15 Forecast | | | | | Target | |
|----------|------------|-------------|---------------------|-----------------------|---------------|---------------|-----------------|--------------|------------------|
| | F/cast | Target | Start of year | Budget / MTFS & in yr | 14/15 release | 14/15 invests | End yr forecast | Target level | Excess of target |
| | £000 | (a) £000 | £000 | (b) £000 | (c) £000 | (d) £000 | (e) £000 | (a) £000 | £000 |
| 31/03/15 | 40,956 | 27,460 | 53,433 | 6,709 | 5,004 | (427) | 64,719 | 27,460 | 37,259 |
| 31/03/16 | 39,051 | 27,183 | 64,719 | 7,171 | | (8,177) | 63,713 | 27,270 | 36,443 |
| 31/03/17 | | | 63,713 | 5,358 | | (2,180) | 66,891 | 27,177 | 39,714 |
| 31/03/18 | | | 66,891 | (955) | | (2,000) | 63,936 | 27,109 | 36,827 |
| 31/03/19 | | | 63,936 | (4,541) | | (2,000) | 57,395 | 27,044 | 30,351 |
| 31/03/20 | | | 57,395 | (14,231) | | (2,000) | 41,164 | 27,007 | 14,157 |

Notes

- (a) Revised target from 2014/15 = 2% of net revenue budget + a £20m buffer; reduced marginally as a result of a forecast reducing net budget
- (b) 2014/15 consists of savings to Q2 of £8,031k less planned contribution of £1,322k. Future years are based on the latest annual residual shortfalls and surpluses being funded from the GWB at this stage with no further savings being proposed at present.
- (c) Release of earmarked reserves in 2014/15 – see **paragraph 2.8 Appendix M**
- (d) One off investments agreed in 2014/15 to be funded from the GWB - £16,284 agreed at Q1 and £500k at Q2.
- (e) Will be subject to further investments (including Capital Financing related of up to £10m – see **paragraphs 7.8 to 7.13**) and any future will additional savings / further changes to existing savings profiles.

15.26 As can be seen from the table above the estimated GWB at 31 March 2016 is £64.7m and this exceeds the target minimum of £27.5m by £37.2m. This provides a welcome buffer given the risks outlined in **Section 14** with the likelihood of further significant pressures on the County Council as set out throughout this report. It should also be borne in mind that the longer term forecast at 31 March 2020 shows the level reducing to **£41.2m** which is **£14.2m** above the target minimum and there are potential future further investments including up to £10m on capital financing initiatives.

Adequacy of Reserves and Balances

- 15.27 The Council is now about to enter the year which sees the second highest level of savings required in an eight year period of (recorded and projected) austerity. Whilst the Council has a good track record on delivering planned savings and has managed well within overall budget over recent years, the availability of “one-off” funding from Reserves and Balances is likely to be of crucial importance. Changes to the existing 2020 North Yorkshire Savings Programme are inevitable in the future (as witnessed by refinements in this Report when compared to proposals in last year’s equivalent report). There will therefore be a need to ensure the profiles can be matched up and cash flowed from GWB. This approach will help to ensure a more successful delivery of the 2020 North Yorkshire Programme and help to avoid short-termist responses which are likely to have more detrimental impact upon frontline services.

Section 25 opinion of the Corporate Director, Strategic Resources

- 15.28 **Taking all of these factors and considerations into account the Corporate Director, Strategic Resources is satisfied that the estimates used in the Revenue Budget 2015/16 and the associated MTFs for 2016/17 to 2019/20, as proposed, are realistic and robust and that the associated level of balances / reserves is adequate within the terms of the proposed revised policy. In addition the Corporate Director, Strategic Resources is satisfied that the high level estimates used in the projections beyond 2015/16 are as realistic as can be assessed at this stage given the uncertain external factors. It remains important, however, that decisions taken for 2015/16 and beyond are seen in the context of an on-going decline in funding in order to ensure that decision making is optimised.**

16.0 DELEGATION ARRANGEMENTS

- 16.1 It is the responsibility of the Executive to ensure the implementation of the Budget once it is agreed by the County Council, and the Officer Delegation Scheme sets out the authority delegated to the Corporate Directors in relation to the implementation of the Budget within their services areas, subject to the Budget and the Policy framework.

17.0 CONCLUSION

- 17.1 The reductions in government funding for 2015/16 are broadly in line with Council expectations. It is clear, however, that we are less than halfway through the period of austerity and it is therefore necessary to ensure a medium to long term focus. The MTFs set out in this report, along with the 2020 North Yorkshire Programme provide a sound basis to ensure that the Council is as well placed as it can be to navigate its way through the remainder of the decade.
- 17.2 This report sets out some refinements to the savings proposals set out in the February 2014 Budget report and, based upon best estimates, there is an anticipated residual savings shortfall of £14.2m by 2019/20. This position will be clearer post the General Election but, given the work as part of the 2020 North Yorkshire Programme, there is no need to bring forward further savings proposals at this stage. It should be noted, however, that the Council may well

need to respond quickly to any deterioration in the financial projections after the General Election in May 2015.

- 17.3 In line with the MTFs approved in February 2014, the proposal is to increase council tax by 1.99%. Council tax is one of the few areas that provides a degree of certainty in meeting the costs of future services: acceptance of the Freeze Grant will require an additional £2.4m of savings and this may well increase in future years as government funding continues to erode.
- 17.4 The key challenge to the Council is to reduce its day to day spending whilst ensuring it delivers its obligations. There are, however, still opportunities to invest in priority areas for the Council where the funding required is of a one-off nature. This report sets out investment proposals in both superfast broadband and in the Council's property portfolio on this basis.

18.0 RECOMMENDATIONS

- 18.1 That the Executive recommends to the County Council:
- a) That the Section 25 assurance statement provided by the Corporate Director, Strategic Resources regarding the robustness of the estimates and the adequacy of the reserves (**paragraph 15.28**) and the risk assessment of the MTFs detailed in **Section 14** are noted.
 - b) That, in accordance with Section 42A of the Local Government Finance Act 1992 (as amended by Section 75 of The Localism Act 2011), a Council Tax requirement for 2015/16 of £241,795k is approved and that a Council Tax precept of this sum be issued to billing authorities in North Yorkshire (**paragraphs 5.4 and 13.2 to 13.4 and Appendix G**)
 - c) That, in accordance with Section 42B of the Local Government Finance Act 1992 (as amended by Section 75 of The Localism Act 2011) a basic amount (Band D equivalent) of Council Tax of £1,099.98k is approved (**paragraphs 5.4 and 13.2 to 13.4 and Appendix G**)
 - d) That a net Revenue Budget for 2015/16 of **£363,511k** (**paragraphs 5.1 to 5.5 and Appendix B**) is approved and that the financial allocations to each Directorate, net of planned savings, be as detailed in **Appendix E**.
 - e) That in the event that the final Local Government Settlement results in a difference of less than £1m then the difference to be addressed by a transfer to / from the General Working Balance in line with **paragraph 4.13** with such changes being made to **Appendix E** as appropriate (**not now required**).
 - f) That the Corporate Director – Children and Young People's Service is authorised, in consultation with the Executive Member for Schools, to take the final decision on the allocation of the Schools Block (**paragraph 12.15**)
 - g) That £4m is earmarked for the further roll-out of broadband in line with the Superfast North Yorkshire project and that drawdown of the funding is subject to further Executive consideration and subsequent approval (**paragraph 7.4**).

- h) That the Corporate Director - Strategic Resources is authorised to utilise up to £10m of existing General Working Balance to reduce the future recurring revenue costs of capital financing as set out in **paragraph 7.12**
- i) That the surplus on the County Council's share of the North Yorkshire Business Rates Pool is earmarked for development schemes in line with **paragraph 13.11** and that such sums are delegated to the Corporate Director – Business & Environmental Services in the year following that in which the surplus is generated.
- j) That the Medium Term Financial Strategy for 2016/17 to 2019/20, and its caveats, as laid out in **Section 2** and **Appendix B** is approved.
- k) That the Corporate Director – Business & Environmental Services is authorised, in consultation with the Executive Members for BES, to:-
 - i) Review the provision of household waste recycling centres across the County (**BES 8 – Appendix D**).
 - ii) Review the existing subsidy to local bus services as part of the wider review of accessibility (**BES 13 – Appendix D**).
- l) That the Corporate Director – Health and Adult Services is authorised, in consultation with the Executive Members for HAS, to implement measures in order to deliver Targeted Prevention activity as set out in **HAS 1 to 1.3 of Appendix D**.
- m) That the Corporate Director – Children and Young People's Services is authorised, in consultation with the Executive Members for CYPS, to:-
 - (i) Consider the responses of ongoing consultations regarding discretionary home to school transport provision and proposed school admission arrangements and clothing grants and to review the services as appropriate (**CYPS 5 – Appendix D**).
 - (ii) In the light of changes in the care population, to continue to review the nature of placement provision to meet local needs (**CYPS 7 – Appendix D**).
 - (iii) Review staffing structures with respect to the current consultation of our strategy for meeting the social care needs of disabled children (**CYPS 8 – Appendix D**).
 - (iv) In the context of the new model for preventative services, to continue to locally review the nature of existing universal children's services provision (**CYPS 1 – Appendix D**).
- n) That any outcomes requiring changes following **Recommendations k), l) and m)** above be brought back to the Executive to consider and, where changes are recommended to the existing major policy framework, then such matters to be considered by full County Council.

- o) That the arrangements under which additional funds are allocated each year in respect of Adult Social Care and the Waste Strategy are approved and continue to be reviewed at least annually (**paragraphs 6.4 and 12.1**)
 - p) That the existing policy target for the minimum level of the General Working Balance is retained at a minimum of 2% of net revenue budget supplemented with a cash sum of £20m for 2015/16 in line with **paragraph 15.22 and Appendix M**.
 - q) That the attached pay policy statement (**Appendix I**) covering the period 1 April 2015 to 31 March 2016 (**paragraphs 13.16 to 13.20**) is approved.
- 18.2 That the Executive notes the delegation arrangements referred to in **Section 16** that authorise the Corporate Directors to implement the Budget proposals contained in this report for their respective service areas and for the Chief Executive in those areas where there are cross-Council proposals.
- 18.3 That the Executive have regard to the Public Sector Equality Duty (identified in **paragraphs 15.2 to 15.9**) in approving the Budget proposals contained in this report.

RICHARD FLINTON
Chief Executive

GARY FIELDING
Corporate Director, Strategic Resources

County Hall
26 January 2015

3 FEBRUARY 2015

SCHEDULE OF APPENDICES TO REVENUE BUDGET 2015/16 AND MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20

| Appendix | Title | Cross Reference in main report | Section Colour |
|-----------------|---|---------------------------------------|-----------------------|
| A | 15/16 Provisional Local Government Finance Settlement | Paragraph 4 | Sky Blue |
| B | Summary of 2015/16 Budget and MTFS to 2019/20 | Paragraph 5 | Pink |
| C | Grant, spend and Council Tax requirement | Paragraph 13.4 | Yellow |
| D | Updated Savings schedule | Paragraph 10 | Lilac |
| E | Directorate Spending Analysis 2015/16 | Paragraph 5.3 | Mid Green |
| F | Corporate Miscellaneous Budget | Paragraph 5.3 | Cream |
| G | Calculation of Council Tax Requirement | Paragraph 5.4 and 13.2 to 13.3 | Dark Blue |
| H | PIP – detailed statement of funding and allocations | Paragraphs 12.3 to 12.8 | Salmon |
| I | Pay Policy Statement | Paragraph 13.16 to 13.20 | Buttercup |
| J | Corporate Risk Register | Paragraph 14.17 | Cream |
| K | Equalities assessment | Paragraph 15.7 | Ivory |
| L | Statutory Requirements budget setting | Paragraph 15.10 | Dark Blue |
| M | Review of County Council's Reserves / Balances | Paragraphs 15.19 to 15.27 | Orange |

PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

ANNOUNCED ON 18 DEC 2014

1. HEADLINES

- Total Grant Funding cut (Settlement Funding Assessment + other grants) of £21.1m or 13.8% over comparable figures for 2014/15
- Only 2015/16 figures provided as expected, 2016/17 and hopefully subsequent years after the General Election and anticipated 2015 Spending Review
- There were few surprises as indicative figures were provided last year
- the impact on NYCC's MTFs is an overall improvement of about £0.6m compared with the latest MTFs assumptions. Improvements indicated are on Welfare Provision (but this is only relabeling of existing funding) and additional Rural Services Delivery Grant.
- Government's Spending power figure for NYCC however shows an increase of £4.5m or 1.1% (national figure is a reduction of 1.8%) because it also includes Council Tax (CT), Public Health and Better Care Funding etc. This figure is highly misleading.
- CT referendum threshold confirmed at 2%, the same as for 2014/15
- Confirmation of CT freeze grant offer of 1%, the same as in 2014/15
- Some other grant allocations have been notified but many still awaited from relevant Government Departments
- Figures are provisional with consultation deadline of 15 January 2015 and subsequent final announcement in late January / early February

2. CORE FUNDING ALLOCATION (Settlement Funding assessment + other grants)

- Indicative 2015/16 figures were provided as part of last year's Settlement but some known likely changes to these figures prior to this announcement included.
 - the impact of a technical consultation in Summer 2014 and
 - changes to Business Rates allocations resulting from a lower inflation uplift (2.3% instead of the 2.8% that had been assumed) followed by the recent Autumn statement announcement to cap increases at 2%
- Provisional Settlement figures for Government Funding levels compared with 2014/15 levels and the indicative figures provided last year are set out on the attached with key figures being as follows:

| item | February 2014 NYCC MTFS using indicative DCLG figures | Indicative changes in the year | 2015/16 settlement changes 18 Dec 14 | Provisional settlement 18 December 2014 |
|--|---|--------------------------------------|---|--|
| | £m | £m | £m | £m |
| <u>Settlement funding assessment</u> | | | | |
| Revenue support grant | 57.9 | 0.1 | 0.7 | 58.7 |
| Business Rates top up | 42.9 | -0.3 | | 42.6 |
| 9% District Bus. Rates | 19.0 | -0.1 | | 18.9 |
| Total | 119.8 | -0.3 | 0.7 | 120.2 |
| <u>Other core government funding sources</u> | 9.9 | 1.5 | -0.1 | 11.3 |
| <u>Total core government funding</u> | 129.7 | 1.2 | 0.6 | 131.5 |

- Thus total Government Core Funding of £131.5m (including some estimates for allocations still to be notified) is £0.6m higher (highlighted column on the attachment) than the expected latest MTFS total of £130.9m (£129.7m from February 2014 MTFS + £1.2m subsequent indicative changes to date as indicated above) as a result of:
 - £0.7m Local Welfare Provision to replace the £947k received in 2014/15 whereas no earmarked funding was expected in 2015/16. Nationally a new Welfare Provision funding element of £130m has been created within Revenue Support Grant although this is not new money, merely rebadging of existing general funding to relevant councils.
 - + £0.4m Rural Services Delivery funding on top of the £1.2m received in 2014/15. Nationally this funding has been increased from £11.5m to £15.5m following some research into funding in rural areas in which NYCC participated.
 - -£0.5m resulting from other increased holdbacks and re-distributional impacts
- Reduced year on year (2014/15 to 2015/16) Government funding is

| item | Settlement funding assessment | Other core funding streams | Total |
|----------------------------------|-------------------------------------|----------------------------------|-------|
| | £m | £m | £m |
| 2014/15 (see attached) | 138.2 | 14.4 | 152.6 |
| 2015/16 (see above and attached) | 120.2 | 11.3 | 131.5 |
| Reduction £m | 18.0 | 3.1 | 21.1 |
| Reduction as a %age | 13.1% | 21.2% | 13.8% |

- DCLG's total settlement funding assessment baseline for NYCC is £120.2m but this includes £18.9m (9%) of locally collected Business Rates (BR) from District Councils. The actual sum however will be notified by each of the District Councils in due course based on their own latest up to date estimates and will therefore differ from the DCLG indicated figures.

3. COUNCIL TAX

- Freeze Grant offer
 - NYCC accepted offers in 2011/12 (2.5%), 2012/13 (2.5%) and 2013/14 (1%) but not the 1% offer in 2014/15 (we increased CT by 1.99%)
 - All the above have subsequently been consolidated into baseline funding except 2012/13 which was a one off
 - 1% offer in 2015/16 previously indicated has now been confirmed with the provisional figure for NYCC being £2.58m
 - This £2.58m offer is initially worth a bit more than 1% (1.1%ish) because of using a higher (pre localisation of CT benefits) tax base but potential erosion in subsequent years if as expected it becomes part of baseline funding
 - 1% NYCC increase = recurring annual yield of £2.4m
- Referendum Limit
 - last year's 2% limit was only announced as part of the Final Settlement announcement
 - on 5 February 2014 after some pressure within Government for it to be lower than 2%
 - recent Guardian article suggested that the Communities Secretary, Eric Pickles was suggesting a lower (1% ?) limit for 2015/16
 - 2015/16 limit confirmed at 2%
 - no Council has taken this option to date

4. SPENDING POWER

- the latter table in paragraph 2 shows that NYCC's reductions in Government funding (including a forecast for allocations yet to be notified) of 13.8%
- the Government's 'spending power' calculation for NYCC however is an increase of £4.5m or 1.1% (against an overall national reduction of 1.8% and 0.8% increase for Shire Counties).
- spending power takes into account Councils total funding sources rather than just reductions in Government grant and are therefore very misleading because they do not represent reductions in Government funding and hide much higher percentage cuts in such funding
- the base includes Government funding sources but also locally collected CT and other funding sources which has the impact of depressing the Government grant cut %ages and is very misleading, particularly in relation to Health Funding streams included in the calculation
- If Public Health Grant and Better Care Funding are excluded from Spending Power on the grounds that these are a transfer of existing commitments for the integration of NHS and care services and not genuinely within authorities control then NYCC's overall Spending Power is a reduction of 3.8% compared with the Government 1.1% increase. Nationally the reduction would be 6.8% against the Government's 1.8%.

- NYCC's 2015/16 spending power % age have been calculated as follows:-

| Funding Source | 2014/15 adjusted £m | 2015/16 £m |
|-------------------------------|------------------------------------|-----------------------|
| Locally collected Council Tax | 233.2 | 234.6 |
| 2015/16 CT Freeze Grant | 0 | 2.6 |
| Settlement funding assessment | 139.3 | 120.1 |
| Public health grant | 19.7 | 19.7 |
| Better care fund | 17.2 | 36.4 |
| Adult Social Care new Burdens | 3.6 | 3.6 |
| New homes bonus | 1.8 | 2.2 |
| Other funding streams | 1.6 | 1.7 |
| | <u>416.4</u> | <u>420.9</u> |
| Increased spending power £m | | +£4.5m |
| Increased spending power % | | + 1.1% |

5. OTHER GRANT ALLOCATIONS

- New Homes Bonus
 - provisional allocation of £2,197k for 2015/16, compared with £2,240k assumed in latest MTFs update and £1,790k received in 2014/15
 - NYCC allocation is 20% of the local total with 80% going to Districts (£8,787k) within the range of £752k (Richmondshire) to £2,078k (Selby)
- Dedicated Schools Grant (DSG) – provisional allocation of £389.975m
 - As in previous years NYCC will continue to receive a specific ring fenced grant – the Dedicated schools Grant (DSG) which funds ass school related responsibilities, including delegated budget shares
 - Initial calculations show that the sum allocated for 2015/16 is in line with expectations
 - Overall there has been an increase in the baseline figure of £5.3m to £290m which reflects additional funding to some councils as promised by DfE in July, offset by a reduction in pupil numbers of about £0.6m and a change in the method of funding 2 year old nursery education which is being removed from DSG and will be paid separately.
 - The DSG is made up of 3 blocks, one of which is high needs and we are awaiting details of some of the calculations used fie this area.
- Care Act Revenue Grant allocation for new responsibilities of £3,627k is £160k worse that originally indicated but broadly in line with latest forecasts. The grant incorporates funding streams for Early Assessments (£2,050k) Additional Assessments towards the Care Cap (£560k) and Universal Deferred Payments (£1,017k).
- Education Services Grant (ESG) – the latest 2014/15 allocation of £9,475k has been reduced considerably in 2015/16 as a result of:
 - A required national saving of £200m or 20%
 - Further NYCC schools converting to academies

Based on latest forecasts £7,200k has been included in the latest MTFS update (£7m in the February 2014 MTFS) and this would seem reasonable given the provisional allocation of £7.5m notified on 18 December 2014.

- Details of other specific and service related grants, including capital are still awaited and are expected to be released by Government Departments over the coming weeks although some indicative allocations provided last year are expected to be largely unchanged.

6. FUTURE YEARS

- This year's settlement covers 2015/16 only and is the final year of the 4 year Spending Review period announced in October 2010.
- 2016/17 allocations and hopefully later years (as part of a multi-year settlement which the Government have previously signed up to) will not be known until about December 2015 following the General Election and subsequent Spending Review announcement
- Estimated funding cuts for 2016/17 - 2019/20 are reflected in the MTFS based on suggested reductions being of a similar trajectory to the 2010 Spending Review 4 year period

Peter Yates
19 December 2014

LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

| | 2014/15 | 2015/16 | | settlement variations 18-Dec-14 £000s | Prov settlement Dec-14 £000s |
|---|--|---|--|---|---------------------------------------|
| | Final Settlement + later allocations £000s | Indicative settlement NYCC MTFS £000s | Known expected updates to 18 Dec £000s | | |
| DCLG Settlement Funding Assessment | | | | | |
| DCLG Calculated Business Rates Baseline | | | | | |
| 9% (estimated) of locally collected BR | 18,520 | 19,030 | -140 B | -17 | 18,873 |
| DCLG top up (increased by Sept RPI each year) | 41,789 | 42,943 | -318 B | -37 | 42,588 |
| total NYCC BR baseline determined by DCLG | 60,309 | 61,973 | -458 | -54 | 61,461 |
| Revenue Support Grant | 77,861 | 57,902 | 69 A | 702 | 58,673 |
| total DCLG settlement funding assessment (but includes 9% BR from Districts as estimated by DCLG) | 138,170 | 119,875 | -389 | 648 | 120,134 |
| Other Core Government Funding Sources | | | | | |
| New Homes Bonus | 1,790 | 2,200 | 40 | -43 | 2,197 E |
| Education Services Grant | 9,475 | 7,000 | 200 | | 7,200 E |
| Local Welfare Reform provision grant | 947 | 0 | | | 0 |
| Rural Services Delivery grant | 204 | 0 | | | 0 |
| NHB returned top slice grant | 206 | 0 | 0 | | 0 |
| BR RPI Cap relief | 642 | 640 | 183 C | | 823 F |
| BR other reliefs | 1,116 | 0 | 1,116 D | | 1,116 F |
| | 14,380 | 9,840 | 1,539 | -43 | 11,336 |
| Total Core Government Funding | 152,550 | 129,715 | 1,150 | 605 | 131,470 |

Reductions in Government Core Funding 2015/16

| | % | £000s |
|--|---------------|----------------|
| <i>DCLG settlement funding (but includes 9% local BR from Districts)</i> | -13.1% | -18,036 |
| <i>other core government funding sources</i> | -21.2% | -3,044 |
| <i>total core government funding (but includes 9% local BR from Districts)</i> | -13.8% | -21,080 |

Notes

A. July 2014 Technical consultation reflects

| | |
|---|-----------|
| rolling in additional rural services delivery grant notified after 14/15 final settlement | 205 |
| CRC adjustment re recovering lost tax income from councils falling out of scheme 15/16 | -136 |
| net adjustment | 69 |

B. Indicative settlement included RPI uplift of 2.8%. Sept 2014 RPI was 2.3% however followed by Autumn Statement announcement on 3 December that increase would be capped at 2%

C. 640 base MTFS + 2 for 14/15 (actual grant was 642) +181 for 15/16 (2.3% Sept 14 RPI, 2% cap)

D. Total grants for reliefs in 14/15 which are mostly continuing in 15/16 following Autumn Statement announcement on 3 December 2014.

