



# **QUARTERLY MEETING**

**20 July, 2016**

**Summons, Agenda, Minutes  
and Reports**

## QUESTIONS

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

### 2.4 REPORTS, STATEMENTS AND QUESTIONS

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

### 10. QUESTIONS BY MEMBERS

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

#### Order of questions

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



## NORTH YORKSHIRE COUNTY COUNCIL

You are hereby summoned to attend the Meeting of the County Council to be held at County Hall, Northallerton, on **Wednesday, 20 July 2016 at 10.30 am**, at which time the business listed below will be transacted.

Recording is allowed at County Council, committee and sub-committee meetings which are open to the public, please give due regard to the Council's protocol on audio/visual recording and photography at public meetings, a copy of which is available to download below. Anyone wishing to record is asked to contact, prior to the start of the meeting, the Assistant Chief Executive (Legal and Democratic Services) whose details are shown at item 4 of this Agenda. We ask that any recording is clearly visible to anyone at the meeting and that it is non-disruptive. <http://democracy.northyorks.gov.uk>

### BUSINESS

1. To move that the **Minutes of the meeting of the County Council held on 18 May 2016** having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

(Pages 6 to 18)

2. **Chairman's Announcements** - Any correspondence, communication or other business brought forward by the direction of the Chairman of the Council.

3. **A Statement by the Leader of the Council**

(Pages 19 to 20)

4. **Public Questions or Statements**

Members of the public may ask questions or make statements at this meeting if they have given notice and forwarded the text to Barry Khan, Assistant Chief Executive (Legal and Democratic Services) – email: [barry.khan@northyorks.gov.uk](mailto:barry.khan@northyorks.gov.uk)) or in writing to Barry Khan, Assistant Chief Executive (Legal and Democratic Services), County Hall, Northallerton DL7 8AD by **midday on Friday, 15 July 2016**, three working days before the day of the meeting. Each speaker should limit themselves to 3 minutes on any item.

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

5. To consider the **report and recommendations of the Executive** and make decisions on them.

**Executive Report only (Pages 21 to 25)**

- Revenue Budget 2015/16 – Outturn (Pages 26 to 46)
- Capital Expenditure Outturn and Financing 2015/2016 (Pages 47 to 55)
- Four Year Settlement (Pages 56 to 65)
- Corporate Tax Evasion (Pages 66 to 71)
  
- Appointments to Committees and Outside Bodies (Pages 23 to 25)

6. **Statements of Executive Members**, in the order set out below, **followed by Statements by the Chairmen of the Overview and Scrutiny Committees**

**Executive Members:**

**(Pages 72 to 91)**

- (a) Children and Young People’s Services with responsibility for foster and adoption, children’s social care and prevention (Portfolio holder: Janet Sanderson)
- (b) Highways, road safety, access to the countryside (including Broadband, mobile phone coverage) public transport (Portfolio holder: County Councillor Don Mackenzie)
- (c) Waste Services, Library and Information Services, economic development, rail strategy, trading standards (Portfolio holder: County Councillor Chris Metcalfe).
- (d) Central services specifically Finance and HR issues (Portfolio holder: County Councillor Gareth Dadd).
- (e) Children and Young People’s Services responsibilities for schools and early years. (Portfolio holder: County Councillor Arthur Barker).
- (f) Adult social care and health integration (Portfolio holder: Clare Wood)
- (g) Stronger communities, public health, Legal and Democratic Services and the role of area committees. (Portfolio holder: County Councillor David Chance).

**Overview and Scrutiny Committee Chairmen:**

**(Pages 93 to 104)**

- (h) Scrutiny Board (Chairman: County Councillor Elizabeth Casling).
- (i) Care and Independence Overview and Scrutiny Committee (Chairman: County Councillor Patrick Mulligan).
- (j) Corporate and Partnerships Overview and Scrutiny Committee (Chairman: County Councillor Derek Bastiman).
- (k) Transport, Economy and Environment Overview and Scrutiny Committee (Chairman: County Councillor Andrew Backhouse).
- (l) Scrutiny of Health Committee (Chairman: County Councillor Jim Clark).

- (m) Young People Overview and Scrutiny Committee (Chairman: County Councillor Janet Jefferson).

Members of the Council may, without notice, ask the Member who made the statement questions arising from matters raised in that statement or may ask any questions on matters in that portfolio not mentioned in the statement, but **unless notice has been given by 10 am on 19 July 2016**, the person to whom the question has been put may respond in writing, and this is then circulated to all Members.

**7. Council Procedure Rule 10 Questions**

RICHARD FLINTON  
Chief Executive Officer

County Hall,  
NORTHALLERTON  
12 July 2016

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



## NORTH YORKSHIRE COUNTY COUNCIL

Minutes of the Annual Meeting of the County Council held at County Hall, Northallerton on 18 May 2016 at 10.30am.

### **Present:-**

County Councillor David Jeffels in the Chair.

County Councillors Val Arnold, Margaret Atkinson, Andrew Backhouse, Robert Baker, Arthur Barker, Derek Bastiman, Bernard Bateman MBE, David Billing, John Blackburn, John Blackie, David Blades, Eric Broadbent, Lindsay Burr, Jean Butterfield, Liz Casling, David Chance, Jim Clark, John Clark, Sam Cross, Gareth Dadd, Margaret-Ann de Courcey-Bayley, John Ennis, John Fort BEM, Andrew Goss, Helen Grant, Bryn Griffiths, Michael Harrison, Roger Harrison-Topham, Michael Heseltine, Robert Heseltine, Peter Horton, Bill Houlton, David Ireton, Janet Jefferson, Mike Jordan, Andrew Lee, Carl Les, Cliff Lunn, Don Mackenzie, Penny Marsden, Brian Marshall, John McCartney, Chris Metcalfe, Heather Moorhouse, Robert Packman, Stuart Parsons, Caroline Patmore, Chris Pearson, Joe Plant, Tony Randerson, John Ritchie, Janet Sanderson, John Savage, Elizabeth Shields, David Simister, Andy Solloway, Peter Sowray, Tim Swales, Helen Swiers, Cliff Trotter, John Weighell OBE, Richard Welch, Robert Windass and Clare Wood.

### **Election of Chairman**

It was moved by County Councillor John Fort BEM and seconded by County Councillor Cliff Lunn that County Councillor Val Arnold be elected as Chairman of the County Council to serve until the Annual Meeting of the Council in 2017.

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

### **Resolved -**

**113.** That County Councillor Val Arnold is elected as Chairman of the County Council, to serve until the Annual Meeting of the Council in 2017.

County Councillor Val Arnold then made her declaration of acceptance of the office of Chairman of the County Council.

---

**County Councillor Val Arnold in the Chair**

---

The Chairman thanked the Council for her election and it was then moved by her and seconded by County Councillor Carl Les:-

“That this Council places on record its appreciation of the exceptional service rendered to it by County Councillor David Jeffels as Vice-Chairman of the County Council from 2014 to 2015 and as Chairman of the County Council from 2015 to 2016 and also places on record its thanks to Marilyn for the unfailing support which she has given the Chairman during his terms of office.”

Leaders of other political groups spoke in support.

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

**Resolved –**

**114.** That this Council places on record its appreciation of the exceptional service rendered to it by County Councillor David Jeffels as Vice-Chairman of the County Council from 2014 to 2015 and as Chairman of the County Council from 2015 to 2016 and also places on record its thanks to Marilyn for the unfailing support which she has given the Chairman during his terms of office.

The Chairman presented a past Chairman’s badge to County Councillor David Jeffels.

County Councillor David Jeffels responded.

**Minutes**

It was moved and seconded that the Minutes of the meeting of the County Council held on Wednesday, 24 February 2016, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record.

**The vote was taken and, on a show of hands, the motion was declared carried with none against and no abstentions.**

**Resolved -**

**115.** That the Minutes of the meeting of the County Council held on Wednesday, 24 February 2016, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record.

### **Appointment of Vice-Chairman**

It was moved by County Councillor David Jeffels and seconded by County Councillor Michael Heseltine that County Councillor Helen Swiers be appointed as Vice-Chairman of the County Council, to serve until the Annual Meeting of the Council in 2017.

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

#### **Resolved –**

**116.** That County Councillor Helen Swiers is appointed as Vice-Chairman of the County Council, to serve until the Annual Meeting of the Council in 2017.

County Councillor Helen Swiers then made her declaration of acceptance of the office of Vice-Chairman of the County Council and thanked the Council for her appointment.

### **Chairman's Announcements**

The Chairman noted the apologies for absence received from County Councillors Philip Barrett, Richard Cooper, Anne Jones, Patrick Mulligan, Shelagh Marshall OBE and Steve Shaw-Wright. He welcomed Honorary Alderman Michael Knaggs to the meeting.

He formally announced the recent deaths of Tony Hall, who served as a County Councillor from 2005 to 23 March 2016 representing the Northallerton Division, and Peter Brown, who served as a County Councillor from 1997 to 2007 representing the Romanby and Broomfield Division. Members stood in silence to their memory.