E. Provisional allocations for 2015/16 already confirmed

F. Provisional allocations for 2016/17 still awaited

18-Dec-14

OVERALL SUMMARY OF THE PROPOSED BUDGET FOR 2015/16 and MTFs FOR 2016/17 TO 2019/20

| | 2015/16 Budget £000s | 2016/17 MTFS £000s | 2017/18 MTFS £000s | 2018/19 MTFS £000s | 2019/20 MTFS £000s |
|---|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 Start with previous year's net budget requirement | 372,999 | 363,511 | 358,854 | 355,425 | 352,192 |
| 2 Increased Spend | | | | | |
| Inflation | | | | | |
| Pay awards (2% each year except 15/16 2 year award) | 1,843 | 2,905 | 2,964 | 2,900 | 2,900 |
| PIP inflation allowed for waste strategy | 700 | | | | |
| Other inflationary costs | 4,472 | 5,047 | 5,250 | 5,300 | 5,300 |
| NI contracted out change | | 2,600 | | | |
| Additional Spending Needs | | | | | |
| HAS Adult care | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| BES roads (one off allocation in 2014/15) | -5,000 | | | | |
| Pension Fund Provisions | -1,665 | | 1,700 | | |
| Treasury Management (debt charges, investment interest) | -829 | -1,231 | -305 | -1,309 | -350 |
| Corporate property one off 2015/16 | 2,000 | -2,000 | | | |
| SFNY | 4,000 | -4,000 | | | |
| Customer Service Centre | 200 | | | | |
| Yorwaste Dividend shortfall | 410 | | | | |
| CC election - new funding approach | -79 | | 750 | -750 | |
| Other Corporate items | 13 | -2 | -6 | 3 | |
| Additional one off spend agreed Q1 14/15 from the GWB | | | | | |
| HAS assessment team and welfare benefits | 367 | -287 | -80 | | |
| BES Highways | 7,000 | -5,000 | | | |
| BES preparation of major schemes | 210 | -210 | | | |
| CYPS Universal Youth | 100 | | -100 | | |
| Additional one off spend agreed Q2 14/15 from the GWB | | | | | |
| Flooding schemes | 500 | -500 | | | |
| | 17,242 | 322 | 13,173 | 9,144 | 10,850 |
| 3 Savings and cost reductions | | | | | |
| HAS savings package from 2013/14 has £0.8m in 2015/16 | -800 | | | | |
| July 2013, 2014/14 Budget 2 new savings (£3.880m total) | -1,600 | -80 | | | |
| Delayed HAS MTFs savings from 2015/16 to 2016/17 | 520 | -520 | | | |
| HAS reduced 2013/14 budget 2 savings re FACS Charging | 100 | | | | |
| sub total | -1,780 | -600 | 0 | 0 | 0 |
| New Budget savings from 15/16 Budget / MTFs (updated) | -21,650 | -13,463 | -10,651 | -9,058 | -3,203 |
| | -23,430 | -14,063 | -10,651 | -9,058 | -3,203 |
| 4 Adjustments to Funding | | | | | |
| Education Services Grant - expected reduction | 2,100 | 300 | 200 | 200 | 200 |
| HAS Better Care Funding (assume one off for now) | -5,000 | 5,000 | | | |
| Local Welfare reform grant loss from 2015/16 | 947 | | | | |
| New Homes Bonus Grant increase | -407 | -400 | -18 | 67 | 9 |
| BR reliefs compensation 2014/15 continuing 2015/16 | -1,000 | | | | |
| Grant to compensate for capping BR at 2% in 14/15 & 15/16 | -256 | | | | |
| Impact of contribution from GWB in 14/15 budget | 1,322 | | | | |
| | -2,294 | 4,900 | 182 | 267 | 209 |
| 5 Use of the General Working Balance (GWB) and / or additional savings after 2015/16 | | | | | |
| for Q1 14/15 one offs | -7,677 | 5,497 | 180 | | |
| for Q2 14/15 one offs | -500 | 500 | | | |
| 15/16 budget / MTFs (at 5 February 2015) | 7,171 | -1,813 | -6,313 | -3,586 | -9,690 |
| (+ = contrib to balances - = contrib from) | -1,006 | 4,184 | -6,133 | -3,586 | -9,690 |
| memo - cumulative funding surplus (+) or shortfall (-) | 7,171 | 5,358 | -955 | -4,541 | -14,231 |
| 6 Total net budget requirement | 363,511 | 358,854 | 355,425 | 352,192 | 350,358 |
| 7 Funding from | | | | | |
| Localisation of Business Rates (BR) | | | | | |
| 9% of District Council BR income | -18,871 | -19,342 | -19,826 | -20,321 | -20,830 |
| District Council BR Collection Fund net deficits | 1,687 | 250 | 250 | 250 | 250 |
| BR top up from DCLG | -42,588 | -43,654 | -44,745 | -45,866 | -47,014 |
| Revenue Support Grant from DCLG | -59,218 | -48,018 | -36,818 | -25,618 | -15,618 |
| District Council CT collection fund net surplus | -2,726 | -250 | -250 | -250 | -250 |
| Total General Funding | -121,716 | -111,014 | -101,389 | -91,805 | -83,462 |
| 8 Balance required from Council Tax (CT requirement) | 241,795 | 247,840 | 254,036 | 260,387 | 266,896 |
| 9 District Council Tax Base (Band D equivalents) | 219,816.84 | 220,915.92 | 222,020.50 | 223,130.61 | 224,246.26 |
| 10 Basic Amount of Council Tax (Band D) | £1,099.98 | £1,121.87 | £1,144.20 | £1,166.97 | £1,190.19 |
| year on year increase (£1,078.52 in 2014/15) | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

GRANT, SPEND & COUNCIL TAX EXEMPLIFICATION 2014/15 TO 2019/20
(Based on Council Tax increase of 1.99% each year)

| | 2014/15 Budget £000s | 2015/16 Budget £000s | 2016/17 MTFS £000s | 2017/18 MTFS £000s | 2018/19 MTFS £000s | 2019/20 MTFS £000s | | | |
|---|----------------------------|----------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|----------------|----------------|----------------|
| BUDGET REQUIREMENT (BR) | | | | | | | | | |
| Start with previous years BR | 374,465 | 372,999 | 363,511 | 358,854 | 355,425 | 352,192 | | | |
| Increased spend at CT increases of 1.99% pa (zero for 2011/12, 2012/13 and 2013/14 actuals) | | | | | | | | | |
| <i>Formula grant / BR baseline</i> (RSG under new system from 1 April 2013) Variations as below | -11,077 | -18,625 | -11,200 | -11,200 | -11,200 | -10,000 | | | |
| Council Tax | | | | | | | | | |
| Increase Cncl Tax by 0 to 2013/14, 1.99% pa thereafter | 4,481 | 4,641 | 4,812 | 4,932 | 5,055 | 5,182 | | | |
| Tax base increase / decrease | 3,541 | 3,938 | 1,233 | 1,264 | 1,295 | 1,328 | | | |
| Council Tax Collection Fund surplus / deficit variations | 1,422 | 737 | -2,476 | 0 | 0 | 0 | | | |
| | 9,445 | 9,316 | 3,569 | 6,196 | 6,351 | 6,510 | | | |
| Business Rates | | | | | | | | | |
| BR Top up from Government | 798 | 799 | 1,066 | 1,092 | 1,120 | 1,148 | | | |
| BR Income from Districts growth (see below) | -94 | 171 | 472 | 484 | 496 | 508 | | | |
| Collection fund surplus / deficits variations (from 14/15) | -538 | -1,149 | 1,437 | 0 | 0 | 0 | | | |
| | 166 | -179 | 2,975 | 1,576 | 1,616 | 1,656 | | | |
| = Budget Requirement (BR) | 372,999 | 363,511 | 358,854 | 355,425 | 352,192 | 350,358 | | | |
| FORMULA GRANT (RSG only from 1 April 2013) | | | | | | | | | |
| Previous year | -88,920 | -77,843 | -59,218 | -48,018 | -36,818 | -25,618 | | | |
| all variations under new system | 13,755 | | | | | | | | |
| Other assumed grant / BR baseline variations (iii) | | | | | | | | | |
| Provision for further reduction in 14/15 Funding | 1,500 | | | | | | | | |
| 2013 CSR (£120m @ 30% over 4 years = £9mpa) | | 9,000 | 9,000 | 9,000 | 9,000 | | | | |
| but 8.2% cut on 136.1m = 11.2m (+2.2m) | | 2,200 | 2,200 | 2,200 | 2,200 | | | | |
| Provision for 2019/20 cut (agreed GF 11 Dec 14) | | | | | | 10000 | | | |
| assumed negative impact of increased NHB alloc (flattens out in 17/18 after first 6 year period) | | 500 | | | 0 | | | | |
| refinements based on DCLG exemplifications 25 July | 34 | 8,082 | | | | | | | |
| roll in of 13/14 CTFG from 15/16 (2495 though ?) | -2,495 | | | | | | | | |
| actual impact of settlement announcement on 18 Dec 13 | | | | | | | | | |
| rural services grant | -972 | | | | | | | | |
| returned funding (14/15 only) | -159 | 159 | | | | | | | |
| other variations (net) | -604 | 18 | | | | | | | |
| remove impact of final settlement agreed with GF 7/2 | 18 | -18 | | | | | | | |
| July 14 DCLG tech consult re Rural Service delivery grant | | -205 | | | | | | | |
| July 14 DCLG tech consult re CRC | | 136 | | | | | | | |
| Settlement impact 18 December 2014 | | -702 | | | | | | | |
| Final Settlement impact 3 February 2015 | | -545 | | | | | | | |
| = total RSG | -77,843 | -59,218 | -48,018 | -36,818 | -25,618 | -15,618 | | | |
| BR TOP UP FROM DCLG | | | | | | | | | |
| start with previous year | -40,991 | -41,789 | -42,588 | -43,654 | -44,746 | -45,866 | | | |
| govt notified increase | -798 | -799 | | | | | | | |
| sept RPI increase in subsequent years (assumed 2.5%) | | | -1,066 | -1,092 | -1,120 | -1,148 | | | |
| | -41,789 | -42,588 | -43,654 | -44,746 | -45,866 | -47,014 | | | |
| NNDR DISTRICTS 9% | | | | | | | | | |
| | 2014/15 Budget | 2014/15 final NNDR | 2014/15 update | (assumed 2.5%pa for RPI + growth) | | | | | |
| Craven | 1,730 | 1,640 | | -1,730 | -1,700 | -1,743 | -1,786 | -1,831 | -1,876 |
| Hambleton | 2,390 | 2,363 | | -2,390 | -2,435 | -2,496 | -2,558 | -2,622 | -2,688 |
| Harrogate | 5,290 | 5,416 | | -5,290 | -5,443 | -5,579 | -5,718 | -5,861 | -6,008 |
| Richmondshire | 1,130 | 1,130 | | -1,130 | -1,100 | -1,128 | -1,156 | -1,185 | -1,214 |
| Ryedale | 1,490 | 1,456 | | -1,490 | -1,464 | -1,500 | -1,538 | -1,576 | -1,616 |
| Scarborough | 2,890 | 2,938 | | -2,890 | -2,929 | -3,002 | -3,077 | -3,154 | -3,233 |
| Selby | 3,780 | 3,771 | | -3,780 | -3,800 | -3,895 | -3,992 | -4,092 | -4,194 |
| | 18,700 | 18,715 | 0 | -18,700 | -18,871 | -19,342 | -19,826 | -20,322 | -20,830 |

Appendix C settlement5dec05

| | 2014/15 Budget £000s | 2015/16 Budget £000s | 2016/17 MTFS £000s | 2017/18 MTFS £000s | 2018/19 MTFS £000s | 2019/20 MTFS £000s |
|--|----------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| CT COLLECTION FUND SURPLUSES & DEFICITS | | | | | | |
| Craven | -207 | -329 | | | | |
| Hambleton | -337 | -127 | | | | |
| Harrogate | -272 | -465 | | | | |
| Richmondshire | -47 | -157 | | | | |
| Ryedale | -712 | -529 | | | | |
| Scarborough | -34 | -696 | | | | |
| Selby | -380 | -424 | | | | |
| Block provision / adj for others | | | -250 | -250 | -250 | -250 |
| | -1,989 | -2,726 | -250 | -250 | -250 | -250 |
| NNDR COLLECTION FUND SURPLUSES & DEFICITS | | | | | | |
| (from 14/15) | 2014/15 budget | 2014/15 NNDR1 | 2014/15 update | | | |
| Craven | 0 | 0 | 0 | 216 | | |
| Hambleton | -50 | -50 | 50 | 173 | | |
| Harrogate | -22 | -22 | 22 | 98 | | |
| Richmondshire | -40 | -40 | 40 | 340 | | |
| Ryedale | -118 | -97 | 118 | 169 | | |
| Scarborough | 93 | 64 | -93 | 291 | | |
| Selby | -400 | -625 | 400 | 400 | | |
| Block provision | | | | 250 | 250 | 250 |
| | -538 | -771 | 0 | 538 | 1,687 | 250 |
| | | | | 250 | 250 | 250 |
| COUNCIL TAX REQUIREMENT | | | | | | |
| | 233,216 | 241,795 | 247,840 | 254,036 | 260,387 | 266,896 |
| TAX BASE | | | | | | |
| Craven | 21,179.96 | 21,366.82 | 21,473.65 | 21,581.02 | 21,688.93 | 21,797.37 |
| Hambleton | 34,021.71 | 34,710.28 | 34,883.83 | 35,058.25 | 35,233.54 | 35,409.71 |
| Harrogate | 58,565.04 | 59,249.73 | 59,545.98 | 59,843.71 | 60,142.93 | 60,443.64 |
| Richmondshire | 18,410.29 | 18,610.36 | 18,703.41 | 18,796.93 | 18,890.91 | 18,985.37 |
| Ryedale | 20,080.39 | 20,537.05 | 20,639.74 | 20,742.93 | 20,846.65 | 20,950.88 |
| Scarborough | 35,890.80 | 36,225.58 | 36,406.71 | 36,588.74 | 36,771.69 | 36,955.54 |
| Selby | 28,088.25 | 29,117.02 | 29,262.61 | 29,408.92 | 29,555.96 | 29,703.74 |
| = total net tax base for Council Tax setting | 216,236.44 | 219,816.84 | 220,915.92 | 222,020.50 | 223,130.61 | 224,246.26 |
| %age increase in tax base | 1.54% | 1.66% | 0.50% | 0.50% | 0.50% | 0.50% |
| COUNCIL TAX | | | | | | |
| Band D calculation | £1,078.52 | £1,099.985 | £1,121.88 | £1,144.20 | £1,166.97 | £1,190.19 |
| Increase (2011/12, 2012/13 and 2013/14 = £1,057.48) | | | | | | |
| £ | £21.04 | £21.47 | £21.89 | £22.33 | £22.77 | £23.22 |
| % | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| Variations on Council Tax | | | | | | |
| 1.0% | | 2371 | 2430 | 2491 | 2553 | 2617 |
| £1m | | 0.42% | 0.41% | 0.40% | 0.39% | 0.38% |
| VARIABLES IN FUNDING LEVELS | | | | | | |
| (2013/14 are actuals) | | | | | | |
| Council Tax Collection Fund surpluses | -1989 | -2726 | -250 | -250 | -250 | -250 |
| Tax base growth | 1.54% | 1.66% | 0.50% | 0.50% | 0.50% | 0.50% |
| Council tax increase | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

05-Feb-15

Savings Proposals on the 2020 North Yorkshire

Introduction by the Chief Executive

This Appendix provides detail on the area of savings that are proposed as part of the Revenue Budget for 2015/16 and the MTFs up to 2019/20. The savings proposals are set out within Directorates but it is important to note that there are a set of principles from the 2020 North Yorkshire Programme that underpin all that the Council is seeking to deliver over the remainder of the decade. There are also a significant number of interdependencies and we are focussing more on sharing our resources so that we can direct them to the areas of highest priority.

The 2020 North Yorkshire Programme is set out in some detail in **Section 10** of the main body of the report. Some of the features include:-

1. A smaller Council
2. Flexible and agile
3. Clear about what it will deliver
4. Enabling and supporting others, particularly within local communities, to deliver for themselves and
5. Strong leadership on issues important to the public of North Yorkshire.

It is an ambitious Programme which seeks to fundamentally re-align the Council and make it fit for purpose beyond 2020. It is therefore much more than a simple savings programme – it contains major changes in how the Council will operate. This will no doubt prove challenging to the public, staff and to Members but the only way to address the magnitude of the challenge is by an equally ambitious programme of change.

As addressed in **Section 14** of the report, there is an unprecedented level of risk facing the Council. We will therefore have to be agile and exercise innovation. That means the 2020 North Yorkshire Programme will also need to evolve. We will therefore do all that we can to ensure that we tackle the challenges and make sure that the public, local communities, Members and staff are all well informed of progress.

Savings proposals for Business and Environmental Services (BES) directorate

Introduction

The BES Directorate consists of a number of service areas that complement each other in delivering services that promote strong and sustainable communities with a sustainable economy. There is a need to provide services that meet our statutory duties ie highways, transport, waste and regulatory services. Inevitably, living within our means in delivering services is crucial if we are to continue to provide essential services in the future.

Proposals

We will continue to review our service delivery taking into account our statutory duties and minimum standards, with a focus on the appropriate balance of risk. The proposals continue this trend - some service levels will be reduced or even curtailed, and where this happens, we will seek to manage and mitigate the risk.

We will need to make the difficult but necessary assessment of statutory services alongside those which are discretionary but desirable to our communities. We will consider what services could be funded and/ or delivered by communities, private sector, other public bodies or the voluntary sector. There will not be a single solution for the whole county and in line with the principles of 2020 North Yorkshire we will look at the opportunities for partners to shape and deliver a different approach.

Highways

Maintenance of North Yorkshire's roads remains a top priority as witnessed by the investments made by the County Council in match funding of £20m to support highways maintenance during 2014. We have also invested in a highway information system that allows us to deliver a more targeted, effective and efficient programme of works. We can therefore make some efficiency savings without adversely affecting outcomes on the network. The systems also link effectively between our customer services centre, highway officers and our contractor, making communications more effective, thus improving the way we deal with enquiries and requests for service.

Government is proposing to allocate capital funding over a 5 year period, facilitating more effective longer term planning and delivering the service more efficiently. An element of this funding will be dependent on the Council's assessed efficiency – this will therefore be a key focus in the future.

Waste Services

As part of the review of waste services, we will consider how we deal with recycling and composting, as well as considering different methods of funding alongside alternative delivery mechanisms. We will also look at how we provide transfer stations and transport, including our contractual arrangements. We will review the provision of our Household Waste Recycling Centres, considering the nature of the services they provide, where they are located and how many, and whether we are able to charge for some services. Working closely with our waste management

company Yorwaste and our contractor Kier, we are looking at more commercial methods of operation in a changing area of procurement.

The Department for Communities and Local Government is currently consulting on “Preventing ‘back door’ charging at household waste recycling centres”. If charging for household waste is prohibited as a result of this consultation, our options for reducing costs in this service area in the future will be reduced.

Transport

A further review of bus subsidies brings the opportunity to look at the outcomes for communities, beyond simply the provision of transport and movement of people around the county. With a high proportion of older people using buses and the Council’s vision of people being supported to live at home, we will consider addressing the issue of accessibility of services with partners in health and the police.

The development of community hubs for a range of council services fits well with Stronger Communities as access to appropriate transport is a key interest for community groups. As part of a review of future services, access to these hubs could be supported using combinations of volunteer drivers, the existing council mini bus fleet outside its normal operating hours and even volunteer drivers using county council provided cars. Other partners such as Health, Police, Districts and Parishes may also wish to co-produce solutions. Each community solution can be reviewed on merits and the need to ensure operational and financial sustainability.

Trading Standards

As well as targeting services to protect the older population, any reductions in the Trading Standards budget will look to work with public health to protect the young, through targeting the reduction in use of tobacco and alcohol by the young, and through working with the Police and other partners. A matrix has been developed to ensure the right services are prioritised when budget reductions constrain service levels; this will be introduced in 2015/16.

There has been significant success in 2014/15 in drawing in third party income to deliver shared outcomes, which will lead to a more resilient service in the future.

Further Savings

As part of a review of statutory and discretionary services, there will be reductions in grass cutting, where the service is almost entirely discretionary with only a small proportion being required for safety reasons. Many communities, through their parish councils, already cut their grass to a higher standard than that offered by the County Council and fund the difference through parish precept. In reducing the grass cutting significantly, we are engaging with members and communities to look at how that service can be delivered in their area.

Business & Environmental Services

Appendix D

| Project No. | Savings Area | Description | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | Total £000 |
|--|--|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Highways | | | | | | | | |
| BES 1 | Highways - all services | Review of services and staff to focus on statutory requirements and minimum standards within policy and the delivery of an efficient revenue and capital works programme. | 400 | 500 | | | | 900 |
| BES 2 | Highways - winter maintenance | Review and rebase average winter service costs relative to recent data and new contract provision. Regularise salt bins and heaps in line with policy and the new highway information system. | 750 | | | | | 750 |
| BES 3 | Highways - routine maintenance works | Efficiencies through lean review. Continued development of efficient delivery of works, same outcome at lower cost. | 987 | | | | | 987 |
| BES 4 | Highways - routine maintenance works | Reduced levels of service for gully cleansing, street lighting, bridges and traffic signal maintenance. Will require a reduction in the service standards contained in the Highway Maintenance Plan and associated policies and protocols to be approved by Members. | 656 | | | | | 656 |
| BES 5 | Highways - grass cutting | Remove urban cuts and retain only safety cuts at rural junctions. Will require a reduction in the service standards contained in the Highway Maintenance Plan and associated policies and protocols to be approved by Members. An allowance of £100k for mitigation activity has been retained. | 500 | | | | | 500 |
| BES 6 | Highways - various | Increase in income streams following review. | 300 | 300 | | | | 600 |
| BES 7 | Highways - contingency | Remove contingency. | 280 | | | | | 280 |
| Waste & Countryside Services (WACS) | | | | | | | | |
| BES 8 | WACS - Household Waste Recycling Centres | Review the provision of HWRCs, including number, location, nature of service provided and the ability to charge. | | | 0 | | | 0 |
| BES 9 | WACS - Waste disposal and capital | Review of expenditure on recycling and composting, and provision of transfer stations and transport, including contract arrangements and capital requirements. | 1,010 | | | | | 1,010 |
| BES 10 | WACS - various services | Introduce service reductions in countryside services towards minimum standards necessary to meet statutory duties and corporate policy objectives, including reducing spend on public rights of way and environmental specialisms, and reducing grants and other support for outside bodies. | 477 | 34 | | | | 511 |
| Trading Standards & Planning Services (TS&PS) | | | | | | | | |
| BES 11 | TS&PS - Planning Services | Reduce capacity to deal with planning applications, strategic policy and forward planning, whilst reviewing opportunities for charging. | | | 168 | | | 168 |
| BES 12 | TS&PS - Trading Standards | Reduce, and in some cases curtail, services for business advice, No Cold Call Zones, inspections, investigations, safeguarding and public health. Explore alternative funding and deliver options with LEP/ Public Health/ Police to minimize impact on outcomes. | 200 | 290 | 294 | | | 784 |
| Integrated Passenger Transport (IPT) | | | | | | | | |
| BES 13 | IPT - bus subsidy | Remove subsidy to bus services. £1.5m budget retained to address accessibility. Review options through community engagement. | 160 | 1,805 | | | | 1,965 |
| BES 14 | IPT - concessionary fares | Estimated knock-on impact to concessionary fares expenditure associated with bus subsidy removal. | 360 | 40 | | | | 400 |
| BES 15 | IPT - bus shelter maintenance | No longer carry out bus shelter maintenance. | 50 | | | | | 50 |
| Economic Partnership Unit (EPU) | | | | | | | | |
| BES 16 | EPU | Review staffing and accommodation arrangement within the EPU and contributions to other local economic / tourism agencies. | 71 | | | | | 71 |
| BES 17 | EPU | Cease arts grants made from base budget provision from 2015/16 onwards. | 32 | | | | | 32 |
| BES 18 | EPU | Cease grants to initiatives from base budget provision from 2015/16 onwards. | 79 | | | | | 79 |
| | | | 6,312 | 2,969 | 462 | 0 | 0 | 9,743 |

Saving proposals for Children and Young Peoples Service (CYPS) directorate

Introduction

A positive cross-council approach has been taken, in keeping with the North Yorkshire 2020 Programme, in developing these budget proposals. This has ensured that key elements of the proposals remain consistent with, and will support, the cross-council strategy and operating models for other services:-

- Building community capacity and providing excellent, wide reaching support will reduce the need for more targeted involvement;
- The Council is not necessarily a direct provider of universal provision;
- Good and outstanding educational provision liberates individuals and can change the nature of both individual trajectories and communities;
- The Council whilst maintaining its overview of educational outcomes recognises the improvement potential of collaborative, sector led support arrangements;
- Families need to have access to high quality information advice and guidance including web-based advice;
- High quality whole family interventions will need to be provided to those needing more targeted prevention to prevent those problems escalating;
- Progress can be made in further integrating management structures and enhancing partnership working;
- We need to reduce the services building base and accept opportunities for creative shared use of existing buildings;
- We need to protect the provision of care and protection for those with higher level needs; and
- We should aim for children to live safely with their families within communities but, where care is needed, that high quality provision should ideally be family based and more locally available.

Proposals

These proposals will result in a major transformation of delivery arrangements for services involving:

- the organisation of teams delivering services;
- the management of those services; and
- the places from where those services are delivered.

The proposals do shift the focus from direct delivery of universal provision to one which is targeted on those in the greatest levels of need whilst retaining our recognition of the importance of early intervention.

In developing these proposals, we have given priority to key statutory responsibilities to those children and young people who are at risk of harm and or in need of care and protection. The proposals do not see any reduction in social work capacity or its management. At the same time, successful national innovation bids during 2014 will now see transformation in delivery arrangements for adolescents with some of the most complex needs.

Children in care

We have set challenging targets for **reducing the numbers of children in care**. During 2014 good progress has been made against that ambitious challenge. As well as reducing the numbers in care we need to positively and safely reduce the unit cost of care. This should not impact upon either the rigour of our child protection arrangements or the quality of care provided for those that we have assessed as requiring it. A consultation on a new fostering payment framework has been generally well received and the innovation programme described above allows a confident revisiting of the numbers of current residential care beds needed by the Council.

0-19 area teams

In order to deliver our reductions in care budgets, we will need to target capacity to make sure that those in need of intervention receive that assistance early, locally and effectively. The proposals around **integrated 0-19 area teams**, which will bring together separately managed services to provide more targeted support and intervention, have been welcomed and supported through widespread consultation. These new teams operational from April 2015, will work flexibly with families, recognising that families' needs for assistance and support do not always fit neatly with traditional working patterns. They will also reduce current, artificial transfers of families based on the age of children. We will also seek to see staff in these teams spending more time tackling problems than describing them.

The prevention review was undertaken with Public Health, who at the same time were reviewing how they commission the delivery of the Healthy Child Programme, (school nursing/health visiting etc). This created an opportunity to recommission the 5-19 service in a way which made sure that services are more joined-up for service users, and to get rid of any inefficiencies and gaps in provision. The 5-19 service is on the same footprints as the prevention teams and the same approach will be taken around the 0-5 aspect of the healthy child programme from October 2015.

Given this approach, we will review the buildings where services have historically operated. A focus on more home and family based targeted work will reduce the need for buildings currently offering broader, open-access facilities. We have reviewed them on a site-by-site basis and consider opportunities via local consultation for fewer sites. Our priority is to keep services at the expense of some buildings which host, for example, traditional children's centre provisions. Any buildings we do keep, will be in areas of greatest need and serve a wider purpose. This will be carried out as part of the Council's overall approach to working with local communities and its review of buildings.

School improvement

The executive member for schools launched the work of the **North Yorkshire Commission for School Improvement** in Summer 2013. The Commission has allowed us to look at the future of school improvement in North Yorkshire in a different way. Headteachers, governors and local authority leaders have considered the future of school improvement together, in a spirit of genuine openness and partnership. All were mindful that the current level of financial contribution to school improvement made by this local authority is well above national averages. At the same time it was recognised that releasing resources to school led

collaboratives had greater potential for impact. The recommendations of the Commission are now being implemented and will mean that savings can be delivered through a new school improvement model which retains and enhances the local shared ambition for excellence in North Yorkshire education.

Children with special educational needs

In September 2014, the **Children and Families Act** introduced new arrangements for assessing and supporting children with special educational needs and disabilities. Whilst the government recognised that the new legislation brings greater expectations on local authority resources, we do anticipate that our reviews of current arrangements of services for these groups will deliver savings. We can see through a review of 'short breaks' provision demonstrates an above average spend on these in North Yorkshire. We are now out at consultation with proposals which will seek to enhance the capacity of family based provision at the expense of residential provision. . At the same time, we are committed to improving the experience of disabled young people and their families and to improving their transition to adult provision by trying to achieve greater opportunities for local independent accommodation, employment and training.

Home to school transport

We have looked again at the remaining discretionary elements of our funding for home to school transport including post 16 transport arrangements. We will also continue to explore, with the Schools Forum, opportunities for creating headroom in the Dedicated Schools Grant. This could be achieved through reviews of current school organisation arrangements particularly for those funded through the high needs block of that grant. Progress here would enable further discussions with the Schools Forum on the future balance of joint funding of valued and necessary services.

Further savings

In addition to all of the above, we will carry out other staffing reviews to achieve further savings which, wherever possible, will be carried out without any significantly negative impact on service delivery.