### **Statement by the Leader of the Council**

County Councillor Carl Les made a statement, under Council Procedure Rule 2.3, as Leader of the Council, a summary of the key points of which had previously been circulated and which appear in the Minute Book (pages 8215 to 8216). County Councillor Carl Les then responded to various questions.

### **Public Questions or Statements**

No notice had been received of questions or statements from members of the public.



**Report of the Executive  
Appointments to Committees and Outside Bodies**

The recommendations in paragraph 1 of the report (pages 8217 to 8220) were moved and seconded. Political groups' nominations were reported verbally and were moved and seconded.

**The vote was taken and, on a show of hands, the motion was declared carried, with none against and no abstentions.**

**Resolved –**

**117.** That County Council approves the following:

- (a) That, to reflect changes to political balance as a consequence of the Liberal Democrat Group reducing by one Member and the North Yorkshire Independent Group increasing by one Member:-
  - (i) The Liberal Democrat Group's seat on Audit Committee is re-allocated to the North Yorkshire Independent Group.
  - (ii) The North Yorkshire Independent Group is allocated a second Overview and Scrutiny Committee Vice-Chairmanship which, following consultation with the Labour Group, is the Vice-Chairmanship of the Corporate and Partnerships Overview and Scrutiny Committee.
  - (iii) The Liberal Democrat Group's seat on the North York Moors National Park Authority is re-allocated to the North Yorkshire Independent Group although, following consultation between the Labour and North Yorkshire Independent Groups, the North Yorkshire Independent's seat on the North York Moors National Park Authority is further re-allocated to the Labour Group and the Labour Group's seat on the Yorkshire Dales National Park Authority is re-allocated to the North Yorkshire Independent Group.
- (b) That County Councillor John Blackie (NY Ind) is appointed to replace County Councillor Bill Hoults (Lib Dem) on the Audit Committee.
- (c) That County Councillor Bill Hoults (Lib Dem) is appointed to the Liberal Democrat seat on the Transport, Economy and Environment Overview and Scrutiny Committee, thereby replacing County Councillor Andrew Goss.
- (d) That County Councillor Bryn Griffiths is appointed to replace County Councillor Bill Hoults as the first-named Liberal Democrat Substitute on the Transport, Economy and Environment Overview and Scrutiny Committee.
- (e) That County Councillor Andrew Goss (NY Ind) is appointed to replace County Councillor Stuart Parsons (NY Ind) on the Corporate and Partnerships Overview and Scrutiny Committee.
- (f) That County Councillor Andrew Goss (NY Ind) is appointed Vice-Chairman of the Corporate and Partnerships Overview and Scrutiny Committee.
- (g) That County Councillor John Weighell OBE (Con) is appointed to replace County Councillor Richard Cooper (Con) on the Chief Officer Appointments and Disciplinary Committee.

- (h) That County Councillor Stuart Parsons (NY Ind) is appointed to replace County Councillor John Ritchie (Lab) on the Yorkshire Dales National Park Authority.
- (i) That County Councillor John Ritchie (Lab) is appointed to replace County Councillor Bryn Griffiths (Lib Dem) on the North York Moors National Park Authority.
- (j) That County Councillor David Chance (Con) is appointed to the current vacancy on the North Eastern Inshore Fisheries and Conservation Authority.

### **Members' Allowances Scheme**

The recommendation in paragraph 4 of the report of the Independent Remuneration Panel (pages 8221 to 8232) was moved and seconded. The Leader advised that Mrs Denise Wilson (Chairman of the Panel) would be retiring from the Panel during 2016 and expressed his thanks to her for her contribution to the work of the Panel.

**The vote was taken and, on a show of hands, the motion was declared carried, with none against and no abstentions.**

**Resolved –**

**118.** That the County Council notes the report.

### **Statements of Executive Members and Chairmen of Overview and Scrutiny Committees**

County Councillor David Chance, the Executive Member for Stronger Communities, public health, Legal and Democratic Services and the role of area committees made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 8233 – 8238), and responded to questions.

County Councillor Janet Sanderson, the Executive Member for Children and Young People's Services with responsibility for fostering and adoption, children's social care and prevention made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 8239 - 8240), and responded to questions.

County Councillor Don Mackenzie, the Executive Member for Highways, road safety, access to the countryside (including Broadband, mobile phone coverage) and public transport made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 8241 – 8242), and responded to questions

County Councillor Chris Metcalfe, the Executive Member for Waste Services, Library and Information Services, economic development, rail strategy and trading standards, made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 8243 - 8248), and responded to questions.