CYPS

| Project No. | Savings Area | Description | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | Total £000 |
|-------------|--|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| CYPS 1 | Preventative Services Review | Review of all current preventative services provision to transform delivery of early help into a single, county-wide integrated 0-19 service. This will remove current and distinct arrangements for service delivery in children centres, the youth support service and education social work. Managerial efficiencies are expected. This new delivery model will also necessitate reviews of the use and number of physical buildings required. It will result in a reduced numbers of such buildings and hence the need to explore alternative options for some sites. The geographic coverage of the county will be retained but through a model better targeting those young people and their families most in need. Specialisms will be retained but within this all-age countywide model. Universal, open-access youth work will largely not be provided by the local authority directly, but we will contract with the voluntary sector where needed. Delivery of this target has been accelerated since being presented to the Council in 2014. | 3,000 | 0 | 0 | 0 | 0 | 3,000 |
| CYPS 2 | Assessments and supporting families | Further development of an integrated family support team including evidence-based family interventions, homelessness prevention and resettlement and work on the Developing Stronger Families Initiative. Re-examination of the role of Youth Justice and reconfiguration of Senior Social Workers to locally deploy Senior Practitioners and establish Senior Practice Educators within Workforce Development. | 577 | 598 | 220 | 105 | 0 | 1,500 |
| CYPS 3 | Support for school improvement and early years | Implementation of the outcomes of the Commission for School Improvement rolling out new local school led commissioning arrangements for school improvement. LA school improvement team consultation underway. | 992 | 708 | 0 | 0 | 0 | 1,700 |
| CYPS 4 | Other school and LA support services | Review of a range of strategic LA functions including performance management arrangements, IT strategy, school place planning and overheads. | 327 | 260 | 310 | 340 | 0 | 1,237 |
| CYPS 5 | Home to School Transport | A saving which will partly result from continuing efficiency and procurement savings. Under MTFS2 proposals the current £950k subsidy to post-16 transport will reduce to £550k - most of which is discretionary. Discretionary funding from post-16 is therefore currently included in this project along with any other discretionary areas in the budget. | 700 | 50 | 150 | 200 | 0 | 1,100 |
| CYPS 6 | Access and Inclusion support services | The development and implementation of a pathway for children with disabilities and their families (see project 8) would contribute a staffing saving here. This would include reconfiguring the current Educational Psychology Service. In addition, to achieve this saving also requires a reduction in pupil access services grants (including clothing grants). The savings profile related to the disabled children's services has been reviewed. | 460 | 250 | 100 | 100 | 0 | 910 |
| CYPS 7 | Looked After Children (LAC) /Placements | Safe reduction in the number of Looked After children and in the nature of placements used for that reduced figure. Options have been explored to reconfigure the foster carer profile and role types, to review the level of current local residential care provision and to reduce out of authority placements. Partnership working with district councils to develop further the 16/17 accommodation pathway will also contribute to this saving. | 1,000 | 1,076 | 268 | 1,100 | 0 | 3,444 |
| CYPS 8 | Services for Disabled Children | Changes to delivery arrangements for short break provision could contribute to this project and is under consultation currently. A saving of this magnitude in the overall provision budget, (including Children's Resource Centres) could also result in a reduction in the level of service provided for families. The savings profile related to the disabled children's services has been reviewed. | 253 | 100 | 147 | 0 | 0 | 500 |
| CYPS 9 | High Needs Services | More effective use of the High Needs funding within the Dedicated Schools Grant will create appropriate efficiencies to support relevant and valued services funded through general fund. | 120 | 1,278 | 146 | 0 | 0 | 1,544 |
| | | | 7,429 | 4,320 | 1,341 | 1,845 | 0 | 14,935 |

Saving proposals for Health and Adults Services (HAS) directorate

Introduction

The Council understands that people want to be supported to live at home and to receive services at home, or as near as possible. They want to remain with their family, in their neighbourhood and community and to contribute to the community and the economy. They also want information and advice, support for their carers and short-term services to get them back on their feet. Importantly, they want choice and control over how they are helped. To this end, a new operating model will be implemented for delivering services; and we will work with the NHS to transform our services.

The new operating model sees a shift towards a service which is fit for a digital age in line with the 2020 North Yorkshire principles. It will promote self-help and independence and focus on targeted prevention, reablement and giving control to our customers. We will expand services such as Extra Care Housing to replace residential care, integrated reablement to replace traditional care at home and digital and self-help solutions to modernise assessment and care management services.

There are very clear links to the principles that underpin, and the work that is being carried out within the 2020 North Yorkshire Programme, particularly the Stronger Communities, Customer and Property themes. Further detail is provided below.

Proposals

Targeted prevention and support

This project builds on the 'Distinctive Public Health for North Yorkshire' programme, by re-investing circa £4m of Public Health efficiencies in preventative and community capacity to meet specific local needs.

It will enable local groups and individuals to support vulnerable people in line with our responsibilities under the Care Act to promote wellbeing. This will help to maximise people's independence and reduce reliance on the need for contact with statutory services. This project will also develop and expand the range of preventative services funded by the Council for people who already have low level health and/or social care needs and their carers and will include appointing to new staff roles cross county on targeted prevention.

We will make sure that when customers need to speak to us, they have access to qualified people who are able to make sure they receive the right support at the right time to meet their needs. We will work with external partners to develop a single 'front door' wherever practicable.

Assessment Reablement Pathway

A key aspect of the overall project will be to make sure that wherever possible, people's support needs are provided through locally developed community services and local universal services rather than traditional services. This project will focus on

the customer journey once a person needs extra support and is based on maximising the person's independence and quality of life by reducing the need for services. We will have a greater focus on meeting people's support and recovery by using community based assets, such as services run by community groups or voluntary sector partners, to meet their needs. We will also work with Health partners to deliver improvements in service delivery through integrated multi-disciplinary working. This is in line with Better Care Fund priorities and Care Act. This project is a 5 year programme to deliver the majority of the Directorate's 2020 savings.

Equipment and Telecare

This project will deliver savings through rationalisation of the current equipment and stores arrangements to improve customer service. Opportunities for closer working with reablement services will also be considered. We will market test different arrangements with partners to reduce overall costs, and ensure that people are helped to remain independent for longer.

Extra Care Housing and Elderly Person's Homes (EPHs)

This project accelerates the current work on replacing its EPH estate with Extra Care Housing to improve accommodation choices for people who need support including those with complex needs. The project will examine EPHs individually in line with wider market development activity and seeks to ensure the provision of over 50 extra care schemes cross county by 2020.

Complex Needs Transformation

This project builds on existing work and savings generated and will develop a new commissioning strategy with NHS partners for complex needs services, in line with Better Care Fund priorities to deliver economy of scale efficiencies. It will build upon the current work of the Learning Disabilities Transformation Board, and will examine the current and future market provision for people with complex needs

Supporting People

We will help to maintain and improve people's health and wellbeing by realigning Supporting People and related budgets with partners to make sure that funding is targeted to keep people safe, supported and independent in their communities in line.

Further savings

In addition to all of the above, we will ensure all opportunities to deliver additional efficiency savings are taken.

HAS 2020 Savings Programme

| Project Title | Descriptor | Base Budget Savings | 15-16 £k | 16-17 £k | 17-18 £k | 18-19 £k | 19-20 £k | Total £k |
|---|---|--|-------------|-------------|-------------|-------------|-------------|-------------|
| HAS 1 Targetted Prevention | This project builds on the NY2020 Stronger Communities theme and HAS Distinctive Public Health For North Yorkshire programme by re-investing circa £4m of Public Health efficiencies in preventative and community capacity to meet specific local needs. It will enable local groups and individuals to support vulnerable people in line with our responsibilities under the Care Act to promote wellbeing. This will help to maximise people's independence and reduce reliance on the need for contact with statutory services. Wherever possible, schemes will be jointly commissioned with District/Borough Councils and CCGs, using Public Health budgets and the Innovation Fund. This project will also develop and expand the range of preventative services funded by the Directorate for people who already have low level health and/or social care needs and their carers and will include appointing to new staff roles cross county on targeted prevention. These schemes will also be jointly commissioned wherever possible through the North Yorkshire Delivery Board in line with Better Care Fund priorities and projects. We will continuously evaluate these new schemes and share our learning with partners and others. Our information offer will build on the NYCC Customer blueprint for future services, and will be delivered 'hand-in-glove' with the NY2020 Customer theme. The main focus will be to create a 'strong front door' to enable people to find information, in line with our duties under the Care Act, and to self-serve and self-assess as much as possible. We will make sure that when customers need to speak to us, they have access to qualified people who are able to make sure they receive the right support at the right time to meet their needs. We will work with external partners to develop a single 'front door' wherever practicable. HAS 1 is the foundation for the rest of this programme and therefore cannot be seen as a stand alone project. | | 0 | 300 | 350 | 0 | 0 | 650 |
| | | | 0 | 0 | 1000 | 1000 | 0 | 0 |
| HAS 3/4/5 Assessment Reablement pathway | Following on from HAS 1, a key aspect of the overall project will be to make sure that wherever possible, people's support needs are provided through locally developed community services and local universal services rather than traditional services. This project will focus on the customer journey once a person needs extra support and is based on maximising the person's independence and quality of life by reducing the need for services. The first aspect of this project builds on Better Care Fund objectives to develop a county wide Reablement and Intermediate Care service delivered jointly with NHS partners. Savings will be realised by ensuring that more people go through the new service than at present, and as a result their need for long term care is reduced or removed. | Increase in the number of people's needs met from START | 745 | 650 | 800 | 500 | 500 | 3195 |
| | | Workforce Restructure | 168 | 400 | 0 | 0 | 0 | 568 |
| | For people who need long term support and their carers, we will implement a new model of care management to reduce direct costs. We will establish revised processes for allocating respite care and accessing permanent residential placements as we move towards the increased use of Extra Care Housing as described in HAS 6. | | -225 | -75 | 1000 | 1000 | 0 | 1700 |
| | We will have a greater focus on meeting people's support and recovery by using community based assets, such as services run by community groups or voluntary sector partners, to meet their needs. We will also work with Health partners to deliver improvements in service delivery through integrated multi-disciplinary working. This is in line with Better Care Fund priorities and Care Act. | Review of Personal Budgets | 467 | 480 | 480 | 480 | 480 | 2387 |
| | | Personal Asset Based Assessments | 0 | 0 | 500 | 750 | 750 | 2000 |
| | Recovery Based Reviews | 0 | 0 | 80 | 80 | 80 | 240 | |
| | Stand-Alone Reviews | 0 | 0 | 115 | 115 | 115 | 345 | |
| | Extra Care Housing | 0 | 240 | 120 | 120 | 120 | 600 | |
| HAS 2 Equipment and Telecare | This project will deliver savings through rationalisation of the current equipment and stores arrangements to improve customer service. Opportunities for closer working with reablement services will also be considered. We will market test different arrangements with partners to reduce overall costs, and ensure that people are helped to remain independent for longer. Opportunities to maximise income from charges and retail options for equipment will be explored in line with the NY2020 Commercial theme. | Review of Equipment and Telecare Services including stores | 200 | 350 | 0 | 0 | 0 | 550 |

| Project Title | Descriptor | Base Budget Savings | 15-16 £k | 16-17 £k | 17-18 £k | 18-19 £k | 19-20 £k | Total £k |
|---|--|--|-------------|-------------|-------------|-------------|-------------|--------------|
| HAS 6 Extra care housing and EPHs. | This project accelerates the Directorate's current work on its Extra Care Housing programme of replacing its EPH estate with Extra Care Housing to improve accommodation choices for people who need support including those with complex needs. The project will examine EPHs individually in line with wider market development activity. This project will also consider alternative models of service delivery, including staff mutuals and community ownership, to sustain market capacity. | EPH Savings including Extra Care Housing | 600 | 342 | 600 | 500 | 658 | 2700 |
| HAS 7 Complex Needs Transformation | A key aspect of this project is that, wherever it is appropriate and safe, people should live in their own homes in the community rather than in permanent residential placements. This project will build a new commissioning strategy with NHS partners for complex needs services, in line with Better Care Fund priorities to deliver economy of scale efficiencies. It will build upon the current work of the LD Transformation Board, and will examine the current and future market provision for people with complex needs. | Complex Cases and Brokerage (LD Providers) | 600 | 400 | 200 | 100 | 0 | 1300 |
| | | LD Supported Living | 50 | 50 | 0 | 0 | 0 | 100 |
| | | LD Respite | 100 | 200 | 0 | 0 | 0 | 300 |
| | | Co-commission complex needs service (Health) | 0 | 150 | 200 | 0 | 0 | 350 |
| HAS 8. Supporting People | We will help to maintain and improve people's health and wellbeing by realigning Supporting People and related budgets with partners to make sure that funding is targeted to keep people safe, supported and independent in their communities in line with the NY2020 Stronger Communities theme. | Review Supporting People Programme | 1900 | 0 | 0 | 0 | 0 | 1900 |
| HAS 9. Other savings | We will aim to deliver additional savings through the exploitation of technology and processes through a LEAN systems approach to our new operating model. | General Efficiencies | 545 | 113 | 0 | 0 | 0 | 658 |
| | | | 5150 | 3600 | 5445 | 4645 | 2703 | 21543 |

Savings proposals for Central Services directorate

Introduction

Central Services is split into two principal categories;

- Library, Customer and Community Services, providing front line services; and
- A range of support services.

The savings proposals for central services are split between these two areas.

Library, Customer and Community Services

The County Council operates a “mixed economy” model of Library services which is delivered through 33 County run libraries, a super mobile with assisted digital, plus on line services, together with nine community-led libraries, 20 outlets/book collections and a Home Library Service.

Proposals

The Council is currently in public consultation on the future of the Library Service and the consultation is due to end on 8 February 2015. The approach being sought is to revise the current model; introduce some “hybrid” libraries; and extend the provision of community-led libraries into other areas across the county.

The Council is working alongside local communities, as part of the Stronger Communities approach, to design, plan and deliver this outcome, learning from experience to date. This approach has the potential to be developed alongside other community initiatives. There will still be a core council network of libraries, to help support hybrids and community-led libraries, but if it is not possible to transform some libraries into those run by communities this may lead to closures.

The Council’s new approach to working with customers will focus on a re-design of the customer resolution centre, with a focus on improved self-service, digital access and dealing with customer’s issues at the first point of contact if possible. This proposal also involves working closely with other services across the Council to reduce demand in services and to redesign the service to meet their requirements.

Management costs and an increase in income opportunities are being reviewed across services, with a view to making a significant contribution towards the Council’s savings target.

Support Services

The approach taken as part of 2020 North Yorkshire has been to simplify, standardise and share services across the Council and to rationalise the “back office”. The majority of support services have delivered savings in excess of the average to date and the savings targets for 2015/16 and beyond are significantly above the average for the County Council as a whole. This is as a direct result of prioritising frontline services over support services. However this presents the Council with challenges, as it faces a period of sustained change.

Proposals

Property review; there is a focus across the Council to reduce the number of buildings and, whilst a large part of the Council's property budget is within Central Services, it is important that property and operational service plans are aligned.

New systems and ways of working; significant savings are envisaged by adopting more modern systems and associated ways of working. Whilst this will bring other elements of change, this should support a longer term sustainable position.

Reductions in staff numbers; as staff numbers reduce across the Council there should be a proportionate reduction in the need for support across specialisms.

Dependency upon service needs; support services will work around the customer's needs and will reflect the changes taking place across the council within the Directorates as they move into new operating models.

Central Services

Appendix D

| Project No. | Savings Area | Description | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | Total £000 |
|-------------|--|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| CS1 | Library, Customer & Community Services | Short term savings will be generated by a targeted approach across all services to increase income and further rationalise staff and other resources including bookfund. Longer term savings will be made by redesigning current library provision by building upon existing model(s) of community ownership / co-production; involving key stakeholders, communities and staff. | 0 | 800 | 800 | | | 1,600 |
| CS2 | Corporate Property | Rationalisation of property across Council as part of 2020 North Yorkshire Programme should reduce property related costs including repairs & maintenance. | | | 500 | 500 | 500 | 1,500 |
| CS3 | HR Services | Reductions in levels of service on risk assessed basis and reflecting anticipated reduction in staffing levels over longer term. | 307 | 0 | 333 | 375 | | 1,015 |
| CS4 | Technology & Change Services | Combination of contractual savings and restructuring of elements of service in light of anticipated reductions in number of separate systems and internal customers. | 602 | 365 | 470 | 470 | | 1,907 |
| CS5 | Finance | Reductions and review of service on risk assessed basis and reflecting anticipated reduction in budget over longer term. Updating of systems and ways of working implemented to help with capacity. | 200 | 250 | 400 | 409 | | 1,259 |
| CS6 | Business Support | Reductions in levels of service on risk assessed basis and reflecting anticipated reduction in staffing levels over longer term. Updating of systems and ways of working also implemented to help with capacity. | 1,400 | 900 | 700 | 600 | | 3,600 |
| CS7 | Chief Executive's Unit | Reductions in capacity to deliver strategic support for Council. Issue to be aligned with review of strategic support services across the Council and one-off initiatives may require additional support. | 200 | 200 | 200 | 214 | | 814 |
| CS8 | Legal & Democratic Services | Improvements in systems to help with capacity and review of support arrangements. | 50 | 59 | | | | 109 |
| | | | 2,759 | 2,574 | 3,403 | 2,568 | 500 | 11,804 |

Summary of Savings Proposals

| | | | | | | |
|------------------|-------|-------|-------|-------|-------|--------|
| BES | 6,312 | 2,969 | 462 | 0 | 0 | 9,743 |
| CYPS | 7,429 | 4,320 | 1,341 | 1,845 | 0 | 14,935 |
| HAS | 5,150 | 3,600 | 5,445 | 4,645 | 2,703 | 21,543 |
| Central Services | 2,759 | 2,574 | 3,403 | 2,568 | 500 | 11,804 |

Total Savings Proposals

| | | | | | |
|---------------|---------------|---------------|--------------|--------------|---------------|
| 21,650 | 13,463 | 10,651 | 9,058 | 3,203 | 58,025 |
|---------------|---------------|---------------|--------------|--------------|---------------|

2015/16 REVENUE BUDGET AT DIRECTORATE LEVEL

| | latest base budget £000s | additional spending needs | | | | | Savings | | Funding £000s | total budget / MTFS £000s |
|---|-----------------------------------|---------------------------|----------------|-----------------------------|-----------------------|---------------------------|--------------------------|----------------|------------------|------------------------------------|
| | | inflation £000s | waste £000s | other recurring £000s | PIP alloc £000s | other one off £000s | Prior MTFS's £000s | 2020 £000s | | |
| BUDGET REQUIREMENT | | | | | | | | | | |
| Directorate net budgets | | | | | | | | | | |
| BES | 78,699 | 1,157 | 1,267 | 410 | 1,231 | 2,710 | -500 | -6,312 | | 78,662 |
| CYPS | 77,351 | 1,073 | | | 442 | 100 | -200 | -7,429 | | 71,337 |
| HAS | 141,469 | 3,176 | | | | -4,633 | -1,600 | -5,150 | | 133,262 |
| CS | 53,223 | 909 | | 121 | 928 | 2,000 | | -2,759 | | 54,422 |
| Directorates sub total | 350,742 | 6,315 | 1,267 | 531 | 2,601 | 177 | -2,300 | -21,650 | | 337,683 |
| Corporate Miscellaneous | | | | | | | | | | |
| Interest Earned | -1,669 | | | -60 | | | | | | -1,729 |
| Capital Financing charges | 27,415 | | | -769 | | | | | | 26,646 |
| HAS Demographic growth | 2,255 | | | 3,000 | | | | | | 5,255 |
| Education Services Grant | -9,300 | | | 2,100 | | | | | | -7,200 |
| Local Welfare Reform prov | | | | 947 | | | | | | 947 |
| National Ins Contingency | | | | | | | | | | 0 |
| Pension Fund provisions | 1,665 | | | -1,665 | | | | | | 0 |
| Business rates relief grants | -640 | | | -1,256 | | | | | | -1,896 |
| SFNY | | | | | | 4,000 | | | | 4,000 |
| New Homes Bonus | -1,790 | | | -407 | | | | | | -2,197 |
| Other | -815 | | | 13 | | | | | | -802 |
| sub total | 17,121 | 0 | 0 | 1,903 | 0 | 4,000 | 0 | 0 | 0 | 23,024 |
| PIP | 6,458 | 700 | -1,267 | | -2,601 | | 520 | | | 3,810 |
| Corporate Miscell sub total | 23,579 | 700 | -1,267 | 1,903 | -2,601 | 4,000 | 520 | 0 | | 26,834 |
| | | | | | | | | | | 0 |
| Net Expenditure | 374,321 | 7,015 | 0 | 2,434 | 0 | 4,177 | -1,780 | -21,650 | 0 | 364,517 |
| General Working Balances and / or additional savings | | | | | | | | | | |
| Budget / MTFS shortfalls | | | | | | | | | | |
| 2014/15 budget | -1,322 | | | | | | | | 1,322 | 0 |
| 2015/16 budget | | | | | | | | | 7,171 | 7,171 |
| 2016/17 MTFS | | | | | | | | | | 0 |
| 2017/18 MTFS | | | | | | | | | | 0 |
| sub total | -1,322 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,493 | 7,171 |
| 2014/15 one offs Q1 | | | | | | | | | -7,677 | -7,677 |
| 2014/15 one offs Q2 | | | | | | | | | -500 | -500 |
| | -1,322 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 316 | -1,006 |
| Net Budget Requirement | 372,999 | 7,015 | 0 | 2,434 | 0 | 4,177 | -1,780 | -21,650 | 316 | 363,511 |
| External Corp Funding | | | | | | | | | | |
| Revenue support grant | -77,843 | | | | | | | | 18,625 | -59,218 |
| Business rates | | | | | | | | | | |
| 9% from Districts | -18,700 | | | | | | | | -171 | -18,871 |
| collection fund deficits | 538 | | | | | | | | 1,149 | 1,687 |
| top up from DCLG | -41,789 | | | | | | | | -799 | -42,588 |
| Council tax collection fund | -1,989 | | | | | | | | -737 | -2,726 |
| | -139,783 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,067 | -121,716 |
| Council Tax Requirement | 233,216 | 7,015 | 0 | 2,434 | 0 | 4,177 | -1,780 | -21,650 | 18,383 | 241,795 |
| Tax Base | 216,236.44 | | | | | | | | | 219,816.84 |
| Band D Council Tax | £1,078.52 | | | | | | | | | £1,099.98 |
| year on year increase | | | | | | | | | | |
| £ | £21.04 | | | | | | | | | £21.46 |
| % | 1.99% | | | | | | | | | 1.99% |

05-Feb-15

Corporate Miscellaneous Budgets - 2015/16 - 2017/18

| Budget | Latest 2014/15 Base Budget (Q2) | 2015/16 | | | | 2016/17 | | | | 2017/18 | | | |
|--|---|-----------------------------|---------------------------------|---------------------|-------------------------------|-----------------------------|---------------------------------|---------------------|-------------------------------|-----------------------------|---------------------------------|---------------------|-------------------------------|
| | | Increase Current MTFS | Updated Increase Required | + / - Difference | Updated Budget Required | Increase Current MTFS | Updated Increase Required | + / - Difference | Updated Budget Required | Increase Current MTFS | Updated Increase Required | + / - Difference | Updated Budget Required |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | £000 | |
| Contingency - General Provision | 250.0 | | 0.0 | 0.0 | 250.0 | | 0.0 | 0.0 | 250.0 | 0.0 | 0.0 | 0.0 | 250.0 |
| HAS Demographic Growth | 2,255.0 | 3,000.0 | 3,000.0 | 0.0 | 5,255.0 | 3,000.0 | 3,000.0 | 0.0 | 8,255.0 | 0.0 | 3,000.0 | 3,000.0 | 11,255.0 |
| Contribution to Pension Fund Deficit | 1,665.0 | | -1,665.0 | -1,665.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 1,700.0 | 1,700.0 | 1,700.0 |
| National Insurance - end of Contracting Out Rebate | 0.0 | | 0.0 | 0.0 | 0.0 | 2,250.0 | 2,600.0 | 350.0 | 2,600.0 | 0.0 | 0.0 | 0.0 | 2,600.0 |
| Capital Financing Charges | 27,414.6 | 336.7 | -768.4 | -1,105.1 | 26,646.2 | 414.9 | -241.5 | -656.4 | 26,404.7 | 0.0 | 669.0 | 669.0 | 27,073.7 |
| Interest Earned | -1,669.0 | -45.0 | -60.0 | -15.0 | -1,729.0 | -950.0 | -990.0 | -40.0 | -2,719.0 | 0.0 | -974.0 | -974.0 | -3,693.0 |
| Continuing Pension Liability | 19.0 | -3.0 | -5.0 | -2.0 | 14.0 | -3.0 | -4.0 | -1.0 | 10.0 | 0.0 | -3.0 | -3.0 | 7.0 |
| Audit Fees | 133.0 | 3.0 | -36.5 | -39.5 | 96.5 | 3.0 | 5.8 | 2.8 | 102.3 | 0.0 | -1.8 | -1.8 | 100.5 |
| Bank Charges | 97.0 | 0.0 | -17.0 | -17.0 | 80.0 | | 0.0 | 0.0 | 80.0 | 0.0 | 0.0 | 0.0 | 80.0 |
| Discontinued Services | -4.0 | | 0.0 | 0.0 | -4.0 | | 0.0 | 0.0 | -4.0 | 0.0 | 1.0 | 1.0 | -3.0 |
| Probation Loan Charges | 15.0 | -1.0 | 0.0 | 1.0 | 15.0 | | -1.0 | -1.0 | 14.0 | 0.0 | 0.0 | 0.0 | 14.0 |
| Magistrates Courts Loan Charges | 48.0 | -2.0 | -2.0 | 0.0 | 46.0 | -2.0 | -2.0 | 0.0 | 44.0 | 0.0 | -2.0 | -2.0 | 42.0 |
| Financing Income | -640.5 | 0.0 | 140.5 | 140.5 | -500.0 | | 0.0 | 0.0 | -500.0 | 0.0 | 0.0 | 0.0 | -500.0 |
| Community Fund (Affordable Housing) | 430.0 | 20.0 | -30.0 | -50.0 | 400.0 | | 0.0 | 0.0 | 400.0 | 0.0 | 0.0 | 0.0 | 400.0 |
| Local Welfare Reform Provision | 0.0 | 947.0 | 947.0 | 0.0 | 947.0 | | 0.0 | 0.0 | 947.0 | 0.0 | 0.0 | 0.0 | 947.0 |
| Business Rates RPI Reimbursement | -640.0 | | -256.0 | -256.0 | -896.0 | | 0.0 | 0.0 | -896.0 | 0.0 | 0.0 | 0.0 | -896.0 |
| Business Rates other reliefs reimbursement | 0.0 | | -1,000.0 | -1,000.0 | -1,000.0 | | 0.0 | 0.0 | -1,000.0 | | 0.0 | 0.0 | -1,000.0 |
| Pay & Reward Initiatives | 55.0 | | -55.0 | -55.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Employee Costs - Terms and Conditions | -60.7 | | 60.7 | 60.7 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| DSG Contrib. to Corporate Overheads | -760.9 | | 10.9 | 10.9 | -750.0 | | 0.0 | 0.0 | -750.0 | 0.0 | 0.0 | 0.0 | -750.0 |
| YPO Dividend | -400.0 | | -50.0 | -50.0 | -450.0 | | 0.0 | 0.0 | -450.0 | 0.0 | 0.0 | 0.0 | -450.0 |
| New Homes Bonus Grant | -1,790.0 | -410.0 | -407.0 | 3.0 | -2,197.0 | -400.0 | -400.0 | 0.0 | -2,597.0 | 0.0 | -18.0 | -18.0 | -2,615.0 |
| Returned top slicing funding (principally NHB) | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| One-Council Savings | 5.0 | 0.0 | -5.0 | -5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Education Services Grant | -9,300.0 | 2,300.0 | 2,100.0 | -200.0 | -7,200.0 | 300.0 | 300.0 | 0.0 | -6,900.0 | 0.0 | 200.0 | 200.0 | -6,700.0 |
| SFNY contribution | 0.0 | | 4,000.0 | | 4,000.0 | | -4,000.0 | | 0.0 | | 0.0 | | 0.0 |
| Rural Services Delivery Grant | 0.0 | | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sub-Total | 17,121.5 | 6,145.7 | 5,902.2 | -4,243.5 | 23,023.7 | 4,612.9 | 267.3 | -345.6 | 23,291.0 | 0.0 | 4,571.2 | 4,571.2 | 27,862.2 |
| Pending Issues Provision | 6,458.0 | -300.0 | -2,648.0 | -2,348.0 | 3,810.0 | 1,267.0 | -44.0 | -1,311.0 | 3,766.0 | 0.0 | -687.0 | -687.0 | 3,079.0 |
| | | | | | 0.0 | | | | | | | | |
| Corporate Miscellaneous Total | 23,579.5 | 5,845.7 | 3,254.2 | -6,591.5 | 26,833.7 | 5,879.9 | 223.3 | -1,656.6 | 27,057.0 | 0.0 | 3,884.2 | 3,884.2 | 30,941.2 |
| | | 5,845.7 | | | | 5,879.9 | | | | | | | |

Appendix F

16-Jan-15

CALCULATION OF COUNCIL TAX REQUIREMENT, PRECEPT AND BASIC AMOUNT OF COUNCIL TAX (BAND D EQUIVALENT) 2015/16

1. Based on the Government's **Final** Funding Settlement figures announced on **3 February 2015** and a Council Tax increase of 1.99%, the Council Tax and Precept position is set out below:-

| | £000 | £000 |
|--|---------|---------|
| Net expenditure budget | | 364,517 |
| Contribution from reserves | | -1,006 |
| = net budget requirement | | 363,511 |
| Funding from Localisation of Business Rates system | | |
| – Share of Business Rates Income (9%) from District Councils | -18,871 | |
| – Share of District Council Business Rates Collection Fund deficits | 1,687 | |
| – Business Rates 'Top up' from the Government | -42,588 | -59,772 |
| Revenue support grant from the Government | | -59,218 |
| County Council's share of Council Tax Collection Fund Surpluses notified by District Councils | | -2,726 |
| = Council Tax requirement (Council Tax precept to be collected on the County Councils behalf by the North Yorkshire District Councils acting as billing authorities) | | 241,795 |

2. To produce a Council Tax per property, the amount required to be levied has to be divided by a figure representing the 'relevant tax bases'. For the County Council, this figure is the aggregate of the 'relevant tax bases' of each of the seven District Councils.
3. Each District Council prepares an estimate of its 'relevant tax base' expressed as the yield from a Council Tax levy of £1 as applied to an equivalent number of Band D properties. This calculation takes into account the number of properties eligible for a single person discount, reductions for the disabled, anticipated property changes during the year and the extent to which a 100% recovery rate may not be achieved.

4. The following information has been received from the District Councils:-

| Authority | Council Tax Base (equivalent number of Band D properties) |
|---------------|---|
| Craven | 21,366.82 |
| Hambleton | 34,710.28 |
| Harrogate | 59,249.73 |
| Richmondshire | 18,610.36 |
| Ryedale | 20,537.05 |
| Scarborough | 36,225.58 |
| Selby | 29,117.02 |
| Total | 219,816.84 |

5. Using the above information the County Council's equivalent Council Tax precept for a Band D property would be as follows:

| | |
|---|--------------------------------|
| <u>Total Council Tax Requirement</u> Relevant Tax Base | <u>£241,795k</u> 219,816.84 |
| @ Band D = | £1,099.98 |

6. Using the appropriate 'weightings' for other property bands as determined by statute, the Council Tax precept for each property would be as follows:-

| Band | 2014/15 £ p | 2015/16 £ p |
|------|----------------|------------------|
| A | 719.01 | 733.32 |
| B | 838.85 | 855.54 |
| C | 958.68 | 977.76 |
| D | 1,078.52 | 1,099.98 |
| E | 1,318.19 | 1,344.42 |
| F | 1,557.86 | 1,588.86 |
| G | 1,797.53 | 1,833.30 |
| H | 2,157.04 | 2,199.96 |
| | | = 1.99% increase |

(All figures are rounded to the nearest penny)

5 February 2015.

PENDING ISSUES PROVISION (PIP)

| Items | Directorate | Date Approved By Executive | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total |
|--|-------------|----------------------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|------------|----------|----------------|
| | | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FUNDING - WASTE ALLOCATIONS | | | | | | | | | | | | | | | |
| Initial Budget Allocations | | | 3,314 | 8,505 | 14,394 | 14,394 | 14,394 | 14,394 | 14,394 | 14,394 | 14,394 | 14,394 | 14,394 | | 141,365 |
| Budget Allocation Rounded Up | | | | | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | | 954 |
| Add DCLG Flood Restoration Fund Grant | n/a | n/a | 231 | | | | | | | | | | | | 231 |
| Proposed Inflation Added to Base - Waste Allocation 2010/11 | | | | | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | | 11,250 |
| Proposed Inflation Added to Base - Waste Allocation 2011/12 | | | | | | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | | 10,000 |
| Proposed Inflation Added to Base - Waste Allocation 2012/13 | | | | | | | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | | 8,750 |
| Proposed Inflation Added to Base - Waste Allocation 2013/14 | | | | | | | | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | | 9,000 |
| Proposed Inflation Added to Base - Waste Allocation 2014/15 | | | | | | | | | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | | 7,500 |
| Proposed Inflation Added to Base - Waste Allocation 2015/16 | | | | | | | | | | 700 | 700 | 700 | 700 | | 2,800 |
| Proposed Inflation Added to Base - Waste Allocation 2016/17 | | | | | | | | | | | 0 | 0 | 0 | | 0 |
| Proposed Inflation Added to Base - Waste Allocation 2017/18 | | | | | | | | | | | | 0 | 0 | | 0 |
| Carry Forward Not Allocated in 2008/09 | | | -1,021 | 1,021 | | | | | | | | | | | 0 |
| Carry Forward Not Allocated in 2009/10 | | | | -503 | 503 | | | | | | | | | | 0 |
| Carry Forward Not Allocated in 2010/11 | | | | | -5,153 | 5,153 | | | | | | | | | 0 |
| Carry Forward Not Allocated in 2011/12 | | | | | | -1,461 | 1,461 | | | | | | | | 0 |
| Carry Forward Not Allocated in 2012/13 | | | | | | | -8,596 | 9,146 | | | | | | | 550 |
| Carry Forward Not Allocated in 2013/14 | | | | | | | | -22,723 | 22,723 | | | | | | 0 |
| Allocations to Fund Waste Strategy 2010/11 | | | | | -2,277 | -2,277 | -2,277 | -2,277 | -2,277 | -2,277 | -2,277 | -2,277 | -2,277 | | -20,493 |
| Allocations to Fund Waste Strategy 2011/12 | | | | | | -2,988 | -2,988 | -2,988 | -2,988 | -2,988 | -2,988 | -2,988 | -2,988 | | -23,904 |
| Allocations to Fund Waste Strategy 2012/13 | | | | | | | -2,102 | -2,102 | -2,102 | -2,102 | -2,102 | -2,102 | -2,102 | | -14,714 |
| Allocations to Fund Waste Strategy 2013/14 | | | | | | | | -3,025 | -3,025 | -3,025 | -3,025 | -3,025 | -3,025 | | -18,150 |
| Allocations to Fund Waste Strategy 2014/15 | | | | | | | | | -2,420 | -2,420 | -2,420 | -2,420 | -2,420 | | -12,100 |
| Allocations to Fund Waste Strategy 2015/16 | | | | | | | | | | -1,267 | -1,267 | -1,267 | -1,267 | | -5,068 |
| Allocations to Fund Waste Strategy 2016/17 | | | | | | | | | | | -940 | -940 | -940 | | -2,820 |
| Allocations to Fund Waste Strategy 2017/18 | | | | | | | | | | | | -2,670 | -2,670 | | -5,340 |
| Allocations to Fund Waste Strategy 2018/19 | | | | | | | | | | | | | -3,440 | | -3,440 |
| One-off Under-spend from Waste Strategy in 2011/12 carried forward to Corporate Miscellaneous in 2012/13 | | | | | | | 1,050 | | | | | | | | 1,050 |
| One-off Under-spend from Waste Strategy in 2012/13 carried forward to Corporate Miscellaneous in 2013/14 | | | | | | | | 1,077 | | | | | | | 1,077 |
| One-off Under-spend from HAS (Transitional Workers and Legal Costs) in 2012/13 carried forward to Corporate Miscellaneous in 2013/14 | | | | | | | | 28 | | | | | | | 28 |
| One-off Under-spend from CEG in 11/12 carried forward to Corporate Miscellaneous in 2012/13 | | | | | | | 479 | | | | | | | | 479 |
| One-off Under-spend from FCS in 11/12 carried forward to Corporate Miscellaneous in 2012/13 | | | | | | | 1,114 | | | | | | | | 1,114 |
| One-off Under-spend from Transformation in 11/12 carried forward to PIP funds in 2012/13 | | | | | | | 506 | | | | | | | | 506 |
| Contribution from the Community Fund 2010/11 | | | | | 600 | | | | | | | | | | 600 |
| Contribution from the Community Fund 2011/12 | | | | | | 400 | | | | | | | | | 400 |
| Contribution from the Community Fund 2012/13 | | | | | | | 300 | | | | | | | | 300 |
| Contribution from the Community Fund - Carry forward Balance of Funds | | | | | 277 | | | | | | | | | | 277 |
| Contribution from Insurance Reserve | | | | | 3,000 | | | | | | | | | | 3,000 |
| Reablement Under-spend in 12/13 in HAS carried forward into Corporate Miscellaneous | | | | | | | 2,476 | | | | | | | | 2,476 |
| Microsoft Migration potential underspend at Q4 | | | | | | | | 2,131 | | | | | | | 2,131 |
| Waste Straregy potential 13/14 underspend at Q4 Outturn | | | | | | | | 2,239 | | | | | | | 2,239 |
| Central Services forecast PIP underspends at Q4 Outturn | | | | | | | | 460 | | | | | | | 460 |
| Funding Available | | (a) | 2,524 | 9,023 | 12,700 | 15,827 | 9,673 | 1,716 | 31,161 | 7,871 | 6,931 | 4,261 | 821 | 0 | 102,508 |
| PROJECT ALLOCATIONS | | | | | | | | | | | | | | | |
| Schools Capital | CYPS | 27/05/2008 | | | 0 | -3,000 | -3,000 | | | | | | | | -6,000 |
| Radio Frequency Identification | ACS | 02/09/2008 | -418 | | | | | | | | | | | | -418 |
| Library in a Box | ACS | 02/09/2008 | -75 | -75 | | | | | | | | | | | -150 |
| Electronic Home Care Monitoring / Rostering System | ACS | 02/09/2008 | | -200 | | | | | | | | | | | -200 |
| Swift Development Project | ACS | 02/09/2008 | -46 | -99 | -46 | | | | | | | | | | -191 |
| Replacement of remaining concrete street lighting columns | BES | 02/09/2008 | | -1,500 | -1,500 | -3,000 | | | | | | | | | -6,000 |
| ICT - Additional resources for system development | F&CS | 02/09/2008 | -100 | -200 | -150 | | | | | | | | | | -450 |
| Data Encryption | F&CS | 02/09/2008 | -365 | | | | | | | | | | | | -365 |
| Customer Service Centre | CEG | 02/09/2008 | -190 | -10 | -10 | | | | | | | | | | -210 |
| Footways | BES | 23/09/2008 | -200 | -800 | | | | | | | | | | | -1,000 |

Appendix H (page 1 of 2)

NORTH YORKSHIRE COUNTY COUNCIL
PAY POLICY STATEMENT ON PAY STRUCTURE,
GRADING AND CONDITIONS FOR SENIOR MANAGERS
COVERING THE PERIOD 1ST APRIL 2015 TO 31ST MARCH 2016

1.0 This policy statement covers the following posts:

- **Head of Paid Service**, which is the post of Chief Executive.
- **Statutory Chief Officers;**
 Corporate Director Children and Young Peoples Services
 Corporate Director Health and Adult Services
 Corporate Director Business and Environmental Services
 Corporate Director Strategic Resources
- **Non-statutory Chief Officers** (those who report directly to the Head of Paid Service),:
 Assistant Chief Executive (Business Support)
 Assistant Chief Executive (Legal and Democratic Services)
- **Assistant Directors (All Directorates)**

The pay and grading of all posts are provided at Appendix 1. Pay for management board posts is detailed below and the Assistant Director details are provided at Appendix 2 (as at 1st April 2015).

| SPC | pay 15/16 | BAND | | SPC Salary* | | | |
|-----|-----------|------|------|---------------------------|-----------------|----|-----------|
| 86 | 170,000 | CE1 | | CE1 | | | |
| 85 | 165,000 | | | Chief Executive | Richard Flinton | 86 | 168,691 |
| 84 | 160,000 | | | | | | |
| 83 | 155,000 | | | | | | |
| 82 | 128,975 | | DIR3 | DIR3 | | | |
| 81 | 125,563 | | | Corporate Director - CYPS | Peter Dwyer | 82 | 129,007** |
| 80 | 122,151 | | | | | | |
| 79 | 118,739 | DIR2 | | DIR2 | | | |
| 78 | 114,952 | | | Corporate Director - HAS | Richard Webb | 79 | |

| | | | | | | | |
|----|---------|------|--|--|--------------------|----|-----------|
| | | | | | | | 119,086** |
| 77 | 111,267 | | | Corporate Director - SR | Gary Fielding | 79 | 117,825 |
| 76 | 107,479 | | | Corporate Director - BES | David Bowe | 79 | 117,825 |
| 75 | 102,747 | DIR1 | | DIR1 | | | |
| 74 | 98,788 | | | Asst Ch Exec - (Business Support) | Justine Brooksbank | 75 | 101,956 |
| 73 | 94,934 | | | Asst Ch Exec - (Legal and Democratic Services) | Barry Khan | 75 | 101,956 |
| | | | | | Total: | | 856,346 |

*The above figures reflect the 2 days unpaid leave element which is effectively a 0.77% reduction in pay. 2 days unpaid leave has applied since April 2012.

**These figures include market supplement/recruitment payments.

In providing details on the pay and conditions for these senior managers this policy covers the pay structure and terms and conditions for the whole council workforce.

In addition Mary Weastell is employed by Selby District Council in a joint leadership role as their Chief Executive and also has a part time Management Board role for NYCC as Assistant Chief Executive responsible for Customer Services, paid £37,141 for the NYCC role.

2.0 Pay Principles

- 2.1 The Authority has a clear and transparent pay structure and approach which applies consistently to all (non-teaching) Council staff including Chief Officers and senior managers.
- 2.2 All pay related decisions are taken in accordance with relevant legislation, notably; Equality Act 2010, Employment Rights Act 1996, Employment Relations Act 1999, Employment Acts 2002 and 2008, Part-Time Workers (Prevention of Less Favourable Treatment) Regs 2000, Fixed Term Employees' (Prevention of Less Favourable Treatment) Regs 2002, all as amended.
- 2.3 NYCC operates a pay system based on objective criteria as part of a job evaluation approach implemented in 2007. Job evaluation determines the relative worth of posts in comparison with all posts. The Job evaluation score is then set within a pay structure which determines what posts are paid.
- 2.4 A review of all local pay arrangements took place in April 2007 and is further reviewed annually to ensure a "one employer" approach. It does not permit varying benefit arrangements for different staff groups such as senior managers. The approach is to have a pay and benefit structure which;
- Is fair and equitable for all staff,
 - Addresses the County Council's need as an employer to link pay to performance
 - Has the ability to address staffing difficulties where and when they occur.

- Incorporates the application of national and local collective agreements and any authority decisions on pay

2.5 NYCC is part of the national pay framework with annual pay awards determined by the various national bodies (NJC, JNC for Chief Officers, JNC Youth and Community and Soulbury). The November 2014 pay award for Chief Officers was agreed nationally at 2% but only applicable to Chief Officers earning below £100k p.a. (with no increase for Statutory Chief Officers earning £100k pa or more). This means there has been no annual pay award for NYCC Statutory Chief Officers since 2008. An national agreement was reached in November 2014 on the 2014/15 and 15/16 pay arrangements for all staff with the exception of Chief Officers, Soulbury and JNC Youth and Community. The NJC pay award is a variable percentage pay award from January 2015 with staff on lower 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 and payments not applied for staff above Band 16. This means that with the exception of Chief Officers and CEX, managers covered by this policy received a 2.2% increase in January'15 to cover a the 2 year period 14/15 (no backdating) and 15/16

The national pay frameworks determine certain terms and conditions, notably sick pay, maternity pay and provides minimum entitlements for others including, annual leave and paternity leave. Apart from the JNC for Chief Officers, Soulbury and JNC Youth and Community, the bodies also set out the pay spine and points to be used by local authorities in determining their pay arrangements. It is for local authorities to decide how their pay bands fit onto the national pay spine and what jobs and roles are paid based on job evaluation results.

2.6 There has been increasing flexibility in national agreements over recent years resulting in greater discretion for local determination. This resulted in 2007 in the introduction of a formal locally integrated pay and conditions framework contained in a "Collective Agreement" between the County Council and recognised unions (non-teaching). This sets out the local pay framework and all local terms and conditions. It applies to all staff equally including Chief Officers and senior managers and is incorporated into all contracts. It is reviewed annually as part of the local consultation arrangements with trade unions and is available to all staff via the intranet. It was significantly amended in 2011 to implement changes to terms and conditions to save £2m, with no subsequent changes.

3.0 Pay Structure

3.1 Staff are paid at monthly intervals at the end of the month worked. Pay is one twelfth of the annual gross salary less NI, tax and pension.

Pay Bands - The pay and grading structures in place set out the number of increments (based on national pay spine) for each pay band. Pay and Conditions for senior managers (who are not Chief Officers) is determined by the Head of Paid Service.

3.2 Pay bandings were determined in 2007 based on job evaluation outcomes taking into account the requirements of the job and the level of induction and development staff will

need before becoming fully competent. These are reviewed at the request of management or staff in post, as and when required due to role changes and restructuring.

- 3.3 In 2007, as part of job evaluation implementation, the pay bands for senior managers were benchmarked externally and set at the median quartile plus 20%. This was considered a reasonable level based on NYCC's size and complexity, the need for salaries to be competitive, and the fact NYCC was a well performing authority which needed to recognise managers' efforts in achieving this. More recently in 2009, 2011 and 2014 senior manager salaries were reviewed and benchmarked. The findings of these reviews was that compared with other County and Unitary Councils salaries in 2009 were 7% lower at AD2 and Chief Officer level and nearly 5% lower at AD1 pay bands. As a result the AD2 pay band was broadened by 2 increments and the AD 1 pay band was broadened by 1 increment. There have been no further changes to the pay band ranges. A further review of posts at AD level was carried out for changed roles early 2014 and jobs evaluated within the two pay bands following restructure of services.

The benchmarking of pay data for posts is carried out as needed using national pay information supplied either by IDS (Income Data Services) or Hay in addition to independent benchmarking of specific local authority pay data for senior staff using the current pay information published on Councils websites and information contained within the e-pay check system administered by Local Government Yorkshire and Humber.

- 3.4 **Increments** - Staff are usually appointed at the bottom of the pay band and progress one increment a year if they meet the increment criteria. This criterion applies to all staff (non-teaching) as set out in the Increments policy. In summary, the following needs to be satisfactorily met over the previous 12 months, as assessed by the line manager, in order for an annual increment to be received:

- Attendance (no more than 7 days sickness absence in the last 12 months or averaged at 21 days over the previous 3 years)
- Performance/Capability – no performance or capability concerns
- Conduct – no disciplinary process or sanctions
- Appraisal – satisfactory appraisal with all targets achieved.

The Chief Executive's appraisal and assessment against the above criteria in order to receive an increment is undertaken by the Leader in consultation with members of the executive and other group leaders.

For staff already on the top spinal column point in the pay band, the same criterion applied from April 2012 and if not met the top increment is removed resulting in a pay reduction.

On appointment staff can be appointed at the top or midway through a pay band based on their previous experience and salary.

- 3.5 **Additional Payments** - There is provision for additional payments to be made to staff as detailed below. These provisions apply in the same way to all staff with no separate or additional pay supplements or arrangements for senior managers or chief officers.

- **Recruitment and retention payments** – these additional payments can be made to staff in hard to fill posts. A business case is required and has to be approved by the Corporate Director. These payments are not permanent and are subject to regular review. They are used on a limited basis as needed.
- **Market supplements** – these can be made when the job grade as determined by the job evaluation outcome is less than the median market rate. This is payable as a monthly allowance, rounded to the nearest £100. It is not subject to any uplift resulting from the national pay award and is usually reviewed at least every 2 years. The need for these payments has to be clearly evidenced by market data and approved by Management Board. Use is limited.
- **Incentive payments** – made to staff at the discretion of their manager if merited by excellent performance. Payments are in the form of an accelerated incremental or an honorarium payment (limited to equivalent of 1 or 2 increments or a £100 thank you payment). Use is limited
- **Acting up payments** – made where staff take on additional duties or responsibilities beyond the remit of their substantive role. Such payments are used regularly to cover staff gaps due to vacancies, maternity leave etc.

It should be noted that enhanced payments for overtime was removed in April 2012.

3.6 All other pay entitlements are the same as for all NYCC staff as detailed in the national and local agreements. These include;

- Mileage and limited subsistence expenses
- Annual leave (23 – 33 days based on service) and 2 days unpaid leave (with some exemptions for frontline staff where cover for leave is needed)
- Sick pay (up to 6 months full and half pay)
- Maternity, adoption and paternity leave. As of 5th April 2015 due to new legislation, provision for additional parental leave is removed and a new provision for Shared Parental Leave introduced.
- Other leave mostly unpaid (compassionate, time off for dependants, extended and special leave)
- Pay protection for staff moved to a lower graded role on redeployment/restructuring for 1 year and a maximum of £6k.

There are no additional payments or discretions for Chief Officers or Senior Managers.

3.7 **Termination payments** for Chief Officers and senior managers follow the same arrangements and policies for redundancy, redeployment and pension payments as applicable for all other NYCC staff. Staff pension contributions are in accordance with the LGPS and employer contributions as determined through each Triennial Valuation of the North Yorkshire Pension Fund. The Local Government Pension Scheme provides employers with discretion to make monetary awards including additional benefits, payments and shared cost ATC arrangements that can add significant value to members' accrued pension benefits. However, the NYCC Discretion Policies (updated in 2014) state that no such award will be made to any member of staff. NYCC redundancy payments are calculated for all staff as per the Redundancy Modification Order based on one week pay for every years' service (1.5 weeks for years worked over the age of 40) up to a maximum of 30 weeks.

4.0 **Remuneration Committee** - The Chief Officers Appointments and Disciplinary Committee is responsible for determining and amending as necessary the terms and conditions of Chief Officers. Remuneration, terms and conditions will apply with the Pay Policy Statement and any proposed amendments will from now on be submitted to Full Council for approval. The Committee determined the Chief Officer pay package in 2007

as part of the Council-wide job evaluation grading process and has only made one amendment since then to reduce the Chief Executive's salary in 2010 from £179k spot salary to a pay band range from £155k - £170k. Severance payments for Chief Officers and senior managers over a cost of £100k will be considered and if deemed necessary recommended by the Chief Officers Appointments and Disciplinary Committee to Full Council for approval. The components of any such package will be clearly set out and may include pay in lieu of notice, redundancy payment, pension entitlements and holiday pay.

5.0 Pay Multiples and Wider Pay Structure

The complete pay structure and examples of jobs at each band is detailed at Appendix 1. The lowest paid staff are at spinal column point 5 on a salary of £12,435 (£13,500 from 1st January 2015). The highest paid salary is £170,000 paid to the Chief Executive. The median average in this authority is £16,999 per annum (equivalent to Band 6). The ratio between the median and the highest i.e. the 'pay multiple' is 10:1, which compares well with the recommendation in the Hutton Report that the multiple should not exceed 20. NYCC does not have a policy on maintaining or reaching a specific pay multiple, but is conscious of the need to ensure that the salaries of the highest paid employees are not excessive and are consistent with the needs of the authority as expressed in this policy statement and its wider pay policy and approach. SCP5 will be removed as of October 2015.

6.0 Senior Teaching Staff

The pay and grading of all teachers including Headteachers is determined nationally. There are currently 5 senior teachers in the pay band which exceeds £100k. These are Headteachers of the larger secondary schools in North Yorkshire. The pay band is Headgroup 8 £73,480 - £106,148. In addition there are 92 teachers in posts with salaries equivalent to Assistant Director pay bands and 5 between Assistant Director salary maximum and £100k. This does not include Academies which set their own pay for Headteachers and all other staff.

| Spinal Point | pay 15/16 | JE Scores | Grade Codes (with example posts at each pay band) | |
|--------------|-----------|-----------|---|--|
| | | | | |
| 5 | 13,500 | 258 – 280 | BAND 1 (Cleaning Assistants, General Kitchen Assistants) | BAND 2 (Domestic Assistants, Business Support Administrator) |
| 6 | 13,614 | | | |
| 7 | 13,715 | 281 – 311 | BAND 3 (Resource Worker entry, Midday Supervisory Assistant, Domestic Assistant) | |
| 8 | 13,871 | | | |
| 9 | 14,075 | | | |
| 10 | 14,338 | 312 – 345 | | BAND 4 (Resource Worker level 2, General Teaching Assistant, Driver, Cleaning Supervisor, School Crossing Patrol, Caretaker, Passenger Assistant, Business Support Administrator) |
| 11 | 15,207 | | | |
| 12 | 15,523 | | | |
| 13 | 15,941 | 346 - 369 | BAND 5 (Advanced Teaching Assistant, Cover Supervisor, Driver/Fitter, Swing Bridge Operator, Resource Worker, Assistant Cook) | |
| 14 | 16,231 | | | |
| 15 | 16,572 | | | |
| 16 | 16,969 | 370 - 397 | | BAND 6 (Customer Services Adviser, Business Support Administrator, Resource Worker senior nights, Cook, Site Supervisor) |
| 17 | 17,372 | | | |
| 18 | 17,714 | | | |
| 19 | 18,376 | 398 - 422 | BAND 7 (Clerk to Governors, Transport Assistant, Senior Resource Worker, Independent Living Facilitator, Service Development Assistant, Higher Level Teaching Assistant) | |
| 20 | 19,048 | | | |
| 21 | 19,742 | | | |
| 22 | 20,253 | | | |
| 23 | 20,849 | 423 - 446 | | BAND 8 (Trainee Accountant, Cook in large secondary school, Children's Resource Centre Worker, Registrar level 1, Assistant Engineer entry, Site Manager) |
| 24 | 21,530 | | | |
| 25 | 22,212 | | | |
| 26 | 22,937 | 447 - 474 | BAND 9 (Business Support Team Leader, Legal Officer, Head Cook, Health & Safety Risk Adviser, Family Intervention Worker, Key Worker Mental Health, Specialist Instructor) | |
| 27 | 23,698 | | | |
| 28 | 24,472 | | | |
| | | | | BAND 10 (Social Care Co-ordinator, |

| | | | | |
|----|--------|------------|---|--|
| 29 | 25,440 | 475 - 509 | | Senior Resource Centre Worker, Electrical Inspector, Specialist Customer Services Adviser, HR Adviser, Facilities Manager, Training and Events Manager, IT Network Manager) |
| 30 | 26,293 | | | |
| 31 | 27,123 | 510 - 550 | BAND 11 (Home Care Manager, Education Social Worker, Social Worker entry, Senior Enforcement Officer; Senior Accounting Technician, FMS Support Officer, Planning Policy Officer, Communications Officer, School Business Manager) | |
| 32 | 27,294 | | | |
| 33 | 28,746 | | | |
| 34 | 29,558 | | | |
| 35 | 30,178 | 551 - 587 | | BAND 12 (Social Worker top, Learning Disability Manager, Traffic Management Engineer, Senior Registrar, Business Support Manager, Finance Officer, Risk Management Officer) |
| 36 | 30,978 | | | |
| 37 | 31,846 | 588 - 624 | BAND 13 (Senior Social Worker, Senior Education Social Worker, Superintendent Registrar, Senior Engineer entry, Principal Server Analyst, Performance and Change Officer, Trading Standards Officer) | |
| 38 | 32,778 | | | |
| 39 | 33,857 | | | |
| 40 | 34,746 | | | |
| 41 | 35,662 | 625 - 698 | | BAND 14 (Business Development Officer, Accountant, Senior Communications Officer, Waste Partnership Manager, Children's Resource/Residential Centre Manager, Senior Trading Standards Officer, Senior Engineer) |
| 42 | 36,571 | | | |
| 43 | 37,483 | | | |
| 44 | 38,405 | 699 - 805 | BAND 15 (Service Manager Fostering, Principal Children's Residential Manager, Principal Accountant, Grounds Services Manager, Divisional Trading Standards Officer, Commissioning and Development Officer) | |
| 45 | 39,267 | | | |
| 46 | 40,217 | | | |
| 47 | 41,140 | 806 - 940 | | BAND 16 (Care Services Manager, Principal Assessment and Review Manager, Democratic Services Manager, Principal Adviser HR, Bridges and Structures Manager) |
| 48 | 42,053 | | | |
| 49 | 42,957 | | | |
| 50 | 43,461 | 941 - 1075 | SM1 (Head of Business Support, Customer Service Manager, Head of Safeguarding, Head of Residential Provision) | |
| 51 | 45,921 | | | |
| 52 | 48,483 | | | |
| 53 | 51,044 | | | |
| 54 | 51,593 | 1076-1130 | | SM2 (General Manager Adult Social Care Operations, Head of Highway Operations, Head of HR, Legal Manager) |
| 55 | 53,789 | | | |
| 56 | 55,984 | | | |
| 57 | 58,180 | | | |
| 58 | 60,375 | | | |

| | | | | |
|----|---------|-----------|-----------------------------------|----------------------------------|
| 59 | 62,571 | 1131-1352 | AD1 (Assistant Directors) | |
| 60 | 64,765 | | | |
| 61 | 66,961 | | | |
| 62 | 69,156 | | | |
| 63 | 71,352 | | | |
| 64 | 72,769 | | | |
| 65 | 73,547 | 1353-1834 | | AD2 (Assistant Directors) |
| 66 | 75,743 | | | |
| 67 | 77,938 | | | |
| 68 | 80,134 | | | |
| 69 | 82,329 | | | |
| 70 | 85,210 | | | |
| 71 | 88,091 | | | |
| 72 | 90,974 | 1757 | DIR1 (Assistant Chief Executives) | |
| 73 | 94,934 | | | |
| 74 | 98,788 | | | |
| 75 | 102,747 | | | |
| 76 | 107,479 | 2182 | DIR2 (Corporate Directors) | |
| 77 | 111,267 | | | |
| 78 | 114,952 | | | |
| 79 | 118,739 | | | |
| 80 | 122,151 | 2505 | | DIR3 (Corporate Director - CYPS) |
| 81 | 125,563 | | | |
| 82 | 128,975 | | | |
| 83 | 155,000 | 3120 | CE1 (Chief Executive) | |
| 84 | 160,000 | | | |
| 85 | 165,000 | | | |
| 86 | 170,000 | | | |

NB the above figures do not reflect the 2 days unpaid leave element which is effectively a 0.77% reduction in pay.