County Councillor Gareth Dadd, the Executive Member for Central Services, specifically Finance and HR issues, made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 8249 - 8250), and responded to questions.

County Councillor Arthur Barker, the Executive Member for Children and Young People's Services with responsibility for schools and early years made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 8251 - 8252), and responded to questions.

County Councillor Clare Wood, the Executive Member for adult social care and health integration made a statement, a summary of the key points of which had previously been circulated and which appears in the Minute Book (pages 8253 - 8254), and responded to questions.

The written statements of the Chairmen of the Scrutiny Board and the Overview and Scrutiny Committees (pages 8255 - 8272), having previously been circulated, were noted.

### **Council Procedure Rule 10 Questions**

There were no Council Procedure Rule 10 questions.

### **Motion – Proposal in White Paper “Educational Excellence Everywhere” requiring all Schools to adopt academy status by 2022**

County Councillor John Ritchie moved and County Councillor Tony Randerson seconded the motion set out below. The motion incorporated all the amendments suggested, in a paper (page 8273) circulated at the meeting, by County Councillor Arthur Barker (Executive Member for Children and Young People's Services with responsibility for schools and early years) and County Councillor Janet Sanderson (Executive Member for Children and Young People's Services with responsibility for fostering and adoption, children's social care).

"North Yorkshire County Council thanks the Secretary of State for Education for reconsidering proposals outlined in the White Paper “Educational Excellence Everywhere” requiring all Schools to adopt academy status by 2022.

The council welcomes the announcement of extra support and protection provided to small rural schools. This council strongly believes that Local Authorities have a key role to play in improving standards, providing support services, promoting “Educational Excellence Everywhere” and “Closing the Gap” in Educational achievement, particularly in our more social and economically deprived communities.

This council is fully committed to the aspiration of “Educational Excellent Everywhere” but it considers that schools which are good or outstanding should either have the choice of becoming academies or remaining as local authority maintained schools.”

**The vote was taken and, on a show of hands, the motion was declared carried with none against and two abstentions.**

Meeting closed 12.35pm.



***This page is intentionally blank***

***This page is intentionally blank***



***This page is intentionally blank***

***This page is intentionally blank***



***This page is intentionally blank***



***This page is intentionally blank***



***This page is intentionally blank***

## North Yorkshire County Council Meeting Wednesday, 20 July 2016 at 10.30am

### Leader`s Statement

#### New Member

I am delighted to welcome Caroline Dickinson to the seat representing Northallerton and with her experience I am sure she will represent all of the residents of Northallerton very well.

#### Brexit

Following the Referendum decision we are living in very changing times. I am conscious that in writing this statement to meet our publishing deadline, it may well be out of date by the Council meeting.

We may have a new Leader of the Opposition in Westminster, or we may not.

We know that we will have a new Prime Minister by the autumn, but it may be sooner. Whoever that is and whenever, they may have new priorities and policies.

One certainty is that negotiations will have to start to exit the EU, whilst arriving at the best trade deal we can achieve.

There may be a new top team, and will they continue on the present course? I am anxious to make sure that they continue to get the value of local government, they get the importance of "The North", they continue to offer the devolution of powers from Whitehall, and they recognise the challenge of delivering services in rural and sparse populations.

Already the present Chancellor has recast his long-term economic plan to reflect any uncertainty that exists. Gareth will report in his statement on the financial preparations we are making to meet that potential uncertainty in the economy.

Specifically for NYCC, presently we benefit from EU funding into the County, notably in our case for completing our broadband roll-out. This funding needs to be sustained. Our supply chains depend on EU derived labour to provide resources for social health care.

#### Health Provision

At the last Council meeting Cllr Blackie raised the issue of a review of health care provision north of our boundary. I am pleased to report that following a meeting I have had with the Leader of Darlington Borough Council, we have agreed to set up a joint Scrutiny of Health Committee to consider this review. We will also be making strong representations to the review about the potential impact on our residents in Richmondshire and north Hambleton.

Page 2

## Local Enterprise Partnership

At the AGM of the LEP on Friday 8<sup>th</sup> July, looking at the annual report I was struck by how successful our LEP is, especially compared to others. Business and LA`s do work together well in North Yorkshire (and the other parts of the LEP geography, but this meeting today is about North Yorkshire), especially through the LEP. I am very pleased to represent this Council on the LEP board and I have arranged for the annual report to be circulated to all Members. The focus of the LEP now is on helping business prepare for the challenges and opportunities that will emerge in such a period of change.