2 days unpaid leave has been applied since April 2012.

Appendix 2

| DIRECTORATE | PAY GRADE AND JOB TITLE | FTE | Spinal Column Pt | FTE Salary as at 31.03.15 | Notes |
|-------------|--|------|------------------|---------------------------|---|
| | AFC | | | | |
| HAS | Director for Public Health | 1 | | 83,368 | NHS pay as TUPE April 13 |
| | AD2 | | | | |
| BES | Assistant Director - Highways & Transportation | 1 | 69 | 81,695 | |
| BES | Assistant Director - Trading Standards and Regulatory Services | 1 | 70 | 84,554 | |
| CS | Assistant Director - Strategic Resources | 1 | 66 | 75,160 | |
| CS | Assistant Director - Strategic Resources | 1 | 69 | 81,695 | |
| CS | Assistant Director - Strategic Resources | 1 | 69 | 81,695 | |
| CS | Assistant Director - Technology and Change Management | 1 | 69 | 81,695 | |
| CYPS | Assistant Director - Prevention and Commissioning | 1 | 70 | 84,554 | |
| CYPS | Assistant Director - Children's Social Care | 1 | 71 | 87,413 | Excludes Market Supplement £15k pa |
| CYPS | Assistant Director – Education and Skills | 1 | 71 | 87,413 | Excludes Market Supplement £4.8k pa |
| CYPS | Assistant Director - Access & Inclusion | 1 | 70 | 84,554 | |
| HAS | Assistant Director – Care and Support | 1 | 71 | 87,413 | HAS restructure -replaces AD Adult Social Care |
| HAS | Assistant Director – Quality and Engagement | 0.50 | 67 | 77,338 | HAS Restructure- with post below replaces AD Partnerships Procurement and Quality Assurance x 2 |

| | | | | | |
|---|---|-----------------------|--------|------------------|--|
| HAS | Assistant Director – Commissioning | 1 | 65 | 72,981 | HAS restructure - with post above replaces AD Partnerships Procurement and Quality Assurance x 2 |
| | AD1 | | | | |
| BES | Assistant Director - Economic Partnership Unit | 1 | 63 | 70,803 | |
| BES | Assistant Director - Waste and Countryside Services | 1 | 64 | 72,209 | |
| BES | Assistant Director - Integrated Passenger Transport | 1 | 64 | 72,209 | |
| CS | Assistant Director - Library, Customer & Community Services | 1 | 64 | 72,209 | |
| CS | Assistant Director - Corporate Accountancy | 1 | 64 | 72,209 | |
| CS | Head of Communications | 1 | 64 | 72,209 | |
| CS | Assistant Director - Policy and Partnerships | 1 | 64 | 72,209 | |
| HAS | Consultant in Public Health | 1 | AFC 46 | 67,283 | NHS pay TUPE April 13 |
| HAS | Consultant in Public Health | 1 | AFC 50 | 80,990 | NHS pay TUPE April 13 |
| HAS | Consultant in Public Health | 0.60 | 62 | 68,624 | |
| Above pay figures reflect the 2 days unpaid leave of 0.77% reduction. | | AD sub-total | | 1,765,190 | |
| | | MB sub total | | 856,346 | |
| | | Total pay bill | | 2,621,536 | |

CHANGES FOR POSTS AT AD1 AND ABOVE :

-Following restructure 2.0 fte HAS AD posts (AD Transformation and Integration(£72,209) & AD Partnerships, Procurement and Quality assurance (£72,209), have been replaced by 1.5FTE AD posts (AD Commissioning (£72,981) & AD Quality & Engagement (£77,338)) a reduction of £33,540 pa.

-Removal of the Director – Strategic Projects (scp75- £99,762) – NYNET from 1st week April 2015.

Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – summary**

Report Date: 19th November 2014 (cpc)

| Identity | | | Person | | Classification | | | | | | | | | | | | Fallback Plan | | | |
|----------|--|--|------------|----------------|----------------|-----|-----|------|-----|-----|-----|-------------|------|-----|-----|------|---------------|-----|--------|----------------|
| Change | Risk Title | Risk Description | Risk Owner | Risk Manager | Pre | | | | | | RR | | Post | | | | | | FBPlan | Action Manager |
| | | | | | Prob | Obj | Fin | Serv | Rep | Cat | RRs | Next Action | Prob | Obj | Fin | Serv | Rep | Cat | | |
| - new - | 20/187 - Information Governance | Ineffective information governance arrangements lead to unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc | Chief Exec | CD SR | H | M | M | M | H | 1 | 7 | 31/12/2014 | M | M | M | M | H | 2 | Y | CD SR |
| ◀▶ | 20/47 - Joint Planning and Delivery with the NHS | Inability, in the context of the changing NHS landscape, to develop effective partnerships with NHS Commissioners and other NHS organisations to ensure better health outcomes for adults, children and young people and local communities resulting in poorly integrated services and lost opportunities relating to joint commissioning and provision. | Chief Exec | CD HAS CD CYPS | H | M | H | M | M | 1 | 19 | 31/03/2015 | H | M | M | M | M | 2 | Y | CD HAS CD CYPS |
| ◀▶ | 20/1 - Funding Challenges | Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade resulting in legal challenge, unbalanced budget and public dissatisfaction | Chief Exec | CD SR | H | H | H | H | H | 1 | 5 | 28/02/2015 | M | H | H | M | M | 2 | Y | All Mgt Board |
| - new - | 20/190 - Preparedness for Implementation of the Care Act | Failure to prepare for the implementation of the new Care Act including the financial impact of the Dilnot proposals on lifetime charges, revised capital limit, portable assessment, increase in a number of clients requiring assessment for both care needs and finance leading to loss of reputation and under capacity | CD HAS | HAS AD ASCO | M | H | H | H | H | 2 | 3 | 30/09/2014 | M | H | H | H | H | 2 | Y | HAS AD ASCO |
| ◀▶ | 20/207 - 2020 North Yorkshire Change Programme | Failure to adequately develop, plan for and commence implementation of new council ways of working resulting in inability to meet financial savings requirements, sub-optimal decision making and poorer quality of services. | Chief Exec | CSD SR AD T&C | M | H | H | H | H | 2 | 10 | 31/03/2015 | L | H | H | H | H | 3 | Y | All Mgt Board |



Corporate Risk Register

Appendix J




Risk Register: **month 0 (Oct 2014) – summary**

Report Date: 19th November 2014 (cpc)

| Identity | | | Person | | Classification | | | | | | | | | | | | Fallback Plan | | | |
|----------|---|--|------------|-------------------|----------------|-----|-----|------|-----|-----|-----|-------------|------|-----|-----|------|---------------|-----|--------|-------------------|
| Change | Risk Title | Risk Description | Risk Owner | Risk Manager | Pre | | | | | | RR | | Post | | | | | | FBPlan | Action Manager |
| | | | | | Prob | Obj | Fin | Serv | Rep | Cat | RRs | Next Action | Prob | Obj | Fin | Serv | Rep | Cat | | |
| ▲ | 20/49 - Organisational Performance Management | Council does not operate a true performance management framework leading to misalignment of activities and services with Council mission and objectives, poorer service delivery, public dissatisfaction, criticism, suboptimal working and lost opportunities and reduced ability to meet savings requirements | Chief Exec | CD SR | M | M | M | H | M | 2 | 4 | 31/12/2014 | L | M | M | H | M | 3 | Y | CD SR |
| ◀▶ | 20/45 - Long Term Waste Service Strategy | Failure to deliver the long term waste service strategy | Chief Exec | CD BES | M | L | H | L | H | 2 | 15 | 31/10/2014 | L | L | H | L | H | 3 | Y | CD BES |
| - new - | 20/189 - Safeguarding Arrangements | Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm. | Chief Exec | CD HAS CD CYPS | M | H | H | M | H | 2 | 12 | 31/10/2014 | L | H | H | M | H | 3 | Y | CD CYPS CD HAS |
| - new - | 20/188 - Educational Outcomes | Failure to ensure positive educational outcomes for children and young people together with appropriate support for schools to be good or outstanding results in lower achievement levels for pupils, and NY children's life chances being determined by geography or family circumstances rather than being in their own hands. | Chief Exec | CD CYPS | M | M | H | L | H | 2 | 11 | 31/01/2015 | L | M | H | L | H | 3 | Y | CD CYPS |
| - new - | 20/334 - Economic Development and Opportunities for Devolution in North Yorkshire | Failure to develop the North Yorkshire economy and to capitalise on the opportunities for devolution resulting in reduced investment and impact on the growth and jobs across North Yorkshire. | Chief Exec | BES AD EPU | M | L | H | L | M | 2 | 9 | 30/11/2014 | M | L | M | L | L | 4 | Y | CD BES |
| ◀▶ | 20/389 - Health and Safety | Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution | Chief Exec | CD SR | L | M | M | M | H | 3 | 6 | 31/12/2014 | L | M | M | M | H | 3 | Y | CSD SR HoHSRM |
| ◀▶ | 20/8 - Major Emergencies in the Community | Failure to plan, respond and recover effectively to major emergencies in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation | Chief Exec | Chief Exec | L | L | H | L | H | 3 | 3 | 31/12/2014 | L | L | H | L | M | 3 | Y | Chief Exec |



Risk Register: **month 0 (Oct 2014) – summary**
Report Date: 19th November 2014 (cpc)

| Key | |
|---|--|
|  | Risk Ranking has worsened since last review. |
|  | Risk Ranking has improved since last review |
|  | Risk Ranking is same as last review |
| - new - | New or significantly altered risk |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|--|--|-------------------|---|------------------|---|-------------------|-----------------------|-------------------|-----------------------|-----------------|-------|
| Risk Number | 20/187 | Risk Title | 20/187 - Information Governance | | | | Risk Owner | Chief Exec | | Manager | CD SR |
| Description | Ineffective information governance arrangements lead to unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc | | | | | Risk Group | Legislative | | Risk Type | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | | Information Governance Strategy including the Policy and Procedure Framework; CIGG Action Plan; application of the Maturity model quality assurance methodology; data breach process; messages from senior management; on-line training; staff induction; information asset registers; DIGCs; posters; intranet information; regular monitoring of electronic communication by ICT; series of unannounced security compliance visits by internal audit; application of all the features of the Information Security Management System (ISMS); FoI – controls include central monitoring of receipt and progress, regular review by Veritau and review of outstanding cases by the Chief Exec on a monthly basis; proactive monitoring of all data; Records Management Policy & Strategy reviewed and revised; terms of reference reviewed; virtual group; | | | | | | Effectiveness | | |
| Probability | H | Objectives | M | Financial | M | Services | M | Reputation | H | Category | 1 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | | Action Manager | Action by | Completed | | |
| Reduction | 15/175 - Continue to emphasise personal responsibility of staff for all information in this area and consider disciplinary action in cases of data breaches | | | | | | CD SR CSD ACE BS | Tue-30-Jun-15 | | | |
| Reduction | 15/176 - Internal audit to support investigation of significant data breaches. Reasons for significant data breaches to be considered by CIGG and lessons learnt to be cascaded to information asset owners. | | | | | | Ho Int Audit | Tue-30-Sep-14 | Tue-30-Sep-14 | | |
| Reduction | 15/177 - e-learning training packages to be refreshed | | | | | | Ho Int Audit | Tue-31-Mar-15 | | | |
| Reduction | 15/178 - Resolve issues around secure physical storage and internal transfer of information | | | | | | CD SR | Tue-30-Sep-14 | Tue-30-Sep-14 | | |
| Reduction | 15/179 - Review and revise the Data Sharing Framework | | | | | | CSD ACE LDS | Wed-31-Dec-14 | | | |
| Reduction | 15/231 - Produce the Non NYCC Network Access Policy | | | | | | CSD SR AD T&C | Tue-30-Sep-14 | Tue-30-Sep-14 | | |
| Reduction | 15/232 - Periodic internal review of achievement of the Information Governance Strategy Objectives - ongoing | | | | | | Ho Int Audit | Tue-30-Jun-15 | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | M | Objectives | M | Financial | M | Services | M | Reputation | H | Category | 2 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| | | | | | | | | | Action Manager | | |
| Fallback Plan | 15/514 - Review Action Plan and new technology and continue to raise awareness. Invite ICO to carry out an audit of NYCC IG systems | | | | | | | CD SR | | | |



Corporate Risk Register

Appendix J

Risk Register: month 0 (Oct 2014) – detailed

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|----------------------------------|---|------------|--|-----------|---|---------------------------|---------------|---------------|---------|-------------------------|---|
| Risk Number | 20/47 | Risk Title | 20/47 - Joint Planning and Delivery with the NHS | | | | Risk Owner | Chief Exec | Manager | CD HAS CD CYPS | |
| Description | Inability, in the context of the changing NHS landscape, to develop effective partnerships with NHS Commissioners and other NHS organisations to ensure better health outcomes for adults, children and young people and local communities resulting in poorly integrated services and lost opportunities relating to joint commissioning and provision. | | | | | Risk Group | Partnerships | Risk Type | | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | HAS: H & W Board and ICB; HASLT members on some CCG Boards; Engagement in local Partnership arrangements with CCGs and Providers; CHC review set up internally; Plans for use of the Better Care Fund; New Health & Wellbeing Strategy being developed CYPS: H&W Board; Children's Trust Board; Public Health team; CYPLT; Dir of partnership Commissioning; joint post of Commissioning Manager; joint post of Public Health analyst; CYPS Plan; Health and Well-being Strategy; JSNA | | | | | | Effectiveness | | | | |
| Probability | H | Objectives | M | Financial | H | Services | M | Reputation | M | Category | I |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | Action Manager | Action by | Completed | | | |
| Reduction | 20/41 - Ensure S75 agreement signed by CCGs (HAS) | | | | | AD SR (HAS) & Proc | Wed-31-Dec-14 | Fri-31-Oct-14 | | | |
| Reduction | 20/57 - Ensure Better Care Fund plan signed and agreed with Government (HAS) | | | | | HAS AD Integration | Thu-30-Apr-15 | Fri-31-Oct-14 | | | |
| Reduction | 20/60 - Complete and implement the Governance Review of HWB and ICB (HAS) | | | | | HAS AD Integration | Thu-30-Apr-15 | | | | |
| Reduction | 20/245 - Complete CHC review (HAS) | | | | | HAS AD ASCO | Wed-30-Sep-15 | | | | |
| Reduction | 20/246 - Undertake review of management and operational delivery of social care mental health services (HAS) | | | | | HAS AD ASCO | Thu-30-Apr-15 | | | | |
| Reduction | 20/362 - Ensure NHS partners are fully aware of the democratic and political environment they are operating within (HAS) | | | | | CD HAS | Mon-31-Aug-15 | | | | |
| Reduction | 20/363 - Actively monitor relationships, priorities and communications and ensure that HAS managers are fully engaged at appropriate level and review at HAS WLT on a regular basis (HAS) | | | | | CD HAS | Mon-31-Aug-15 | | | | |
| Reduction | 20/386 - Develop a new Health and Well-being Strategy | | | | | CD HAS | Tue-30-Jun-15 | | | | |
| Reduction | 20/909 - Develop new model for working with CCGs to co-lead transformation joint priorities and transformation (HAS) | | | | | HAS AD Integration | Tue-30-Jun-15 | | | | |
| Reduction | 20/910 - Secure appropriate engagement with CCGs and PCU for commissioning that affect children and young people and their families (CYPS) | | | | | CYPS AD P&C Janet Probert | Tue-31-Mar-15 | | | | |
| Reduction | 20/967 - Ensure the arrangements for the joint commissioning of services for children with speech, language and communication needs are developed and in place (CYPS) | | | | | CD CYPS Janet Probert | Mon-31-Aug-15 | | | | |

Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| | | | | | | | | | | | |
|---|---|--|-------------------|------------------|---|-----------------|---|-------------------|---|-----------------------|---|
| Reduction | 20/1180 - Work closely with NHS England to ensure safe transfer of the 0 – 5 Healthy Child Programme contract. (CYPS) | Jt Comm Mgr Public Health Consultant | Wed-30- Sep-15 | | | | | | | | |
| Reduction | 20/1181 - Ensure that when the Health and Well-being Strategy is refreshed, children's health is a priority (CYPS) | CD CYPS | Tue-30- Jun-15 | | | | | | | | |
| Reduction | 20/1182 - Embed children's health priorities within the Health and Well-being Strategy and ensure strategic alignment between that strategy and the Children and Young People's Plan. (CYPS) | CD CYPS | Mon-31- Mar-14 | Sun-31-Aug-14 | | | | | | | |
| Reduction | 20/1183 - Contribute to the delivery of the workplan for the Health and Well-being Board in relation to children's health priorities and ensure strategic decision making in Health is influenced through alignment with the JSNA and the Children and Young People's Plan (CYPS) | CD CYPS | Fri-31-Jul- 15 | | | | | | | | |
| Reduction | 20/1184 - Recommission services for 5 - 19 Healthy Child Programme to ensure close alignment with Preventative Services (CYPS) | Jt Comm Mgr Public Health Consultant | Tue-31- Mar-15 | | | | | | | | |
| Reduction | 20/1185 - Review children's health performance at the Children's Trust Board to monitor the impact of changes on children's health outcomes in North Yorkshire. (CYPS) | CD CYPS | Fri-31-Jul- 15 | | | | | | | | |
| Reduction | 20/1186 - Work with Public Health to embed Public Health outcomes into the work of CYPS (CYPS) | CD CYPS | Fri-31-Jul- 15 | | | | | | | | |
| Reduction | 20/1268 - Ensure CYPLT are fully briefed and up to date with the changing commissioning landscape and the different roles involved in that landscape (CYPS) | Jt Comm Mgr | Tue-31- Mar-15 | | | | | | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | H | Objectives | M | Financial | M | Services | M | Reputation | M | Category | 2 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| | | | | | | | | | | Action Manager | |
| Fallback Plan | 20/210 - Further engagement between Local Authority and NHS to decide effective plans going forward | | | | | | | | | CD HAS CD CYPS | |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | | |
|--|--|-------------------|---|------------------|---|-----------------|-----------------------|-------------------|----------------------|-----------------------|----------------|-------|
| Risk Number | 20/1 | Risk Title | 20/1 - Funding Challenges | | | | | Risk Owner | Chief Exec | | Manager | CD SR |
| Description | Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade resulting in legal challenge, unbalanced budget and public dissatisfaction | | | | | | Risk Group | Resources | | Risk Type | | |
| Phase 2 - Current Assessment | | | | | | | | | | | | |
| Current Control Measures | | | Existing MTFS; Members Budget seminars; modelling carried out on implications of CSR and other funds; agreed Budget 2; 2020 North Yorkshire Programme & constituent elements including service reviews; review of 2020NY in Member Seminars, Cabinet, and Overview and Scrutiny Committees where Directorate based; 2020NY Programme Management Office; 2020NY Programme Governance | | | | | | Effectiveness | | | |
| Probability | H | Objectives | H | Financial | H | Services | H | Reputation | H | Category | 1 | |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | | |
| | | | | | | | Action Manager | Action by | Completed | | | |
| Reduction | 20/42 - Ongoing review of existing MTFS including assurance on existing budget savings and feeding into Budget for 2015/16 | | | | | | CD SR | Sat-28-Feb-15 | | | | |
| Reduction | 20/43 - Carry out modelling on implications of external funding levels | | | | | | CD SR | Mon-31-Aug-15 | | | | |
| Reduction | 20/45 - Promote rural funding challenges including feeding into DCLG rural services review | | | | | | CD SR | Mon-31-Aug-15 | | | | |
| Reduction | 20/46 - Ensure effective consultation/communication with staff, public and Members | | | | | | All Mgt Board | Mon-31-Aug-15 | | | | |
| Reduction | 20/972 - Agree and monitor Plan with CCGs through the Health and Well Being Board in order to secure Better Care Fund for supporting Adult Social Care | | | | | | CD HAS | Mon-31-Aug-15 | | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | | |
| Probability | M | Objectives | H | Financial | H | Services | M | Reputation | M | Category | 2 | |
| Phase 5 - Fallback Plan | | | | | | | | | | | | |
| | | | | | | | | | | Action Manager | | |
| Fallback Plan | 20/504 - Further fundamental review in order to discharge statutory responsibilities | | | | | | | | | All Mgt Board | | |



Risk Register: month 0 (Oct 2014) – detailed

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|--|---|--|--|------------------|---|-----------------------|-------------------|-----------------------|----------------|-----------------|---|
| Risk Number | 20/190 | Risk Title | 20/190 - Preparedness for Implementation of the Care Act | | | | Risk Owner | CD HAS | Manager | HAS AD ASCO | |
| Description | Failure to prepare for the implementation of the new Care Act including the financial impact of the Dilnot proposals on lifetime charges, revised capital limit, portable assessment, increase in a number of clients requiring assessment for both care needs and finance leading to loss of reputation and under capacity | | | | | Risk Group | Performance | Risk Type | | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | AD in place; Lead Manager in post; Programme Plan developed; Workshop with Leadership Forum, Integrated Transformation Plan including requirements for the Care Act and Dilnot, HAS Operating Model. | | | | | | Effectiveness | | | |
| Probability | M | Objectives | H | Financial | H | Services | H | Reputation | H | Category | 2 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | Action Manager | Action by | Completed | | | |
| Reduction | 20/241 - Working at regional and national level to influence the financial case for NYCC | | | | | AD SR (HAS) & Proc | Mon-31-Aug-15 | | | | |
| Reduction | 20/242 - Develop an action plan for implementing the Operating Model to capture all Care Act requirements | | | | | HAS AD ASCO | Tue-30-Sep-14 | | | | |
| Reduction | 20/243 - Ensure HASLT in Transformation Board mode continue to receive monthly updates and hold 'confirm and challenge' sessions with lead managers on all workstreams | | | | | CD HAS HAS LT | Fri-31-Jul-15 | | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | M | Objectives | H | Financial | H | Services | H | Reputation | H | Category | 2 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| | | | | | | | | Action Manager | | | |
| Fallback Plan | 20/544 - Tighten controls on who can receive services. Utilise BCF to support core activity. Re-allocate other work to prioritise the statutory requirements of the Act. | | | | | | | HAS AD ASCO | | | |

Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|--|---|---|--|------------------|---|-----------------------|---------------------|----------------------|----------------|---------------------|---|
| Risk Number | 20/207 | Risk Title | 20/207 - 2020 North Yorkshire Change Programme | | | | Risk Owner | Chief Exec | Manager | CSD SR AD T&C | |
| Description | Failure to adequately develop, plan for and commence implementation of new council ways of working resulting in inability to meet financial savings requirements, sub-optimal decision making and poorer quality of services. | | | | | Risk Group | Strategic | Risk Type | | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | Initial service reviews largely completed; 2020 North Yorkshire Programme Plan in place and regularly reviewed/updated; Members workshops & political group sessions completed; briefings of Cabinet; regular Mgt Board discussions; Mgt Board to sit as Programme Board; AD Tech & Change appointed to programme manage 2020 North Yorkshire; staff messages; opportunities to involve staff further; middle manager sessions with Chief Exec; Stronger Communities programme; Blueprint produced; recruitment of support required for Programme; governance arrangements agreed; standard approaches to project management and business change employed (eg Lean workshops) | | | | | | Effectiveness | | | |
| Probability | M | Objectives | H | Financial | H | Services | H | Reputation | H | Category | 2 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| Reduction | 15/56 - Review of Behaviour and Skills framework and other relevant key documents as part of OD workstream | | | | | Action Manager | CSD ACE BS | Action by | Sat-31-Jan-15 | Completed | |
| Reduction | 15/101 - Ongoing restructure of Business Support and administrative service staff to meet BS savings target which are dependent on 2020 service changes | | | | | Action Manager | CSD ACE BS | Action by | Thu-30-Apr-15 | | |
| Reduction | 15/174 - Implement the 2020 Finance programme | | | | | Action Manager | CD SR | Action by | Thu-30-Apr-15 | | |
| Reduction | 15/240 - Consider staffing resource and impact upon the workforce of the future on an ongoing basis (Workforce Strategy 2020 was agreed and implemented in the summer but work is ongoing) | | | | | Action Manager | CSD ACE BS | Action by | Thu-30-Apr-15 | | |
| Reduction | 15/258 - Leading practice to be identified in each area of change (including potential for critical friends) | | | | | Action Manager | CD SR | Action by | Tue-31-Mar-15 | | |
| Reduction | 15/262 - Develop 'stronger communities' programme to mitigate against proposed budget cuts and promote community and individual resilience | | | | | Action Manager | CSD AD PP | Action by | Sun-31-Aug-14 | Tue-30-Sep-14 | |
| Reduction | 15/834 - Approve and implement the ICT strategy | | | | | Action Manager | CSD SR AD T&C | Action by | Tue-30-Jun-15 | | |
| Reduction | 15/835 - Agree overall communications and engagement strategy and develop ongoing plan for activity | | | | | Action Manager | CSD HoC | Action by | Thu-30-Apr-15 | | |
| Reduction | 15/836 - Agree resource requirements (also agreed process for any additional ones) | | | | | Action Manager | CD SR CSD ACE BS | Action by | Tue-30-Sep-14 | Tue-30-Sep-14 | |
| Reduction | 15/837 - Implement the Stronger Communities programme to mitigate against proposed budget cuts, support communities to take over local services, and promote community and individual resilience (ongoing) | | | | | Action Manager | CSD AD PP | Action by | Mon-31-Aug-15 | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | L | Objectives | H | Financial | H | Services | H | Reputation | H | Category | 3 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |



Risk Register: **month 0 (Oct 2014) – detailed**
 Report Date: 19th November 2014 (cpc)

| | | Action Manager |
|----------------------|---|----------------|
| Fallback Plan | 20/529 - Reprioritisation of savings, further consideration of structures and ways of working | All Mgt Board |



Corporate Risk Register

Appendix J

Risk Register: month 0 (Oct 2014) – detailed

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|--|---|-------------------|---|------------------|---|-----------------------|-------------------|----------------------|----------------|-----------------------|---|
| Risk Number | 20/49 | Risk Title | 20/49 - Organisational Performance Management | | | | Risk Owner | Chief Exec | Manager | CD SR | |
| Description | Council does not operate a true performance management framework leading to misalignment of activities and services with Council mission and objectives, poorer service delivery, public dissatisfaction, criticism, suboptimal working and lost opportunities and reduced ability to meet savings requirements | | | | | Risk Group | Performance | Risk Type | | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | | Corporate Performance Management Framework including service planning, quarterly reports to Exec, participation in benchmarking exercises, Corporate Performance Management Group, team performance management matrix, internal peer review of performance management matrix, review of Q performance reports | | | | | Effectiveness | | | |
| Probability | M | Objectives | M | Financial | M | Services | H | Reputation | M | Category | 2 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | Action Manager | Action by | Completed | | | |
| Reduction | 15/201 - Implement revised Corporate Performance Management Framework | | | | | AD SR (BES/CS) & Perf | Wed-31-Dec-14 | | | | |
| Reduction | 15/202 - Determine and implement a robust vfm framework for the authority that is integral to 2020 North Yorkshire | | | | | CD SR | Wed-31-Dec-14 | | | | |
| Reduction | 15/233 - Implement a plain English performance development language for the council | | | | | AD SR (BES/CS) & Perf | Wed-31-Dec-14 | | | | |
| Reduction | 15/237 - Develop future shape of performance management support; options of central team, directorate specialist teams, combinations, hub and spoke, etc. Develop this through CPMG and directorate management teams and report to MB | | | | | AD SR (BES/CS) & Perf | Wed-31-Dec-14 | | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | L | Objectives | M | Financial | M | Services | H | Reputation | M | Category | 3 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| | | | | | | | | | | Action Manager | |
| Fallback Plan | 20/533 - Fundamental review of approach | | | | | | | | | CD SR | |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|----------------------------------|---|-------------------|--|------------------|---|-------------------------------|-------------------|-------------------|----------------------|-----------------|--------|
| Risk Number | 20/45 | Risk Title | 20/45 - Long Term Waste Service Strategy | | | | Risk Owner | Chief Exec | | Manager | CD BES |
| Description | Failure to deliver the long term waste service strategy | | | | | Risk Group | Performance | | Risk Type | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | Strategic group; officer group (strat and proc); PPP group; project plan and indicators; adopted waste strategy; adopted local plan (waste); strategy for sites and planning developed; business case approved; approval of Treasury (FBC); contract awarded; waste flow and MTFs position monitored; monitoring of sites and planning strategies; IAA with CYC signed; ongoing close liaison with CYC to agree decision making process; CYC and NYCC Council approvals to award PPP Contract; planning advisor; contractor appointed; planning permission granted subject to Judicial Review; soft market testing of interim solutions carried out; Teckal with Yorwaste agreed; Exec agreed recommendation to council; Plan for procurement of interim arrangements; County Council sign off; Technical review incl. engineering to minimise long term contract costs with Amey Cespa; Project funding and explored all alternatives & options with Amey Cespa; Continual review of waste flow; Section 151 officer sign off; | | | | | | | | Effectiveness | | |
| Probability | M | Objectives | L | Financial | H | Services | L | Reputation | H | Category | 2 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | Action Manager | Action by | Completed | | | |
| Reduction | 20/35 - Carry out Technical review including engineering to minimise long term contracts costs, demonstrate value compared with alternative options - with Amey Cespa | | | | | BES AD W&CS | Thu-31-Jul-14 | Sat-31-May-14 | | | |
| Reduction | 20/37 - Continue to ensure sufficiency of budget provision and strategy for Waste PPP (ongoing review) | | | | | Waste Strategy Financial Lead | Mon-31-Aug-15 | | | | |
| Reduction | 20/38 - Progress project funding with Amey Cespa and fully explore all alternative and options - with Amey Cespa | | | | | Waste Strategy Financial Lead | Thu-31-Jul-14 | Sat-31-May-14 | | | |
| Reduction | 20/39 - Continue to do soft market testing and scope options for interim solutions assuming delays in the long term | | | | | BES AD W&CS | Mon-31-Aug-15 | | | | |
| Reduction | 20/891 - Obtain Members' sign off based on detailed VFM assessment and details of the business case | | | | | CD BES | Wed-24-Sep-14 | Wed-24-Sep-14 | | | |
| Reduction | 20/980 - Procurement &/or delivery of agreed front end facilities | | | | | BES AD W&CS | Tue-31-Mar-15 | | | | |
| Reduction | 20/981 - Continual review of waste flow to inform future strategy (ongoing) | | | | | CD BES | Thu-31-Jul-14 | Sun-31-Aug-14 | | | |
| Reduction | 20/1167 - Implement a Teckal approach to the Waste Services Procurement 2015 | | | | | BES AD W&CS | Tue-31-Mar-15 | | | | |
| Reduction | 20/1168 - Continue with procurement of interim arrangements (4 years) | | | | | BES AD W&CS | Mon-31-Aug-15 | | | | |
| Reduction | 20/1169 - Publish OJEU notice and review any challenge | | | | | BES AD W&CS | Fri-31-Oct-14 | | | | |
| Reduction | 20/1170 - Start a financial close 'dry run' process including affordability and VFM | | | | | BES AD W&CS | Fri-31-Oct-14 | | | | |
| Reduction | 20/1171 - Work with and monitor Amey Cespa contract (construction) | | | | | BES AD W&CS | Sat-31-Mar-18 | | | | |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| | | | | | | | | | | | |
|---|--|-------------------|---------------|------------------|---|-----------------|---|-------------------|---|-----------------------|--------|
| Reduction | 20/1172 - Ensure effective contract management arrangements are in place | BES AD W&CS | Tue-31-Mar-15 | | | | | | | | |
| Reduction | 20/1175 - Obtain Section 151 officer sign off from CYC and NYCC | CD BES | Mon-30-Jun-14 | Thu-31-Jul-14 | | | | | | | |
| Reduction | 20/1176 - Maintain PPP project risk register | BES AD W&CS | Mon-31-Aug-15 | | | | | | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | L | Objectives | L | Financial | H | Services | L | Reputation | H | Category | 3 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| Fallback Plan | 20/206 - Rely short term on newly procured arrangements from April 2015, review strategy, media management | | | | | | | | | Action Manager | CD BES |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|----------------------------------|---|-------------------|--|------------------|-----------------------------|-------------------|-----------------------|-------------------|----------------------|-------------------------|---|
| Risk Number | 20/189 | Risk Title | 20/189 - Safeguarding Arrangements | | | Risk Owner | Chief Exec | | Manager | CD HAS CD CYPS | |
| Description | Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm. | | | | Risk Group | Safeguarding | | Risk Type | | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | | CYPS – Safeguarding website; regularly reviewed procedures; monthly performance data for monitoring; audit regime; manager authorisation of all assessments; ICS; family intervention team; training strategy; clear supervision process which is audited on a regular basis; customer contact screening team; HAS - Detailed action plan, Safeguarding review for the County, revised Safeguarding Boards and sub groups, Safeguarding general manager and team, strengthening of Safeguarding policy team, case file audit and review, training plan, best interest assessors in post, better understanding & embedding of Mental Capacity Act. Independent chair to Safeguarding Board appointed, risk enablement panel developed, countywide safeguarding general manager appointed, | | | | | | Effectiveness | | |
| Probability | M | Objectives | H | Financial | H | Services | M | Reputation | H | Category | 2 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | | Action Manager | Action by | Completed | | |
| Reduction | 20/374 - Ensure compliance with Safeguarding Board and Children's Social Care procedures (CYPS) | | | | CYPS AD CSC | | Wed-30-Sep-15 | | | | |
| Reduction | 20/375 - Contribute to the delivery and implementation of the Child Sexual Exploitation (CSE) strategy with the LSCB (CYPS) | | | | CYPS CSC HoS | | Wed-30-Sep-15 | | | | |
| Reduction | 20/376 - Raise awareness of the escalation procedures relating to children missing and at risk of CSE (CYPS) | | | | CYPS CSC HoS | | Wed-30-Sep-15 | | | | |
| Reduction | 20/377 - Ensure all cases of children at risk of CSE are flagged on LCS (CYPS) | | | | CYPS CSC HoS | | Wed-30-Sep-15 | | | | |
| Reduction | 20/378 - Ongoing Mgt file audit of case files against established assessment standards and staff supervision files (CYPS) | | | | CYPS CSC SMT | | Wed-30-Sep-15 | | | | |
| Reduction | 20/379 - Monitoring and management of performance against agreed targets in the SMT action plan and team action plans (CYPS) | | | | CYPS CSC SMT | | Wed-30-Sep-15 | | | | |
| Reduction | 20/380 - Review of safeguarding procedures linked to consultation in light of the Care Act (HAS) | | | | HAS AD ASCO | | Fri-31-Oct-14 | | | | |
| Reduction | 20/381 - Continue to ensure partners are fully engaged with Safeguarding boards centrally and locally, particularly new health partners (CCGs) (HAS) | | | | HAS AD ASCO | | Thu-30-Apr-15 | | | | |
| Reduction | 20/382 - Continue to work with Procurement, Partnerships and Quality Assurance team to improve quality assurance (HAS) | | | | HAS AD ASCO HAS AD PP&QA | | Thu-30-Apr-15 | | | | |
| Reduction | 20/383 - Develop and implement new safeguarding board performance framework (HAS) | | | | HAS AD ASCO | | Thu-30-Apr-15 | | | | |
| Reduction | 20/384 - Carry out review of approach to domestic abuse, Prevent and serious incident data (HAS) | | | | HAS AD ASCO | | Thu-30-Apr-15 | | | | |
| Reduction | 20/385 - Implement the concordat following Winterbourne View (HAS) | | | | HAS AD ASCO | | Thu-30-Apr-15 | | | | |



Risk Register: month 0 (Oct 2014) – detailed
 Report Date: 19th November 2014 (cpc)

| | | | | | | | | | | | |
|---|---|-------------------|---|------------------|---|-----------------|---|-------------------|---|-----------------------|---|
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | L | Objectives | H | Financial | H | Services | M | Reputation | H | Category | 3 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| | | | | | | | | | | Action Manager | |
| Fallback Plan | 20/545 - Carry out necessary review of approach, target underperforming areas and take on lessons learned from any serious case reviews | | | | | | | | | CD CYPs CD HAS | |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|--|--|-------------------|---|------------------|---|-----------------|-----------------------|-------------------|----------------------|-----------------|---|
| Risk Number | 20/188 | Risk Title | 20/188 - Educational Outcomes | | | | Risk Owner | Chief Exec | Manager | CD CYPs | |
| Description | Failure to ensure positive educational outcomes for children and young people together with appropriate support for schools to be good or outstanding results in lower achievement levels for pupils, and NY children's life chances being determined by geography or family circumstances rather than being in their own hands. | | | | | | Risk Group | Performance | Risk Type | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | | Cross-directorate "Strategic Priority Schools" approach; work with Schools Forum; detailed analysis of data; joint annual performance review and target settings with schools; effective targeted intervention; 'Closing the Gap' strategy; School Improvement strategy including monitoring groups for vulnerable children; Achievement for All Programme; | | | | | | Effectiveness | | |
| Probability | M | Objectives | M | Financial | H | Services | L | Reputation | H | Category | 2 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | | Action Manager | Action by | Completed | | |
| Reduction | 20/1161 - Ensure leadership and release of commissioning capacity in the context of the Commission for School Improvement and School Improvement restructure | | | | | | CYPs AD E&S | Tue-31-Mar-15 | | | |
| Reduction | 20/1165 - Continue to promote alternative models of school leadership including mergers, federations and informal partnerships | | | | | | CYPs AD E&S | Sat-31-Jan-15 | | | |
| Reduction | 20/1166 - Ensure effective implementation of the local 'Closing the Gap' innovation programme and monitoring of the impact of the projects funded through this programme | | | | | | CYPs AD E&S | Sat-31-Jan-15 | | | |
| Reduction | 20/1177 - Monitor and evaluate outcomes around the vulnerable groups in all schools | | | | | | CYPs AD E&S | Sat-31-Jan-15 | | | |
| Reduction | 20/1187 - Continue to implement and evaluate impact of the Achievement for All Programme | | | | | | CYPs AD E&S | Sat-31-Oct-15 | | | |
| Reduction | 20/1188 - Implement plans to further improve Looked After Children educational outcomes | | | | | | CYPs Ho ELAC | Fri-31-Jul-15 | | | |
| Reduction | 20/1189 - Develop a new Skills Strategy based on robust assessment of needs | | | | | | CYPs AD E&S | Thu-30-Apr-15 | | | |
| Reduction | 20/1190 - Establish stronger links with businesses and employers re apprenticeships, internships and traineeships and use NYCC as a role model itself in this area | | | | | | CYPs AD E&S | Thu-30-Apr-15 | | | |
| Reduction | 20/1197 - Establish stronger links with Further and Higher Education establishments | | | | | | CYPs AD E&S | Thu-30-Apr-15 | | | |
| Reduction | 20/1199 - Develop and implement the "Scarborough Programme" which collaboratively challenges underachievement | | | | | | CD CYPs | Thu-30-Apr-15 | | | |
| Reduction | 20/1200 - Establish the North Yorkshire Education Partnership | | | | | | CD CYPs | Thu-30-Apr-15 | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | L | Objectives | M | Financial | H | Services | L | Reputation | H | Category | 3 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |



Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| | | Action Manager |
|----------------------|---|----------------|
| Fallback Plan | 20/542 - Continually review via internal mechanisms and the new NY Education Partnership and challenge Programmes and Strategies in order to ensure better educational outcomes | CD CYPS |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|--|--|---|---|------------------|---|-------------------|-----------------------|----------------------|-----------------------|-----------------|------------------|
| Risk Number | 20/334 | Risk Title | 20/334 - Economic Development and Opportunities for Devolution in North Yorkshire | | | | Risk Owner | Chief Exec | | Manager | BES AD EPU |
| Description | Failure to develop the North Yorkshire economy and to capitalise on the opportunities for devolution resulting in reduced investment and impact on the growth and jobs across North Yorkshire. | | | | | Risk Group | Strategic | | Risk Type | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | Supporting the LEP to deliver its strategic economic plan; Infrastructure Delivery Steering Group: NYCC wide co-ordination of development needs linked to District plans; Broadband; circa £200m Local Growth and EU funding; support to create a Combined Authority model; | | | | | | Effectiveness | | | |
| Probability | M | Objectives | L | Financial | H | Services | L | Reputation | M | Category | 2 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | | Action Manager | Action by | Completed | | |
| Reduction | 20/364 - Gain political support both locally and nationally | | | | | | Chief Exec | Sun-31-May-15 | | | |
| Reduction | 20/915 - Develop the strategic economic plan to maximise investment from Government and EU to stimulate growth | | | | | | BES AD EPU | Mon-30-Jun-14 | Thu-31-Oct-13 | | |
| Reduction | 20/916 - Deliver the strategic economic plan | | | | | | BES AD EPU | Tue-31-Mar-20 | | | |
| Reduction | 20/917 - Secure further funding from Government and EU & obtain approval for spending | | | | | | BES AD EPU | Thu-30-Apr-15 | | | |
| Reduction | 20/918 - Ensure LEP Secretariat is fit for purpose | | | | | | BES AD EPU | Mon-31-Aug-15 | | | |
| Reduction | 20/975 - Develop a LEP wide plan on what powers and influence we would like devolved and the added value that we can deliver | | | | | | CD BES | Sun-31-May-15 | | | |
| Reduction | 20/976 - Create a Directors of Development Group to support development of the Combined Authority Model and improve engagement with the LEP | | | | | | CD BES | Sun-30-Nov-14 | | | |
| Reduction | 20/1267 - Commission consultants to develop a Combined Authority proposal | | | | | | CD BES | Sun-30-Nov-14 | | | |
| Reduction | 20/1397 - Identify the economic barriers and opportunities which a Combined Authority can take advantage of | | | | | | CD BES | Tue-31-Mar-15 | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | M | Objectives | L | Financial | M | Services | L | Reputation | L | Category | 4 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| | | | | | | | | | Action Manager | | |
| Fallback Plan | 20/596 - Consider membership of Leeds City Region Combined Authority | | | | | | | | CD BES | | |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

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| Phase 1 - Identification | | | | | | | | | | | |
|--|--|-------------------|---|------------------|---|---------------------|-----------------------|-------------------|-----------------------|-----------------|---------------|
| Risk Number | 20/389 | Risk Title | 20/389 - Health and Safety | | | | Risk Owner | Chief Exec | | Manager | CD SR |
| Description | Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution | | | | | Risk Group | Legislative | | Risk Type | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | | HSRM Service Plan feeding into Directorate Action Plans; H&S team; Corporate H&S Policy; Corporate and Directorate H&S procedures; intranet and cyps.info sites; Directorate RM groups; RM Working groups; H&S Champions and lead officers; reporting on a regular basis; on-going H&S risk assessment, training, monitoring and audit; corporate H&S training matrix | | | | | | Effectiveness | | |
| Probability | L | Objectives | M | Financial | M | Services | M | Reputation | H | Category | 3 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | | Action Manager | Action by | Completed | | |
| Reduction | 15/248 - Continue delivery of the programme of H&S monitoring | | | | | AD SR (CYPS) & Prop | | Tue-30-Jun-15 | | | |
| Reduction | 15/249 - Develop and implement the directorate H&S action plans and report performance | | | | | AD SR (CYPS) & Prop | | Tue-30-Jun-15 | | | |
| Reduction | 15/254 - Update online health and safety training materials and improve the identification of Health & Safety training needs | | | | | CSD SR HoHSRM | | Tue-30-Jun-15 | | | |
| Reduction | 15/255 - Promote directorate programmes of health & safety risk assessment and monitor completion | | | | | AD SR (CYPS) & Prop | | Tue-30-Jun-15 | | | |
| Reduction | 15/256 - Review of Health and Safety service | | | | | AD SR (CYPS) & Prop | | Wed-31-Dec-14 | | | |
| Reduction | 15/257 - Revision of the corporate H&S policies and procedures | | | | | CSD SR HoHSRM | | Wed-31-Dec-14 | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | L | Objectives | M | Financial | M | Services | M | Reputation | H | Category | 3 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| Fallback Plan | 20/628 - Liaise with HSE, media management, implement fatal/serious injury response guide | | | | | | | | Action Manager | | CSD SR HoHSRM |



Corporate Risk Register

Appendix J

Risk Register: **month 0 (Oct 2014) – detailed**

Report Date: 19th November 2014 (cpc)

| Phase 1 - Identification | | | | | | | | | | | |
|--|---|---|---|------------------|---|-----------------|-----------------------|----------------------|-----------------------|-----------------|------------|
| Risk Number | 20/8 | Risk Title | 20/8 - Major Emergencies in the Community | | | | | Risk Owner | Chief Exec | Manager | Chief Exec |
| Description | Failure to plan, respond and recover effectively to major emergencies in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation | | | | | | Risk Group | Performance | Risk Type | | |
| Phase 2 - Current Assessment | | | | | | | | | | | |
| Current Control Measures | | NYLRF; experience and resources of partners; existing plans incl public health (training and exercises); EPU; partnership working with District Councils; community resilience; silver response in the County Council major incident plan tested; approach to BCP refreshed to strengthen service resilience; Resilience Direct portal; regional multi agency pandemic exercise held; | | | | | | Effectiveness | | | |
| Probability | L | Objectives | L | Financial | H | Services | L | Reputation | H | Category | 3 |
| Phase 3 - Risk Reduction Actions | | | | | | | | | | | |
| | | | | | | | Action Manager | Action by | Completed | | |
| Reduction | 20/249 - Test effectiveness and robustness of emergency plans relating to the public health of the NY population - final review and lessons learned following multi agency exercise to complete | | | | | | Chief Exec | Wed-31-Dec-14 | | | |
| Reduction | 20/970 - Continue to ensure effective co-ordination and communication with County and District/Borough Council services & NYLRF in light of reduction in resources | | | | | | Chief Exec | Sat-31-Oct-15 | | | |
| Reduction | 20/971 - Continue to ensure effective and efficient processes are embedded amongst all partners to prioritise workstreams (incl. plans, training and exercises) | | | | | | Chief Exec | Sat-31-Oct-15 | | | |
| Phase 4 - Post Risk Reduction Assessment | | | | | | | | | | | |
| Probability | L | Objectives | L | Financial | H | Services | L | Reputation | M | Category | 3 |
| Phase 5 - Fallback Plan | | | | | | | | | | | |
| | | | | | | | | | Action Manager | | |
| Fallback Plan | 20/207 - Review and prioritise resources dependent on nature and impact of event (inc effective media management) | | | | | | | Chief Exec | | | |

2020 Projects equality impact scan - Is there a probable impact on people with protected characteristics?

| Nature of impact | Colour |
|--------------------|--------|
| Positive | Green |
| Adverse | Red |
| Mixed | Yellow |
| Neutral | Blue |
| Being investigated | Grey |

| ID | Project Name | Age | Disability | Gender | Ethnicity | Religion or belief | Sexual orientation | Gender reassignment | Pregnancy or maternity | Marriage or civil partnership | Greater impact on rural areas | Greater impact on people with low income |
|------|---|--|---|---|-----------|--------------------|--------------------|---------------------|--|-------------------------------|--|---|
| 731 | Cyclic Gully Cleaning | | | | | | | | | | | |
| 732 | Grass Cutting | | | | | | | | | | | |
| 756 | Income | | | | | | | | | | | |
| 736 | Remove Contingency Budget | | | | | | | | | | | |
| 719 | Staffing Restructure | | | | | | | | | | | |
| 720 | Winter Maintenance | ? Older people tend to be affected more by bad weather - unable to get out | Disabled people more likely to be affected - less able to get out, more likely to depend on car | | | | | | Possible increased risk of falls for pregnant women with attendant risk to unborn child; difficulty getting to appointments; inability to get to hospital / planned unit to give birth | | | |
| 721 | Lean review of basic maintenance | | | | | | | | | | | |
| 722 | Highway Maintenance Plan – Review of Standards + Documentation of | | | | | | | | | | | |
| 739 | Street Lighting maintenance | | | | | | | | | | | |
| 738 | ITS and Traffic Signals | | | | | | | | | | | |
| 740 | IPT: Bus Shelter Maintenance | ?Older people & children heavier users of bus services? Minor issue | Disabled people may be disproportionate users of bus services. Minor issue. | ?More women use bus services than men? Minor issue. | | | | | | | Already fewer services in rural areas so loss of ashelter maintenancemay not be a big impact | Lower income groups may use bus services more but minor issue |
| 741 | Access Needs of People (Bus Subsidies) "Plan C" | Disproportionate impact on groups who make greater use of buses - includes older people. & children/young people | Disproportionate impact on groups who make greater use of buses - includes women. | Disproportionate impact on groups who make greater use of buses - includes disabled people. | | | | | Disproportionate impact on groups who make greater use of buses - includes pregnant women if can't drive during pregnancy or mums without access to car if not working. | | Yes | Yes. People on lower incomes more likely to use bus services. |
| 743a | IPT: Remote working for vehicle inspections | | | | | | | | | | | |
| 743c | IPT: DBS charging | | | | | | | | | | | |
| 745 | EPU: Accommodation | | | | | | | | | | | |
| 746 | Community Enhancement - W & CS | | | | | | | | | | | |
| 754 | W & CS: Reducing Grants to Outside Bodies | | | | | | | | | | | |
| 755 | W & CS: Review provision of HWRCs | | | | | | | | | | | |
| 733 | W & CS: Income | | | | | | | | | | | |
| 758 | PROW Customer Self Service and Customer | Likely to be positive unless telephone reporting | | | | | | | | | | |
| 761 | Recycling and Composting Contracts | | | | | | | | | | | |
| 762 | W & CS Service Reduction to Minimum Standards | | | | | | | | | | Yes | |
| 768 | Staff restructure (2020 TS & PS 5) | | | | | | | | | | | |
| 698A | Business Support Service - 2014/15 savings | Staff - If older staff lose jobs can be difficult to find employment | Staff - if disabled people lose jobs can be harder to find new jobs (but may not be relevant in reality ie no disabled people affected) | Staff - more women employed in BS & therefore more affected by job losses | | | | | | | Staff - fewer jobs in rural areas | Staff - less of a cushion if job goes |

2020 PROGRAMME - PROJECT APPROVALS

| ID | Project Name | Age | Disability | Gender | Ethnicity | Religion or belief | Sexual orientation | Gender reassignment | Pregnancy or maternity | Marriage or civil partnership | Greater impact on rural areas | Greater impact on people with low income |
|------|---|---|---|--|-----------|--------------------|--------------------|---------------------|------------------------|-------------------------------|---|--|
| 698B | Business Support Service - other initiatives | Staff - If older staff lose jobs can be difficult to find employment | Staff - if disabled people lose jobs can be harder to find new jobs (but may not be relevant in reality ie no disabled people affected) | Staff - more women employed in BS & therefore more affected by job losses | | | | | | | Staff - fewer jobs in rural areas | Staff - less of a cushion if job goes |
| 696 | HR Services | Staff - If older staff lose jobs can be difficult to find employment | Staff - if disabled people lose jobs can be harder to find new jobs (but may not be relevant in reality ie no disabled people affected) | Staff - more women employed in BS & therefore more affected by job losses | | | | | | | Staff - fewer jobs in rural areas | Staff - less of a cushion if job goes |
| 700 | Legal and Democratic Services Savings Programme | Staff - If older staff lose jobs can be difficult to find employment | Staff - if disabled people lose jobs can be harder to find new jobs (but may not be relevant in reality ie no disabled people affected) | Staff - more women employed in BS & therefore more affected by job losses | | | | | | | Staff - fewer jobs in rural areas | Staff - less of a cushion if job goes |
| | Archives and Record Management and Registrars - further | | | | | | | | | | | |
| | Archives and Record Management and Registrars - increased | | | | | | | | | | | |
| 724 | 2020 Finance | | | | | | | | | | | |
| 695 | Corporate Property | May impact on older customers if have to travel further to access services. Impacts more likely to be on staff? | May impact on older customers if have to travel further to access services. Impacts more likely on staff? | | | | | | | | | |
| 697 | Technology and Change Services | Positive impacts if allows more services to be delivered to customers? | | | | | | | | | | |
| 699 | Chief Executive's Unit | Adverse impacts on staff but not customers? | | | | | | | | | | |
| | Communications - Newspaper Partnership | | | | | | | | | | | |
| | Communications - posts and additional income | Impacts on staff? | | Impacts on staff? | | | | | | | | |
| 923 | Public Notice advertising on the website | | | | | | | | | | | |
| 788 | Review of Transport and Welfare and Admissions Business Support Teams | | | | | | | | | | | |
| 694 | Library Service Re-configuration | Loss of a local library likely to be felt by older people & young children who are heaviest user groups & often less able to access services elsewhere BUT community run library solution could mitigate impact & provide benefits - volunteering opportunities etc | People with disabilities eg visual impairments may be more reliant on libraries for talking books, large print, accessible IT. May also be less able to travel to use services elsewhere. | More women tend to use library services - also tend to live longer, be main carers for young children who access library services etc. | | | | | | | Yes - smaller population base so costs more to provide service also more likely to be hit by reduced public transport; high quality broadband access in home not always available although this is improving (Nynet etc). | Yes - more likely to be reliant on library services for (free) internet access |