County Council Carl Les  
12 July 2016

## The Report of the Executive

The Executive met on Tuesday, 24 May 2016 commencing at 11.00am County Councillor Carl Les in the Chair. County Councillors David Chance, Gareth Dadd, Don Mackenzie, Chris Metcalfe, Janet Sanderson and Clare Wood.

Also in attendance: two members of the public and one media representative.

The Executive met on Tuesday, 14 June 2016 commencing at 11.00 am. County Councillor Carl Les in the Chair. County Councillors Arthur Barker, David Chance, Gareth Dadd, Don Mackenzie, Chris Metcalfe and Clare Wood.

Also in attendance: County Councillors Andrew Backhouse, Liz Casling, Jim Clark, John Clark, Janet Jefferson, Mike Jordan, Shelagh Marshall and Patrick Mulligan

The Executive met on Tuesday, 5 July 2016 commencing at 11.00 am. County Councillors present: County Councillor Gareth Dadd in the Chair. County Councillors Arthur Barker, David Chance, Don Mackenzie, Janet Sanderson and Clare Wood.

Also in attendance: Two BBC documentary film makers.

**1. Revenue Budget 2015/16 – Outturn:** During the Performance Monitoring Meeting – Quarter 4 held 14 June 2016, the Executive considered the Revenue Budget 2015/16 outturn report noting that there is an overall net saving of £4.104m against operational budgets for 2015/16 (see **paragraphs 4.3.1 to 4.3.2** of the report which is attached at Annex 1, pages 26 to 28).

There are a number of ‘one-off’ variances which together total a saving of £4.104m including:

- £997k net early achievement of Budget/MTFS and 2020 North Yorkshire savings. This includes £1,640k early achievement of savings offset by £302k savings that have previously been agreed to be re-profiled by Executive and a further £346k savings that won't be achieved in 2015/16;
- £14k additional income from business rates income/relief grants;
- £827k additional costs due to flooding;
- and, £3,435k from other one-off windfalls and savings across all directorates and corporate budgets, net of overspends and investment in services. This includes £1,685k remaining from the HAS demographic growth contingency held centrally.

A further £484k of business rates pooling surplus is earmarked for spending on BES development initiatives in future years (**paragraph 4.3.1**, pages 26 to 27).

A breakdown of each directorate's forecast variance is provided in **Appendices B to F** (pages 38 to 44) with the financial position of SmartSolutions set out in **Appendix G** (page 45)

The PIP budget for 2015/16 totals £24.4m of which £4.4m is earmarked. Of this earmarked funding £4.3m has been re-phased into later years (**paragraph 4.4.4** pages 28 to 29). Going forward unallocated PIP funding has been transferred to earmarked reserves and therefore this is the final time that commentary on PIP will be provided in Q reports (**paragraph 4.4.3** page 28).

Savings targets reflected in Directorate's 2015/16 budgets total £23.4m (**paragraph 4.5.1** (page 26).

The unallocated GWB (excluding PIP funding) is £27.3m as at 31 March 2016 in line with the policy target set out in the MTFS and Budget Report presented to County Council in February 2016 (comparative figure is £69.0m under the 'old' GWB policy) (**paragraphs 4.6.3 to 4.6.6** (pages 31 to 32) **and Appendix H** (page 46)).

County Council approval is required to authorise the proposed carry forward of £484k earmarked for BES development initiatives, and therefore

**The Executive RECOMMENDS:**

That County Council approve the proposed carry forward of £484k earmarked for BES development initiatives, as set out at **paragraph 4.3.1**, pages 26 to 27.

**2. Capital Expenditure outturn and Financing 2015/16:** During the Performance Monitoring Meeting – Quarter 4 held 14 June 2016, the Executive considered the Capital Expenditure outturn and Financing 2015/16 report (this is attached at Annex 2, pages 47 to 55)

It was noted that:

- Gross Capital spend of £112.8m was £1.6m below the last Capital Plan update of £114.4m in February 2016 and £5.0m below the Original Plan in February 2015. After accounting for £2.6m less capital income however there was a net capital overspend of £1.0m. Allowing for corporate capital plan variations of £2.0m, an adjusted net underspend of £1.0m is being requested for carry over into 2016/17. (**Paragraphs 5.3 to 5.12**, pages 47 to 49).
- Financing of the Capital spend (paragraph 5.13 (page 50) **and** Appendix F (page 55)) included £7.4m capital receipts (paragraph 5.18 (page 51)) resulting from the sale of land and property (of which £3.2m was from County Farms). After utilising other capital income (grants, contributions and revenue contributions), the balancing figure of £0.4m was funded from internal borrowing which has the impact of running down investments (paragraph 5.16 (pages 50 to 51)).
- After the earmarking of £7.5m for future primary school places, there are £4.8m potential surplus capital resources up to 2018/19 achieved mainly from capital receipts (of which £2.4m is in hand at 31 March 2016) (paragraph 5.25 (page 52)). This could be used to fund capital expenditure or to reduce the Council's outstanding debt.

County Council approval is required to authorise the proposed carry forward of the net capital underspend totalling £954k.

**The Executive RECOMMENDS:**

That County Council approve the proposed carry forward from 2015/16 of the net capital underspend totalling £954k as set out in **paragraph 5.10**, page 48.

**3. Four Year Settlement:** At the meeting held 5 July 2016, the Executive received an update on correspondence from the Department of Communities and Local Government on 21 March setting out their offer of a multi-year finance settlement, covering:

- the Revenue Support Grant;
- Rural Services Delivery Grant;
- and Transitional Grant.

The report highlighted the impact of the recent EU referendum and as the implications for local government finance are unclear, it was proposed that the settlement offer is considered subject to there being no significant change. The report considered is attached at Annex 3, page 56 to 65.

**The Executive RECOMMENDS:**

That County Council approve acceptance of the Government's offer of a multi-year settlement for 2017/18 to 2019/20.

**4. Corporate Tax Evasion:** At the meeting held 5 July 2016, the Executive received a detailed response following the Motion to County Council on 24 February 2016 regarding Corporate Tax Evasion.

The Motion which had been moved by County Councillor David Billing and seconded by County Councillor John Ritchie, called for procurement procedures to be amended so that all companies bidding for service and works contracts at levels, to self-certify that they are fully tax compliant in line with central government practice using the standards in Procurement Policy Note 03/14 applying to contracts of the size to be determined by the Executive.

The report considered by the Executive is available at Annex 4, pages 66 to 71. In light of the complex practical implications of complying with this request

**The Executive RECOMMENDS:**

That the County Council retains its current position, which is in line with the latest procurement policy guidance.

That the County Council reviews its position in line with the European Single Procurement Document, the future UK exit from the EU, and when any associated update procurement policy notes are published by Crown Commercial Service.

**5. Appointments to Committees and Outside Bodies:** At the meeting held 5 July 2016, the Executive considered the following proposals.

**Hambleton Area Committee**

The Northallerton Division by election took place 26 May 2016 and Caroline Dickinson, Conservative, was elected to the seat. County Councillor Caroline Dickinson is therefore proposed for appointment to the vacancy on Hambleton Area Committee.

### Other Committee Vacancies

Members are asked to consider nominees for the following Conservative Group vacancies:

- Young People Overview and Scrutiny Committee (seat previously held by County Councillor Tony Hall)
- Chief Officer Appointments and Disciplinary Committee – one member and one substitute member (seat previously held by County Councillor Tony Hall).

### Road Safety Champion and Cycling and Walking Champion

The County Council, from time to time, nominates an elected Member as a "Champion" for a particular issue or interest group, such as older people. Local Transport Plan 4 states:-

- "We will have an elected member who will act as **Road Safety Champion** and advocate for road safety being incorporated across council activity in policy and in service planning and delivery. For less obvious or smaller scale issues such as Road Safety, there is a real benefit from a well-placed advocate to look for opportunities and represent the importance of road safety and crash and casualty prevention work across the Council's decisions and services."
- "... the County Council will increase our current involvement with the Borough Council led Cycling Forums in Harrogate and Scarborough with a view to supporting potential localised Cycling and Walking Partnerships with the DfT. As an essential part of this increased involvement in promoting and providing for cycling an elected member will act as a **Champion** and advocate for the needs and potential of **walking and cycling** across council activity in policy and in service planning and delivery."

It should be noted that neither role carries an allowance. Members are asked to approve the updating of Constitution to reflect the creation of these roles, and to appoint representatives accordingly.

### Better Health Programme (Durham Darlington and Tees) - Joint Health Scrutiny Committee

Durham County Council are establishing a Joint Health Scrutiny Committee under the provisions of the Health and Social Care Act 2012, involving all local authorities (Darlington Borough Council, Durham County Council, Hartlepool Borough Council, Middlesbrough Borough Council, Redcar and Cleveland Borough Council, Stockton-upon-Tees Borough Council and North Yorkshire County Council) affected by the Better Health Programme and any associated service review proposals. The programme is about achieving and sustaining high quality care provided by hospital services in the Durham, Darlington and Tees (DDT) area as defined by agreed clinical quality standards and national expectations.