2020 PROGRAMME - PROJECT APPROVALS

| ID | Project Name | Age | Disability | Gender | Ethnicity | Religion or belief | Sexual orientation | Gender reassignment | Pregnancy or maternity | Marriage or civil partnership | Greater impact on rural areas | Greater impact on people with low income |
|-----|---|---|--|---|---|--|--|--|---|-------------------------------|-----------------------------------|--|
| 774 | Review of the Educational Psychology Service | Impact on young people - risk that service harder to access / less available if reduce to statutory minimum. Impacts on staff | ?Is service used more by young people with disabilities or special needs? Impacts on staff - job loss. | Is there a gender imbalance in service use? Impacts on staff - job loss. | Is there greater use for service by some groups? | Do tensions with family faith lead to service access by young people? | Sexual orientation could be a challenge for young people so need support | Gender dysphoric young people may need additional support? | Young pregnancy or motherhood could require support | | | |
| 775 | Home to School and College Transport | | | | | | | | | | | |
| 776 | Reducing LAC | Aim positive impact on young people | | | | | | | | | | |
| 779 | Implementation of Changes arising from the recommendations of the Commission for School Improvement | | | | | | | | | | | |
| 786 | Review of Provision for Children with Disabilities and their Families | Children - improve accessibility of services | Improve access to respite etc | Possibly greater impact on women if primary care-giver | Possibly greater impact on some ethnic groups if higher rates of disability | Possibly greater impact if some groups more likely to have disabled children because reject abortion | | | | | May be harder to access services? | |
| 823 | Pupil Access Services | Customer neutral but possible adverse impacts for staff (job losses) | Customer neutral but possible adverse impacts for staff (job losses) | Customer neutral but possible adverse impacts for staff (job losses) | | | | | | | | Reduction in school clothing grants likely to impact more on families (pupils) with |
| 772 | Assessment and Interventions | Aim to get better outcomes for children, young people & families - BUT risk if doesn't work. Negative impact for staff - job losses | Any disabled staff - if job losses (greater likelihood of unemployment) | Staff - if job losses. More women impacted? | | | | | | | | Could be positive impact - if lower income contributes to involvement with service & service improves? |
| | ELAC | | | | | | | | | | | |
| | Independent Reviewing Officers | LAC element of service fully compliant with requirements - works for LAC | | | | | | | | | | Could be positive impact - if lower income contributes to involvement with service & service improves? |
| | Review of senior social workers | ?Staff impacts- better support for new SWs but job losses (greater impact on older) | Better support for new disabled SWS but impact if job losses | ? Gender balance of SWs? Is there a different impact eg on job losses | | | | | | | | |
| | Systems support | | | | | | | | | | | |
| | Youth Justice | Young people | | ?More male than female service users? | | | | | | | | |
| | Preventative Services review | | | | | | | | | | | |
| 895 | HAS 3 Urgent needs & reablement (? Assessment pathway) | Older people - should lead to positive impact because people will have greater access to therapy services to further maximise their independence. Will also mean that the service is extended to more people in total. | Disability and frailty - should lead to positive impact because people will have greater access to therapy services to further maximise their independence. Will also mean that the service is extended to more people in total. | Women - should lead to positive impact (higher proportion of social care customers are female) | | | | | | | | |
| 895 | HAS 4 Assessment, Support Planning and Review | If any impact (whether positive or negative), will be more on older people than working age. Impacts not known at this stage | If any impact (whether positive or negative), will be on disabled people. Impacts not known at this stage | If any impact (whether positive or negative), will be more on women than men (higher proportion of social care customers are women). Impacts not known at this stage | | | | | | | | |
| 895 | HAS 5 Reductions in support packages | Some potential for adverse impact - more on older people than working age due to social care customer base but should be mitigated by improvements in assessment & review practice | Some potential for adverse impact on disabled people but should be mitigated by improvements in assessment & review practice | Some potential for adverse impact - will be more on women than men (higher proportion of social care customers are women) - but should be mitigated by improvements in assessment & review practice | | | | | | | | |
| 878 | HAS 2 Equipment and Telecare | Any impacts will be more on older people than younger; however impacts not known at this stage | Any impacts will be on disabled people due to nature of service; however impacts not known at this stage | Not known at this stage | | | | | | | | |
| 879 | HAS 6 Extra Care Housing and EPHs | Impacts will be a) on older people and b) on working age adults who require accommodation with support. Aim is for impacts to be positive overall (although there is the potential for short-term negative impact for some individuals) | Should be positive for disabled working age adults as should expand the choices for accommodation with support | Not known at this stage. Likely to affect more women than men. | | | | | | | | |

2020 PROGRAMME - PROJECT APPROVALS

| ID | Project Name | Age | Disability | Gender | Ethnicity | Religion or belief | Sexual orientation | Gender reassignment | Pregnancy or maternity | Marriage or civil partnership | Greater impact on rural areas | Greater impact on people with low income |
|-----|--|---|---|--|--------------------------------------|-------------------------|-------------------------|-------------------------|--|-------------------------------|-------------------------------|--|
| 880 | HAS 7.2 Developing LD Community Strategy Including links to Complex Needs Transformation | Will affect more working age adults than older adults. | Will affect people with learning disabilities partic people with complex needs (LD and phys dis). Some possibility of adverse impact as services may be recommissioned and there will be limited access to | | | | | | | | | |
| 893 | HAS 7.3 Adults Respite For Carers | Impact on older people due to profile of people who access social care. Allocations policy to be developed. This will lead to improved consistency and fairness but may lead to some individuals receiving fewer nights' respite than | Impact on disabled people and family carers. Allocations policy to be developed. This will lead to improved consistency and fairness but may lead to some individuals receiving fewer nights' respite than currently. | | | | | | | | | |
| 880 | HAS 7.4 Co-commission Complex Needs service | Neutral - closer working with NHS to co-commission services. | | | | | | | | | | |
| 891 | HAS 8 Redirecting Supporting People (inc MTFs - P22 Supporting People) | Potential for adverse impact - needs further work to check age profiles | Potential for adverse impact on disabled people inc mental health, physical disability | Potential for adverse impact inc women in partic re DV services (this will also affect men altho in smaller numbers) | Potential for adverse impact eg GRTS | Not known at this stage | Not known at this stage | Not known at this stage | Potential for adverse impact - link to DV services | Not known at this stage | | |

| Summary of impacts | Age | Disability | Gender | Ethnicity | Religion or belief | Sexual orientation | Gender reassignment | Pregnancy or maternity | Marriage or civil partnership | Greater impact on rural areas | Greater impact on people with low income |
|---------------------------|-----|------------|--------|-----------|--------------------|--------------------|---------------------|------------------------|-------------------------------|-------------------------------|--|
| Positive | 6 | 3 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Negative | 11 | 11 | 8 | 2 | 1 | 1 | 1 | 4 | 0 | 12 | 9 |
| Mixed | 4 | 3 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Neutral | 26 | 27 | 30 | 33 | 41 | 42 | 42 | 39 | 44 | 26 | 31 |
| Being investigated | 13 | 16 | 18 | 24 | 17 | 17 | 17 | 17 | 16 | 22 | 20 |
| | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 |

| | | |
|-----------------------|------|--------|
| Total positive | 13 | 1.2% |
| Total negative | 60 | 5.4% |
| Total mixed | 9 | 0.8% |
| Total neutral | 825 | 74.6% |
| Total being | 197 | 18.0% |
| | 1104 | 100.0% |

STATUTORY REQUIREMENTS OF THE LOCAL GOVERNMENT ACT 2003 IN RELATION TO BUDGET SETTING

- 1.1 Sections 25 to 28 of Part 2 of the Local Government Act 2003 define a series of duties and powers that give statutory support to important aspects of good financial practice in local government. For the most part they require certain processes to be followed but leave the outcome of those processes to the judgement of individual local authorities. The following paragraphs explain these provisions and provide an analysis (*in italics*) of the current position in the County Council.
- 1.2 **Section 25** requires the Chief Financial Officer (CFO) to submit a formal report to the authority regarding the **robustness of the estimates** included in the Budget and the **adequacy of the reserves** for which the Budget provides.
- 1.3 Section 25 requires the report to be made to the authority when the decisions on the Council Tax Precept are formally being made. However, Members will appreciate that those decisions are taken at the conclusion of a detailed and prolonged process involving consideration of the draft Budget by various parts of the organisation including the Executive, Members and the Management Board. The CFO has to ensure that appropriate information and advice is given at all stages on what would be required to enable a positive opinion to be given in his formal report.
- 1.4 *The Budget process of the County Council has been further refined in recent years by:*
- (a) *Using a range of qualitative and quantitative data to help inform the County Council's approach to value for money.*
 - (b) *establishing clear links between budget provision and the activity carried out within service areas. Detailed modelling, for example, relates costs to activity for the Waste Strategy, Adults Social Care and Children's Social Care – three areas of high spend and therefore key business drivers.*
 - (c) *the further development of the Quarterly Performance and Budget Monitoring Report submitted to Executive to include financial information, performance data, HR statistics and Treasury Management.*
- 1.5 *In addition at key stages, all County Council Members receive (via reports, workshops, etc.) full details of every aspect, of the Budget process that concludes in the precept calculation. The Corporate Director – Strategic Resources will report formally to the County Council on 18 February 2015 regarding the **robustness of the estimates** and the **adequacy of balances** relating to the Budget for 2015/16.*

*The opinion regarding the robustness of the estimates will be based on the detailed nature, not only of the Budget preparation process, but also the Budget monitoring work that goes on continuously throughout the year. The adequacy of balances and reserves is referred to in **Appendix M** which details the outcome of the review process. Details of all balances and reserves are then provided in **Appendix M Sheet 1**.*

- 1.6 **Section 26** gives the **Secretary of State the power to set a minimum level of reserves for which an authority must provide in setting its Budget**. The minimum would apply to “controlled reserves”, as defined in Regulations. The intention in defining controlled reserves would be to exclude reserves that are not under the authority’s control when setting its call on Council Tax, eg schools balances.
- 1.7 It was made clear throughout the Parliamentary consideration of these provisions that Section 26 would only be used where there were grounds for serious concern about an individual authority. The Minister said in the Commons Standing Committee debate on 30 January 2003:
- “The provisions are a fallback against the circumstances in which an authority does not act prudently, disregards the advice of its CFO and is heading for serious financial difficulty. Only in such circumstances do we envisage any need for intervention.”
- There is no intention to make permanent or blanket provision for minimum reserves under these provisions. Indeed, the Government has made no attempt to so far to define minimum reserves.
- 1.8 **Section 27** defines in more detail the responsibility of the CFO in reporting on the inadequacy of reserves in an authority where a Section 26 minimum requirement has been imposed.
- 1.9 *Provided the County Council acts prudently and takes into account the advice of the Corporate Director – Strategic Resources regarding the level of reserves it is unlikely that the County Council will find itself in a position of being subject to a Section 26 determination. The examination of balances/reserves during the Budget process, and the monitoring that takes place and is reported quarterly to the Executive, provides the County Council with every opportunity to take remedial action should any problems emerge that are likely to undermine the Medium Term Financial Strategy.*
- 1.10 **Sections 26/27 therefore continue to have no direct relevance to the County Council at this time.**
- 1.11 **Section 28** concerns **Budget monitoring arrangements**. Essentially, an authority is required to review during the course of a financial year the planned levels of reserves incorporated in the earlier annual tax/precept setting calculations. If, as a result of such an in year review it appears that there is a deterioration in the

financial position, the authority must take whatever action it considers appropriate to deal with the situation.

- 1.12 *As indicated above the Executive receives details of the position on reserves as part of the Quarterly Performance and Budget Monitoring Report. Provision also exists within the Financial Procedure Rules for further reports to be submitted if and when necessary should financial circumstances deteriorate between the quarterly reporting dates and it is determined that immediate action in relation to reserves, is required. A review of Reserves was carried out and is reported in **Appendix M**.*

Balances/Reserves

- 1.13 One of the clear pointers from Sections 25/28 is the need for a transparent and formal assessment of the adequacy of balances/reserves.
- 1.14 A review is carried out of the need for, and adequacy of, all balances and reserves on an annual basis (at least). The product of this review can be seen in **Appendix M**.

REVIEW OF COUNTY COUNCIL BALANCES / RESERVES

1.0 Introduction

- 1.1 As part of the Budget process all balances and reserves have been reviewed as to their adequacy, appropriateness and management arrangements.
- 1.2 A schedule of the Reserves/Balances held at 31 March 2014 together with forecast movements over the four years 2014/15 to 2017/18 is provided as **Sheet 1** to this Appendix.
- 1.3 All the Reserves/Balances listed in **Sheet 1** are reviewed and monitored on a regular basis by the Directorate Accountant and/or the Corporate Director – Strategic Resources. The level of the General Working Balance (GWB) is specifically reported to the Executive as part of each Quarterly Performance and Budget Monitoring report. Following a detailed review in 2013/14 a further second stage review of all earmarked reserves has now taken place (see **paragraph 2.8**) to establish
- The current justification of the need for the reserve together with its intended use and the timing of that use
 - The likely value of any potential liability and whether the Reserve is sufficient
 - Whether the liability is better met as part of a wider Council Reserve (i.e. either as part of GWB or another dedicated Reserve) thus eliminating the need for a specific earmarked reserve.

2.0 Outcome of review process

- 2.1 Based on **Sheet 1** the total value of revenue Balances/Reserves held at 31 March 2014 was £191.638m. This figure is sub-divided into types of Balances/Reserves and these types are referred to below. The most up to date actual figures for individual reserves (column 6 of Sheet 1) do however reflect the recent transfer of £5.004m from earmarked reserves to the GWB following the review referred to in **paragraphs 1.3 above and 2.8 below** (column 5 of Sheet 1).
- 2.2 The conclusions reached by the Corporate Director - Strategic Resources, as a result of this review are as follows:
- (a) **Directorate and Corporate savings in 2013/14 that were carried forward to 2014/15 as part of the overall GWB** (£25.058m). The County Council agreed that £25.058m of Directorate savings in 2013/14 could be carried forward into the current financial year 2014/15 as part of the overall GWB. This sum consisted of projects and initiatives funding to be spent in subsequent years (£5.034m) together with the unallocated Corporate Pending Issues Provision (PIP) funding (£20.024m). Such carry forward arrangements have been part of financial management arrangements over recent years and help to ensure that specific initiatives are funded without calling further upon Council resources in a later year.

- (b) **Reserves earmarked for Schools** (£42.134m) includes individual school balances totalling £30.942m which belong to schools and although they appear in the County Council's Balance Sheet, they cannot be regarded, for practical Budget purposes, as an NYCC asset. The other £11.192m is Dedicated Schools Grant (£10,981m) which is also earmarked for schools for multiple programmes and School Energy Fund (£0.211m).
- (c) **Earmarked Reserves set aside for major items** (£20.369m) as detailed below –

| Item | £m | Narrative |
|---|-------|---|
| Insurance fund | 6.938 | This is needed to offset the cost of potential future claims – the level of the fund is significantly less than the potential maximum Liability of claims so any further withdrawal of cash from the Fund would increase the potential risk of a shortfall at some point in the future. |
| Civil Parking Enforcement | 3.961 | Net income generated from on-street parking. The funding is ringfenced for highways expenditure in the county, and is planned to be spent in consultation with District Councils. |
| Standard Desk Top / Directorate Refresh | 2.835 | To be used to replace Directorate ICT hardware (PCs, servers etc.) over a period. This reserve will form part of a year-end review of earmarked reserves taking into an assessment of the refresh requirements across the Council. |
| T&C Strategy and Infrastructure | 3.535 | To be used towards the funding of the Corporate ICT Strategy. This reserve will form part of a year-end review of earmarked reserves taking into an assessment of the updated strategy. |
| SuperfastBroadband | 3.100 | Package of additional funding for the Superfast North Yorkshire Project agreed by Executive on 29 October 2013. |

- (d) the balances of **Trading Units and those Business Units that “trade” with schools under the ‘SmartSolutions’ umbrella** (£4.260m) are linked to the Business Plans. These balances are therefore regarded as funds available for securing the future sustainability and hopefully expansion, of the Councils traded / commercial activities.
- (e) there are 34 other earmarked reserves related to **specific initiatives** (£13.763m). The need for many of these reserves will continue into future years but others will cease as their specific purpose is fulfilled. All these reserves will however continue to be reviewed on an on-going basis.

- (f) **Revenue Income Reserves** (£27.617m) which are mainly grants and contributions income “not yet applied”. This is a category created by the IFRS Accounting Regulations from 2010/11.
- (g) the **General Working Balance** (£58.437m) consisting of £53.433m at 31 March 2014 plus £5.004m transferred from earmarked reserves following the recent review - (see below).

General Working Balance (GWB)

- 2.3 The GWB is also considered in **paragraphs 15.19 to 15.26** of the main Budget / MTFs report.
- 2.4 The current MTFs policy as agreed in February 2014 is to maintain the minimum level of GWB at:
 - a) A minimum of 2% of the net revenue budget in order to provide for unforeseen emergencies etc supplemented by
 - b) An additional (and reviewable) cash sum of £20m to be held back in the event of a slower delivery of savings targets
- 2.5 This policy is also accompanied by a set of "good practice rules" which were introduced when the original policy was established as part of the 2007/08 Revenue Budget.
- 2.6 These “rules” are as follows:
 - (a) that any underspending on the Corporate Miscellaneous budget at the year end will be allocated to the GWB
 - (b) that should there be any call on the GWB during a year such that the Target level (as defined in the MTFs) will not be achieved at the respective year end then
 - (i) that shortfall be addressed in the next Budget cycle and/or
 - (ii) that revenue or capital expenditure reductions be effected in either the current or following financial year, in order to offset the shortfall.
 - (c) that in order to implement (b) the Executive should review the position of the GWB on a regular basis as part of the Quarterly Performance and Budget Monitoring report process
- 2.7 Taking into account the fact that the value of the net Revenue Budget changes each year, the likely year-end figures for the GWB are summarised below (**Sheet 2** of this Appendix provides full details of the various +/- impacts on the GWB that arise from the proposals in this report)

(a) Forecast Position at 31 March 2015 (paragraph 15.23 of main report)

Based on the 2014/15 Q2 Revenue Budget Monitoring report as adjusted for the outcome of the recent review of all earmarked reserves (**paragraphs 1.3 and 2.8**) the projected level of the GWB at 31 March 2015 is as follows

| Item | £000 |
|---|---------------|
| Unallocated GWB at 31 March 2014 | 53,433 |
| Release of earmarked reserves into GWD (paragraph 2.8) | 5,004 |
| Adjusted current level (paragraph 2.2(g)) | 58,437 |
| Contribution required to 2014/15 budget | -1,322 |
| Additional investments agreed at Q1 2014/15 profiled in 2014/15 | -427 |
| Net savings in 2014/15 proposed to be added to the GWB (at Q2) | 8,031 |
| = forecast unallocated GWB at 31 March 2015 | 64,719 |
| Minimum target of 2% of the net revenue budget + £20m buffer | -27,460 |
| Forecast in excess of target | 37,259 |

(b) **Longer Term Forecast to 31 March 2020 (paragraph 15.25 of main report)**

Taking into account the new revenue budget changes and proposals each year as contained in this report and assuming that the cumulative net shortfalls (and surpluses) each year up to 2019/20 were fully funded from the GWB without any further savings coming on stream by 2019/20, the annual movement in the GWB would be as set out in the table below (see **Sheet 2 to this Appendix**)

| Year | MTFS Feb 2014 | | MTFS Feb 2015 Forecast | | | | | Target | |
|-----------|---------------|--------|------------------------|------------------------|-----------------|---------------------|-------------------|---------------|------------------|
| | Forecast | Target | start of year | budget /MTFS & in year | 2014/15 release | 2014/15 investments | End year forecast | Target level | Excess of target |
| | (a) | (a) | (b) | (c) | (d) | (e) | (a) | (a) | |
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| 31-Mar-15 | 40,956 | 27,460 | 53,433 | 6,709 | 5,004 | (427) | 64,719 | 27,460 | 37,259 |
| 31-Mar-16 | 39,051 | 27,183 | 64,719 | 7,171 | | (8,177) | 63,713 | 27,270 | 36,443 |
| 31-Mar-17 | | | 63,713 | 5,358 | | (2,180) | 66,891 | 27,177 | 39,714 |
| 31-Mar-18 | | | 66,891 | (955) | | (2,000) | 63,936 | 27,109 | 36,827 |
| 31-Mar-19 | | | 63,936 | (4,541) | | (2,000) | 57,395 | 27,044 | 30,351 |
| 31-Mar-20 | | | 57,395 | (14,231) | | (2,000) | 41,164 | 27,007 | 14,157 |

Notes

- Revised target from 2014/15 = 2% of net revenue budget + a £20m buffer, reduces marginally as a result of a forecast reducing net budget
- 2014/15 consists of savings to Q2 of £8,031k less planned contribution of £1,322k. Future years are based on latest residual annual MTFS shortfalls and surpluses being funded from the GWB with no further savings being proposed at present
- Release of earmarked reserves in 2014/15 – see **paragraph 2.8**
- One off investments agreed in 2014/15 to be funded from the GWB - £16,284k agreed at Q1 and £500k at Q2

- e) Will be subject to further investments (including Capital Financing Related of up to £10m – see **paragraph 7.8 to 7.13** of main report) and additional savings / further changes to existing savings profiles
- 2.8 As indicated in **paragraph 1.3** above, following the detailed review of earmarked reserves in 2013/14 that released £8m into the GWB, a further second stage review has recently taken place and this has released a further £5.004m into the GWB which is reflected in the GWB forecasts shown in **paragraphs 2.7(a) and 2.7(b)**. A breakdown of this sum into individual reserves is shown in column 5 of Sheet 1 of this Appendix. As such reviews will be carried out on an annual basis, a further review will be undertaken in 2015/16
- 2.9 On the basis of the GWB at 31 March 2014 (£53,433k) and the projected GWB at 31 March 2015 (£64,719k) it is evident that the County Council is considerably ahead of the minimum level of 2% of the net revenue budget + £20m (£27,460k). Much of this is due to service financial management as many services have delivered savings ahead of schedule whilst some have returned un-needed pump priming funds. As outlined in the Audit Commission report “Striking a Balance” (December 2012), these features are common within Council addressing large scale savings requirements. It should also be borne in mind however that the longer term forecast at 31 March 2020 above shows the level reducing to **£41.2m** which is **£14.2m** above the current target minimum and there are potential future further investments including up to £10m on capital financing initiatives.
- 2.10 Historically the major items that the GWB has been required to offset are the costs of:
- demand led overspendings on Service budgets
 - repairing flood damage (net of Bellwin Grant)
 - the winter maintenance budget provision being exceeded in a bad winter
 - one off planning enquiries or legal cases
 - additional priority spending pressures
 - bridge budget / MTFs funding shortfalls until recurring annual savings can be identified and achieved.
- 2.11 **Section 14** of the budget report identifies a number of key risk factors which the County Council is facing. The scale and nature of the savings required across the Council mean that there are likely to be significantly higher degrees of organisational “stress” for the remainder of this decade. Whilst the spending power of the County Council is declining in real terms, the degree of risk is increasing and a target which is referenced as a percentage of the net budget is therefore no longer regarded as appropriate. Following two annual reviews of all earmarked Reserves across the Council a number of reserves have been subsumed within GWB and this is expected to continue in future years.. As a result there is a higher likelihood of the GWB being called upon to support Council spending pressures.
- 2.12 **It is therefore proposed that the target minimum of 2% of net Revenue Budget supplemented by a cash figure of a further £20m in order to provide some flexibility should the Council find itself unable to deliver the savings programme as agreed in February 2014 be retained at present.** It is also proposed that the cash sum of £20m would be deployed in a scenario where savings delivery is slower than anticipated and this element of General Working

Balances should therefore not be regarded as part of the rules which are identified earlier in **paragraph 2.6** of this Appendix.

- 2.13 It is further proposed that the position is reviewed annually in light of any further savings requirements and progress against the delivery of savings as set out in the 2020 North Yorkshire Programme. At this stage it is still envisaged that a policy of a 2% target plus the £20m (but reviewable) cash sum would remain in place for the period of the MTFS (ie up to and including 2019/20) given the scale of savings currently anticipated but as mentioned earlier this will be reviewed on an on-going basis.