To progress this, the County Council has been invited to nominate 3 representatives and it is suggested that these should include the Chairman of the Scrutiny of Health Committee, County Councillor Jim Clark, along with a Conservative Member and a North Yorkshire Independent Member. A further report will be submitted requesting the agreement of the terms of reference for the Joint Health Scrutiny Committee.

Members are asked to approve the updating of the Constitution to reflect the creation of this joint committee, and to approve the appointment of the 3 representatives.



### Independent Members Remuneration Panel

Further to the previous report received by County Council 18 May 2016, it is hoped to advise Members at today's meeting of the 2 new nominees to fill the vacancies on the panel.

#### **The Executive RECOMMENDS:**

- (a) That County Councillor Caroline Dickinson be appointed to Hambleton Area Committee.
- (b) That an appointment be made to the present Conservative Group vacancy on the Young People Overview and Scrutiny Committee.
- (c) That an appointment be made to the present Conservative Group member and substitute member vacancies on the Chief Officer Appointment and Disciplinary Committee.
- (d)
  - (i) That the Constitution be updated to reflect the creation of the road Safety Champion and Cycling and Walking Champion roles.
  - (ii) That an elected Member be appointed Road Safety Champion.
  - (iii) That an elected Member be appointed Walking and Cycling Champion.
- (e)
  - (i) That the Constitution be updated to reflect the creation of the Better Health Programme (Durham, Darlington and Tees) - Joint Health Scrutiny Committee.
  - (ii) That three representatives are to be nominated to the Better Health Programme (Durham, Darlington and Tees) - Joint Health Scrutiny Committee - the Chairman of the Scrutiny of Health Committee, County Councillor Jim Clark, along with County Councillor Caroline Dickinson and County Councillor John Blackie.
- (f) That County Council accept nominations and appoint to the 2 vacant seats on the Independent Members Remuneration Panel.
- (g) To agree any other changes to memberships or substitute memberships of committees, or other bodies to which the Council makes appointments put forward by the relevant political group, prior to or at the meeting of Council.

CARL LES  
Chairman

County Hall,  
NORTHALLERTON  
12 July 2016

# ITEM 5 - ANNEX 1

## 4.0 REVENUE BUDGET 2015/16

4.1 This section of the report presents details of the draft Revenue Outturn for the 2015/16 financial year and makes recommendations to County Council on the proposed carry forward to 2016/17 of certain budgets not spent during the year. The Accounts of the County Council for 2015/16 have now been closed and are being finalised for External Audit by KPMG. The figures are, therefore, still provisional at this stage up to the Statutory Final Accounts being signed off by the External Auditor in September 2016. It is not envisaged that any significant amendments will be required.

## 4.2 BACKGROUND AND SUMMARY

4.2.1 The final revised 2015/16 net expenditure budget is £389,860k with the movement since the net budget approved by Executive and County Council in February 2015 shown in **Appendix A**.

4.2.2 The overall 2015/16 revenue outturn position of the County Council is a net saving of £4,104k (1.1%) against operational budgets. A total of £4,319k unspent PIP funding will be re-phased into later years and has been paid into specific, earmarked reserves. In addition £20,022k of PIP funding has been allocated to specific earmarked reserves (see paragraph 4.4.6). The overall net budget is summarised as follows:

Item	Budget £000	Forecast Variance £000	Note
Recurring operational budgets	356,647	3,620	Para 4.3
Projects / Initiatives	8,873	-484	Para 4.3
Subtotal operational budgets	365,520	-4,104	
Earmarked PIP funding	4,319	-4,319	Para 4.4
Unallocated Corporate PIP (including c/fwd from 2014/15)	20,022		
Net budget	389,860		

4.2.3 The table above shows an outturn cash saving of £4,104k for expenditure and funding. A further £4,319k has been paid into specific, earmarked reserves and will be re-profiled into future years (see paragraphs 4.4.4 and 4.4.5). Further detail is provided in the following sections against each of these areas.

## 4.3 OPERATIONAL BUDGETS

4.3.1 The Table overleaf identifies the operational budgets for each of the Directorates in 2015/16. The revenue outturn indicates a number of variances which together total a saving of £4,104k. Issues of note include:

- £997k net early achievement of Budget/MTFS and 2020 North Yorkshire savings. This includes £1,640k early achievement of savings offset by £302k savings that have previously been agreed to be re-profiled by Executive and a further £341k savings that won't be achieved in 2015/16 (see paragraph 4.5.2);
- £14k additional income from business rates income/relief grants;

## ITEM 5 - ANNEX 1

- £827k additional costs due to weather events, and
- £3,435k from other one-off windfalls and savings across all directorates and corporate budgets, net of overspends and investment in services.
- In addition, a further £484k of business rates pooling surplus is earmarked for spending on BES development initiatives in future years (a principle previously approved). Details of the variances are provided in **Appendices B to F**.