SUMMARY OF BALANCES / RESERVES FROM 2013/14 (ACTUAL) TO 2017/18 (FORECAST)

| Details | Directorate | 2013/14 Actuals | | | | 2014/15 Forecast | | | | 2015/16 Forecast | | 2016/17 Forecast | | 2017/18 Forecast | | Comments |
|--|-------------|-------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|--|---|--|--|--|--|--|--|--|--|--|
| | | Actual 31 March 2013 £000s | Trans to GWB (Nov) 2013/14 | Other Move- ment 2013/14 | Actual 31 March 2014 £000s | Trans to GWB (Mar) 2014/15 £000s | Balance following Transfers 2014/15 £000s | Planned Move- ment 2014/15 £000s | Est. Balance 31 March 2015 £000s | Planned Move- ment 2015/16 £000s | Est. Balance 31 March 2016 £000s | Planned Move- ment 2016/17 £000s | Est. Balance 31 March 2017 £000s | Planned Move- ment 2017/18 £000s | Est. Balance 31 March 2018 £000s | |
| WORKING BALANCES Retained for Service Use | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | The County Council agreed that £25,058k of savings and unallocated funding in 2013/14 could be carried forward into 2014/15 as part of the overall GWB. This consisted of Directorate savings of £5,034k earmarked for spending in future years and £20,024k of unallocated Pending Issues Provision (PIP) funding. The estimated savings in 2014/15 proposed for carry forward to 2015/16 is £21,196k based on the Q2 Performance and Budget Monitoring Report and consists of £946k Directorate savings earmarked for various projects and initiatives and £20,250k of unspent PIP funding. |
| Children & Young Peoples | CYPS | 1,824 | 0 | -1,824 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Health and Adult | HAS | 1,170 | 0 | -270 | 900 | 0 | 900 | -354 | 546 | -546 | 0 | 0 | 0 | 0 | 0 | |
| Business & Environment | BES | 2,640 | 0 | -1,864 | 776 | 0 | 776 | -676 | 100 | -100 | 0 | 0 | 0 | 0 | 0 | |
| Central Services | CS | 4,020 | 0 | -3,501 | 519 | 0 | 519 | -519 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Corporate Miscellaneous | Corp | 13,082 | 0 | 9,781 | 22,863 | 0 | 22,863 | -2,313 | 20,550 | -20,550 | 0 | 0 | 0 | 0 | 0 | |
| Sub Total | | 22,736 | 0 | 2,322 | 25,058 | 0 | 25,058 | -3,862 | 21,196 | -21,196 | 0 | 0 | 0 | 0 | 0 | |
| General Working Balances | | 33,866 | 7,986 | 11,581 | 53,433 | 5,004 | 58,437 | 6,282 | 64,719 | -1,006 | 63,713 | 3,178 | 66,891 | -2,955 | 63,936 | Forecast of £64,719k at 31 March 2015 is based on Q2 (to 30 September 2014) Budget and Performance Monitoring Report and includes 2014/15 savings and one off windfalls, agreed contribution to balance 2014/15 budget, investments agreed and the impact of releasing earmarked reserves into the GWB. Estimates for 2015/16 and subsequent years reflect the impact of the 2015/16 budget / MTFs proposals contained in the budget report together with the impact of one off investments agreed at Q1 and Q2 in 2014/15. Target minimum level is being kept at 2% of the net revenue budget and a buffer of £20m (about £27m in total). |
| Total Working Balances | | 56,602 | 7,986 | 13,903 | 78,491 | 5,004 | 83,495 | 2,420 | 85,915 | -22,202 | 63,713 | 3,178 | 66,891 | -2,955 | 63,936 | |

SUMMARY OF BALANCES / RESERVES FROM 2013/14 (ACTUAL) TO 2017/18 (FORECAST)

| Details | Directorate | 2013/14 Actuals | | | | 2014/15 Forecast | | | | 2015/16 Forecast | | 2016/17 Forecast | | 2017/18 Forecast | | Comments |
|--|-------------|-------------------------------|-------------------------------------|-----------------------------------|-------------------------------|--|---|---|---|--|--|--|--|--|--|--|
| | | Actual 31 March 2013 £000s | Trans to GWB (Nov) 2013/14 | Other Move- ment 2013/14 | Actual 31 March 2014 £000s | Trans to GWB (Mar) 2014/15 £000s | Balance following Transfers 2014/15 £000s | Revised Planned Move- ment 2014/15 £000s | Other Est. Balance 31 March 2015 £000s | Planned Move- ment 2015/16 £000s | Est. Balance 31 March 2016 £000s | Planned Move- ment 2016/17 £000s | Est. Balance 31 March 2017 £000s | Planned Move- ment 2017/18 £000s | Est. Balance 31 March 2018 £000s | |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | |
| EARMARKED RESERVES | | | | | | | | | | | | | | | | |
| Earmarked for Schools | | | | | | | | | | | | | | | | |
| Local Management of Schools | CYPS | 26,291 | 0 | 4,651 | 30,942 | 0 | 30,942 | -2,942 | 28,000 | -5,000 | 23,000 | 0 | 23,000 | 0 | 23,000 | Reducing balance reflects falling pupil numbers, resource scarcity and provisional adjustments for school transfers to academy status. |
| Energy Funds | CS | 195 | 0 | 132 | 327 | -116 | 211 | -211 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Fund to be utilised to fund energy saving measures within schools. |
| Schools Block / DSG | CYPS | 10,769 | 0 | 212 | 10,981 | 0 | 10,981 | 234 | 11,215 | -2,000 | 9,215 | -2,000 | 7,215 | -2,000 | 5,215 | Balance of earmarked Schools Block resources for multiple programmes. |
| Sub Total | | 37,255 | 0 | 4,995 | 42,250 | -116 | 42,134 | -2,919 | 39,215 | -7,000 | 32,215 | -2,000 | 30,215 | -2,000 | 28,215 | |
| Reserves of Trading and Business Units | | | | | | | | | | | | | | | | |
| SmartSolutions | | | | | | | | | | | | | | | | |
| Traded Services | SmSo | 3,637 | -200 | -234 | 3,203 | 0 | 3,203 | 464 | 3,667 | -800 | 2,867 | 0 | 2,867 | 0 | 2,867 | Accumulated position of the trading operation. |
| Insurances | SmSo | 1,578 | | -521 | 1,057 | 0 | 1,057 | 1,424 | 2,481 | -1,000 | 1,481 | 0 | 1,481 | 0 | 1,481 | Balance held in line with actuarial and insurance service advice. |
| Sub Total | | 5,215 | -200 | -755 | 4,260 | 0 | 4,260 | 1,888 | 6,148 | -1,800 | 4,348 | 0 | 4,348 | 0 | 4,348 | |
| Retained for Specific Initiatives and Major Schemes | | | | | | | | | | | | | | | | |
| Redundancy costs in schools | CYPS | 3,084 | -1,500 | -529 | 1,055 | 0 | 1,055 | -758 | 297 | -297 | 0 | 0 | 0 | 0 | 0 | To meet teachers redundancy costs in schools. |
| SEN | CYPS | 1,360 | 0 | -346 | 1,014 | 0 | 1,014 | -811 | 203 | -203 | 0 | 0 | 0 | 0 | 0 | Phased implementation of the SEN & Behaviour review. |
| Education for looked after children | CYPS | 87 | 0 | 0 | 87 | 0 | 87 | 0 | 87 | -40 | 47 | -47 | 0 | 0 | 0 | Provision of phased bursary support for looked after children attending higher education. |
| Learning Difficulties & Disabilities | CYPS | 395 | 0 | -264 | 131 | 0 | 131 | -63 | 68 | -68 | 0 | 0 | 0 | 0 | 0 | Phased implementation of the SEN-D (LDD) strategy required in line with the SEN Green Paper. |
| Adult Learning | CYPS | 799 | -500 | -164 | 135 | 0 | 135 | -135 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve to be fully utilised in 14/15. |
| CYPS Service Transformation | CYPS | 1,593 | -1,000 | -14 | 579 | -400 | 179 | -29 | 150 | -150 | 0 | 0 | 0 | 0 | 0 | To fund services whilst in transformation. |
| Transport | CYPS | 500 | 0 | -212 | 288 | 0 | 288 | -120 | 168 | -120 | 48 | 0 | 48 | 0 | 48 | Reserve funding phased to smooth the impact of the number of academic days impacting in financial years. |

SUMMARY OF BALANCES / RESERVES FROM 2013/14 (ACTUAL) TO 2017/18 (FORECAST)

| Details | Directorate | 2013/14 Actuals | | | | 2014/15 Forecast | | | | 2015/16 Forecast | | 2016/17 Forecast | | 2017/18 Forecast | | Comments |
|--|-------------|-------------------------------------|--|-----------------------------------|-------------------------------------|--|---|--|--|--|--|--|--|--|--|--|
| | | Actual 31 March 2013 £000s | Trans to GWB (Nov) 2013/14 | Other Move- ment 2013/14 | Actual 31 March 2014 £000s | Trans to GWB (Mar) 2014/15 £000s | Balance following Transfers 2014/15 £000s | Planned Move- ment 2014/15 £000s | Est. Balance 31 March 2015 £000s | Planned Move- ment 2015/16 £000s | Est. Balance 31 March 2016 £000s | Planned Move- ment 2016/17 £000s | Est. Balance 31 March 2017 £000s | Planned Move- ment 2017/18 £000s | Est. Balance 31 March 2018 £000s | |
| | | | | | | | | | | | | | | | | |
| CYPS Earmarked Projects | CYPS | 502 | 0 | -269 | 233 | 0 | 233 | -233 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve to be fully utilised in 14/15. |
| Special Projects | CYPS | 0 | 0 | 1,055 | 1,055 | 0 | 1,055 | -198 | 857 | -857 | 0 | 0 | 0 | 0 | 0 | Specific, earmarked allocations for Youth Justice, ICT resilience and CYPS priorities. |
| 2 Year Old Funding | CYPS | 257 | 0 | 0 | 257 | 0 | 257 | 0 | 257 | -257 | 0 | 0 | 0 | 0 | 0 | Trajectory funding front loaded - potentially needed in future years to fund place creation including option to convert to capital. |
| Music Service | CYPS | 430 | 0 | -14 | 416 | 0 | 416 | -218 | 198 | -198 | 0 | 0 | 0 | 0 | 0 | To fund the Music service whilst in transformation. |
| Winter Maintenance | BES | 2,142 | -2,142 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve transferred to GWB. |
| Local Development Framework | BES | 433 | -76 | -23 | 334 | 0 | 334 | -62 | 272 | -99 | 173 | -151 | 22 | | 22 | Reflects planned spend on Minerals & Waste Plan |
| BES Directorate Initiatives & Transformation | BES | 538 | 0 | 0 | 538 | -100 | 438 | -20 | 418 | 0 | 418 | -418 | 0 | 0 | 0 | Remaining £418k at 31/03/2015 relates to Skewkirk Bridge. |
| Swing Bridges | BES | 941 | 59 | 0 | 1,000 | -1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve transferred to GWB. |
| Proceeds of Crime Act | BES | 147 | 0 | 105 | 252 | 0 | 252 | 0 | 252 | -84 | 168 | -84 | 84 | -84 | 0 | Estimated profile of spend, plan to be finalised by 31/03/2015. |
| Mowthorpe Bridge | BES | 400 | 0 | -16 | 384 | 0 | 384 | -384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Forecast to be spent in full in 2014/15 on capital, however some risk of slippage of spend into 2015/16. |
| Highways Advance Payments | BES | 909 | -307 | 295 | 897 | 0 | 897 | 40 | 937 | 0 | 937 | 0 | 937 | 0 | 937 | Estimated profile of spend, plan to be finalised by 31/03/2015. |
| Flood Risk Management | BES | 522 | 0 | 78 | 600 | -100 | 500 | 551 | 1,051 | -500 | 551 | -150 | 401 | -150 | 251 | £500k to part fund £1.7m 6 year programme to be submitted to DEFRA (remaining £1.2m to be funded from base budget for that period). Linked to FM Strategy which is to be taken to scrutiny in Oct 2014 and Council in Feb 2015. £450k for capital programme in 15/16 as part of £1m investment. Forecast £151k transfer of underspend into reserve in 14/15. |
| Civil Parking Enforcement | BES | 3,114 | 0 | 847 | 3,961 | 0 | 3,961 | 144 | 4,105 | 145 | 4,250 | -350 | 3,900 | -350 | 3,550 | £1.65m for Harrogate Rail scheme, balance for A64 improvement scheme, which study is underway. |

SUMMARY OF BALANCES / RESERVES FROM 2013/14 (ACTUAL) TO 2017/18 (FORECAST)

| Details | Directorate | 2013/14 Actuals | | | | 2014/15 Forecast | | | | 2015/16 Forecast | | 2016/17 Forecast | | 2017/18 Forecast | | Comments |
|--|-------------|-------------------------------------|--|-----------------------------------|-------------------------------------|--|---|--|--|--|--|--|--|--|--|--|
| | | Actual 31 March 2013 £000s | Trans to GWB (Nov) 2013/14 | Other Move- ment 2013/14 | Actual 31 March 2014 £000s | Trans to GWB (Mar) 2014/15 £000s | Balance following Transfers 2014/15 £000s | Planned Move- ment 2014/15 £000s | Est. Balance 31 March 2015 £000s | Planned Move- ment 2015/16 £000s | Est. Balance 31 March 2016 £000s | Planned Move- ment 2016/17 £000s | Est. Balance 31 March 2017 £000s | Planned Move- ment 2017/18 £000s | Est. Balance 31 March 2018 £000s | |
| | | | | | | | | | | | | | | | | |
| BALB Capital Scheme | BES | 0 | 0 | 623 | 623 | 0 | 623 | 240 | 863 | 1,231 | 2,094 | -880 | 1,214 | -439 | 775 | Movements to match budgeted requirement in capital plan. |
| Leeming Depot Capital scheme | BES | 0 | 0 | 234 | 234 | 0 | 234 | -234 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | To be spent in full in 2014/15 on capital. |
| Catterick HWRC Capital scheme | BES | 0 | 0 | 435 | 435 | 0 | 435 | 0 | 435 | -2 | 433 | -433 | 0 | 0 | 0 | Movements to match budgeted requirement in capital plan. |
| Waste Langbaugh Responsive maintenance | BES | 0 | 0 | 230 | 230 | -230 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve transferred to GWB. |
| HWRC Maintenance | BES | 0 | 0 | 75 | 75 | 0 | 75 | -75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | To be spent in full 14/15 capital. |
| Definitive Maps TUPE Costs | BES | 0 | 0 | 40 | 40 | 0 | 40 | -40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Transferred to Skewkirk Bridge |
| Street Lighting | BES | 0 | 0 | 260 | 260 | 0 | 260 | -260 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | To be spent in full 14/15 capital. |
| Symology Project | BES | 0 | 0 | 70 | 70 | 0 | 70 | -15 | 55 | -55 | 0 | 0 | 0 | 0 | 0 | To be spent in full 14/15. |
| Insurance Reserve | Corp | 6,921 | -1,000 | 1,017 | 6,938 | 0 | 6,938 | 500 | 7,438 | 0 | 7,438 | 500 | 7,938 | 500 | 8,438 | Estimate balance of Self Insurance Fund net of provision for know claims. |
| Pickering Beck | Corp | 300 | 0 | 0 | 300 | 0 | 300 | -300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | To be spent in full 14/15 capital. |
| Pension Fund Deficit Contribution | Corp | 765 | 0 | -765 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve fully utilised in 13/14. |
| Superfast Broadband | Corp | 0 | 0 | 3,100 | 3,100 | 0 | 3,100 | -3,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve fully utilised in 14/15. |
| Redundancy Reserve | Corp | 1,307 | 0 | -595 | 712 | 0 | 712 | 3,788 | 4,500 | -1,000 | 3,500 | -1,000 | 2,500 | -1,000 | 1,500 | Reserve held to fund pension strain and redundancy costs relating to non-school and non-traded service restructures throughout the period of the North Yorkshire 2020 programme. An additional £5m was paid into the fund in 2014/15 following approval by Executive which was funded from the Pending Issues Provision (PIP). |
| Improvements to financial system | Corp | 0 | 0 | 491 | 491 | 0 | 491 | -457 | 34 | -34 | 0 | 0 | 0 | 0 | 0 | Project reserve funded from current and prior year under-spends in financial services. |
| Elections | Corp | 713 | 0 | -700 | 13 | -13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Will fully fund the cost of elections through the MTFS in future therefore reserve surrendered to GWB. |
| SDT / Directorate Refresh | CS | 2,743 | 0 | 92 | 2,835 | 0 | 2,835 | -1,545 | 1,290 | -1,290 | 0 | 0 | 0 | 0 | 0 | This fund is to support IT refresh. Plans are under review, any sum not required can be surrendered to GWB. |

SUMMARY OF BALANCES / RESERVES FROM 2013/14 (ACTUAL) TO 2017/18 (FORECAST)

| Details | Directorate | 2013/14 Actuals | | | | 2014/15 Forecast | | | | 2015/16 Forecast | | 2016/17 Forecast | | 2017/18 Forecast | | Comments |
|---|-------------|-------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|--|---|--|--|--|--|--|--|--|--|---|
| | | Actual 31 March 2013 £000s | Trans to GWB (Nov) 2013/14 | Other Move- ment 2013/14 | Actual 31 March 2014 £000s | Trans to GWB (Mar) 2014/15 £000s | Balance following Transfers 2014/15 £000s | Planned Move- ment 2014/15 £000s | Est. Balance 31 March 2015 £000s | Planned Move- ment 2015/16 £000s | Est. Balance 31 March 2016 £000s | Planned Move- ment 2016/17 £000s | Est. Balance 31 March 2017 £000s | Planned Move- ment 2017/18 £000s | Est. Balance 31 March 2018 £000s | |
| T&C Strategy and Infrastructure | CS | (1) 2,563 | (2) 0 | (3) 972 | (4) 3,535 | (5) 0 | (6) 3,535 | (7) -208 | (8) 3,327 | (9) -1,528 | (10) 1,799 | (11) -689 | (12) 1,110 | (13) -755 | (14) 355 | This fund is to support the T & C strategy and agrees to the strategy plan |
| Contractors | CS | 324 | -300 | -12 | 12 | -12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve transferred to GWB. |
| Dilapidations / Farm Comp Claims | CS | 386 | -386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve transferred to GWB. |
| Corp Property Rental | CS | 102 | -102 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve transferred to GWB. |
| 2020 Property Projects | CS | 0 | 0 | 840 | 840 | 0 | 840 | 0 | 840 | 0 | 840 | -420 | 420 | -420 | 0 | To be utilised for property related projects supporting 2020 North Yorkshire programme. |
| Policy, Partnerships & Performance | CS | 0 | 0 | 571 | 571 | 0 | 571 | -531 | 40 | -13 | 27 | -13 | 14 | -14 | 0 | The reserve will fund the Stronger Communities initiative (£518k) and also the Complaints and Commendations system (£53k) |
| Legal Services | CS | 0 | 0 | 100 | 100 | -100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve was to cover potential temporary staffing for increased demand in 14/15. Any year end overspend will be funded directly from the GWB. |
| Democratic Services | CS | 0 | 0 | 60 | 60 | 0 | 60 | -60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve was used during 14/15 to fund new audio system in council chamber. |
| BSS | CS | 0 | 0 | 153 | 153 | 0 | 153 | -77 | 76 | -76 | 0 | 0 | 0 | 0 | 0 | Expect to utilise across 2014/15 & 2015/16. |
| HR | CS | 0 | 0 | 144 | 144 | 0 | 144 | -72 | 72 | -72 | 0 | 0 | 0 | 0 | 0 | Expect to utilise across 2014/15 & 2015/16. |
| Print Unit (NB now known as Document Management Centre and classified under BSS) | CS | 163 | 0 | -19 | 144 | -44 | 100 | -100 | 0 | | 0 | | 0 | | 0 | £44k transferred to GWB, remaining £100k forecast to be spent in 2014/15. |
| Supporting People Initiative | HAS | 1,567 | 0 | 814 | 2,381 | -1,381 | 1,000 | 0 | 1,000 | -500 | 500 | -500 | 0 | 0 | 0 | Retained balance to support introduction of budget savings. |
| Sub Total | | 36,007 | -7,254 | 8,759 | 37,512 | -3,380 | 34,132 | -4,842 | 29,290 | -6,067 | 23,223 | -4,635 | 18,588 | -2,712 | 15,876 | |

SUMMARY OF BALANCES / RESERVES FROM 2013/14 (ACTUAL) TO 2017/18 (FORECAST)

| Details | Direct- orate | 2013/14 Actuals | | | | 2014/15 Forecast | | | | 2015/16 Forecast | | 2016/17 Forecast | | 2017/18 Forecast | | Comments |
|---|------------------|-------------------------------------|--|-----------------------------------|-------------------------------------|--|--|---|--|--|--|--|--|--|--|---|
| | | Actual 31 March 2013 £000s | Trans to GWB (Nov) 2013/14 | Other Move- ment 2013/14 | Actual 31 March 2014 £000s | Trans to GWB (Mar) 2014/15 £000s | Revised Balance following Transfers 2014/15 £000s | Other Planned Move- ment 2014/15 £000s | Est. Balance 31 March 2015 £000s | Planned Move- ment 2015/16 £000s | Est. Balance 31 March 2016 £000s | Planned Move- ment 2016/17 £000s | Est. Balance 31 March 2017 £000s | Planned Move- ment 2017/18 £000s | Est. Balance 31 March 2018 £000s | |
| | | | | | | | | | | | | | | | | |
| Revenue Income Reserve (mainly grants and contributions) | | | | | | | | | | | | | | | | |
| CYPS Grants Miscellaneous | CYPS | 1,758 | 0 | 1,739 | 3,497 | 0 | 3,497 | 786 | 4,283 | -1,641 | 2,642 | -1,279 | 1,363 | -833 | 530 | Non-recurring grant funding supporting directorate initiatives. |
| Economic Development Grants | BES | 411 | -300 | 230 | 341 | 0 | 341 | 0 | 341 | -114 | 227 | -114 | 113 | -113 | 0 | Estimated profile of spend, plan to be finalised by 31/03/2015. |
| Severe Weather Damage Fund | BES | 0 | 0 | 2,041 | 2,041 | 0 | 2,041 | -2,041 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | To be spent in full in 2014/15 on capital. |
| Local Enterprise Partnership Activities | BES | 563 | 0 | -94 | 469 | 0 | 469 | -200 | 269 | -90 | 179 | -90 | 89 | -89 | 0 | £200k committed this month and will be spent by year end. Remaining balance will be used to develop future priorities estimated at £90k per annum. |
| Community Support Grant | BES | 832 | 0 | 0 | 832 | 0 | 832 | 150 | 982 | -600 | 382 | -125 | 257 | -125 | 132 | Community Transport Grant, with £150k forecast contribution from unallocated IPT community transport budget in 2014/15. |
| Business & Environmental Services - Other | BES | 344 | 0 | 80 | 424 | 0 | 424 | -181 | 243 | -134 | 109 | -55 | 54 | -54 | 0 | Travel awareness, Road Safety, Catterick HWRC & Trading Standards. |
| Policy, Partnership and Performance | CS | 20 | 0 | 176 | 196 | 0 | 196 | 136 | 332 | -15 | 317 | 0 | 317 | 0 | 317 | £332k at 31.03.15 - £277k Local Health Watch (£136k from 13/14 + £141k in 14/15); £47k Preventing Violent Extremism is ring-fenced funding to the 'Prevent' partnership to provide training on this area-programme is in place; £8k Domestic Homicide Review - ring-fenced funding for the Safer Communities partnership to investigate whenever a murder is connected to a domestic abuser - as and when required. |
| Democratic Services | CS | 214 | 0 | -214 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve fully utilised 13/14. |
| LDDF | HAS | 232 | -232 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Reserve fully utilised 13/14. |
| Social Care Reform Grant | HAS | 1,508 | 0 | 0 | 1,508 | -1,508 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Whole balance transferred to GWB. |
| Health Funding Reserve | HAS | 13,791 | 0 | -587 | 13,204 | 0 | 13,204 | -12,337 | 867 | -500 | 367 | -367 | 0 | 0 | 0 | Main balance now forming part of the Better Care Fund pooled budget. |
| Public Health Reserve | HAS | 79 | 0 | 4,630 | 4,709 | 0 | 4,709 | 3,899 | 8,608 | -1,195 | 7,413 | -1,330 | 6,083 | -1,202 | 4,881 | Any budget underspend is required to be held in a specific public health reserve. |

SUMMARY OF BALANCES / RESERVES FROM 2013/14 (ACTUAL) TO 2017/18 (FORECAST)

| Details | Direct- orate | 2013/14 Actuals | | | | 2014/15 Forecast | | | | 2015/16 Forecast | | 2016/17 Forecast | | 2017/18 Forecast | | Comments |
|---------------------------------|------------------|-------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|--|---|--|--|--|--|--|--|--|--|---|
| | | Actual 31 March 2013 £000s | Trans to GWB (Nov) 2013/14 | Other Move- ment 2013/14 | Actual 31 March 2014 £000s | Trans to GWB (Mar) 2014/15 £000s | Balance following Transfers 2014/15 £000s | Planned Move- ment 2014/15 £000s | Est. Balance 31 March 2015 £000s | Planned Move- ment 2015/16 £000s | Est. Balance 31 March 2016 £000s | Planned Move- ment 2016/17 £000s | Est. Balance 31 March 2017 £000s | Planned Move- ment 2017/18 £000s | Est. Balance 31 March 2018 £000s | |
| LAA Performance Reward Grant | Corp | (1) 3,023 | (2) 0 | (3) -1,119 | (4) 1,904 | (5) 0 | (6) 1,904 | (7) -750 | (8) 1,154 | (9) -801 | (10) 353 | (11) -353 | (12) 0 | (13) 0 | (14) 0 | Funding has been allocated to various projects both within NYCC and with external Partners. |
| Sub Total | | 22,775 | -532 | 6,882 | 29,125 | -1,508 | 27,617 | -10,538 | 17,079 | -5,090 | 11,989 | -3,713 | 8,276 | -2,416 | 5,860 | |
| Total Earmarked Reserves | | 101,252 | -7,986 | 19,881 | 113,147 | -5,004 | 108,143 | -16,411 | 91,732 | -19,957 | 71,775 | -10,348 | 61,427 | -7,128 | 54,299 | |
| TOTAL RESERVES | | 157,854 | 0 | 33,784 | 191,638 | 0 | 191,638 | -13,991 | 177,647 | -42,159 | 135,488 | -7,170 | 128,318 | -10,083 | 118,235 | |

MTFS & REVENUE BUDGET 2015/16

PROJECTION of GENERAL WORKING BALANCE

| MTFS TO 2019/20 | General Working Balance £000s | % age of net revenue budget % | Target to achieve 2% of net revenue budget + £20m | | Excess of target £000s |
|---|----------------------------------|----------------------------------|---|---------------|---------------------------|
| | | | £000s | % | |
| Balances at 31 March 2014 | | | | | |
| Actual Balances 31 March 2014 | 78,491 | | 7,489 | 2% | |
| - Directorate savings in 2013/14 carried forward to 2014/15 = free balances at 31 March 2014 | -25,058 | | 20,000 | £20m | |
| | 53,433 | 14.3 | 27,489 | 2.0 | 25,944 |
| 2014/15 (based on Q2 to 30 September 2014) | | | | | |
| Contribution required to budget 2014/15 | -1,322 | | | | |
| Investments agreed at Q1 | -427 | | | | |
| Directorate savings proposed to be added to the GWB | 3,284 | | | | |
| Corporate Miscellaneous savings to be added to the GWB | 4,747 | | | | |
| sub total reported at Q2 to 30 September 2014 | 59,715 | | 7,460 | 2% | |
| Release of earmarked reserves into GWB | 5,004 | | 20,000 | £20m | |
| = forecast at 31 March 2015 | 64,719 | 17.4 | 27,460 | target | 37,259 |
| 2015/16 (budget) (net contribution of £1,006k required) | | | | | |
| Contribution from budget (surplus) | 7,171 | | | | |
| Q1 investments 2014/15 | -7,677 | | 7,270 | 2% | |
| Q2 investments 2014/15 | -500 | | 20,000 | £20m | |
| = forecast at 31 March 2016 | 63,713 | 17.5 | 27,270 | target | 36,443 |
| 2016/17 (MTFS) (net contribution of £3,178k to GWB) | | | | | |
| Contribution from budget (MTFS surplus) | 5,358 * | | 7,177 | 2% | |
| Q1 investments 2014/15 | -2,180 | | 20,000 | £20m | |
| = forecast at 31 March 2017 | 66,891 | 18.6 | 27,177 | target | 39,714 |
| 2017/18 (MTFS) (net contribution of £2,955k from GWB) | | | | | |
| Contribution to budget (MTFS shortfall) | -955 * | | 7,109 | 2% | |
| Q1 investments 2014/15 | -2,000 | | 20,000 | £20m | |
| = forecast at 31 March 2018 | 63,936 | 18.0 | 27,109 | target | 36,828 |
| 2018/19 MTFS (net contribution of £6,541k from GWB) | | | | | |
| Contribution to budget (MTFS shortfall) | -4,541 * | | 7,044 | 2% | |
| Q1 investments 2014/15 | -2,000 | | 20,000 | £20m | |
| = forecast at 31 March 2019 | 57,395 | 16.3 | 27,044 | target | 30,351 |
| 2019/20 MTFS (net contribution of £16,231k from GWB) | | | | | |
| Contribution to budget (MTFS shortfall) | -14,231 * | | 7,007 | 2% | |
| Q1 investments 2014/15 | -2,000 | | 20,000 | £20m | |
| = forecast at 31 March 2020 | 41,164 | 11.7 | 27,007 | target | 14,157 |

* Based on latest forecast MTFS shortfalls without any further savings being identified

Budget requirement figures (5/2/15)

| | | |
|---------|---------|----------------------------|
| 2013/14 | 374,464 | actual |
| 2014/15 | 372,999 | actual |
| 2015/16 | 363,511 | based on 1.99% CT increase |
| 2016/17 | 358,854 | based on 1.99% CT increase |
| 2017/18 | 355,425 | based on 1.99% CT increase |
| 2018/19 | 352,192 | based on 1.99% CT increase |
| 2019/20 | 350,358 | based on 1.99% CT increase |

05-Feb-15