4.3.2 The net saving against operational budgets includes a saving on the HAS demographic growth contingency held centrally in Corporate Miscellaneous budgets. The full year outturn for these cost pressures is £1,450k leaving £1,685k as a non-recurring saving.

	HAS	BES	CYPS	CS	Corp Misc Budgets	Total
	£000	£000	£000	£000	£000	£000
Recurring budget	134,138	76,081	68,902	58,386	19,140	356,647
Carry forwards from 2014/15 (assumed fully spent)	1,050	504	109	355	763	2,781
PIP allocations 2015/16	85	1,964	442	1,655	-	4,146
Business Rate Pooling		168			-168	0
New investment allocations 2015/16	-	-	250	1,696	-	1,946
<b>Total Budget 2015/16</b>	<b>135,273</b>	<b>78,717</b>	<b>69,703</b>	<b>62,092</b>	<b>19,735</b>	<b>365,520</b>
<b>Appendix</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	
<b>Savings and overspends impacting on GWB in 2015/16</b>						
Early achievement of Budget / MTFs and 2020 North Yorkshire savings	-348	-537	-162	-340	-253	-1,640
One-off impact of agreed re-profiling of savings (para 4.5.2)	-	-	+302	-	-	+302
Shortfall in savings to be re-profiled		+341				+341
Impact of Flooding	-	+826				+826
Business Rates Income/Relief Grants	-	-	-	-	-14	-14
Other one-off windfalls and savings net of overspends	+348	-3,161	+1,057	-538	-1,141	-3,435
<b>Sub-total</b>	<b>0</b>	<b>-2,531</b>	<b>+1,197</b>	<b>-878</b>	<b>-1,408</b>	<b>-3,620</b>

## ITEM 5 – ANNEX 1

<b>Variations to be carried forward to future years</b>						
Business rates pooling surplus earmarked for BES development initiatives	-	-	-	-	-484	-484
<b>Total Operational budget outturn variation</b>	<b>0</b>	<b>-2,531</b>	<b>+1,197</b>	<b>-878</b>	<b>-1,892</b>	<b>-4,104</b>

4.3.3 A draft outturn statement for the County Council’s SmartSolutions traded services is also attached at **Appendix G**. These services are mainly provided to schools in the County and the figures reported do not have any further impact on those in the above table because where relevant, the charges are already incorporated in Directorate forecast budget outturn positions.

### 4.4 PENDING ISSUES PROVISION (PIP)

4.4.1 The Pending Issue 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. In addition to providing long term recurring funding for the Waste Strategy, the funding paid into the PIP but not drawn down by the Waste Strategy is available to fund non-recurring items and a wide variety of significant sums have already been approved by the Executive since 2008/09.

4.4.2 Full details of the PIP were reported to Executive and County Council as part of the Revenue Budget 2015/16 and Medium Term Financial Strategy 2019/20 approved by Executive on 3 February 2015 and County Council on 18 February 2015. Since the PIP was first created its use has been widened both in terms of the sources of contributions paid in and the range of allocations paid out. A subsequent annual inflationary increase has also been applied to the initial provision.

4.4.3 A simplified approach was agreed by County Council on 24 February 2016 which means that all previously agreed PIP allocations have been transferred into specific, earmarked reserves. All unallocated PIP has been transferred into the ‘Strategic Capacity – Unallocated’ reserve. This is, therefore, the final time that commentary on PIP will be provided in Q reports. Executive will continue to receive updates on budget monitoring and reserves through the Q reports – which will include all formerly agreed PIP allocations. This ensures a consistent approach with other non-PIP investments and allocations agreed by Executive which are managed through specific, earmarked reserves.

4.4.4 The current and projected position of the PIP for 2015/16 and subsequent years, reflecting allocations agreed by the Executive to date, together with the latest forecast sums required to fund the Waste Strategy is as follows:

## ITEM 5 – ANNEX 1

Item	Budget	Forecast outturn	Variation to be profiled into future years
	£000	£000	£000
Remaining budget approved February 2014	3,810		
Brought forward from 2014/15	20,616		
<b>= total PIP budget 2015/16</b>	<b>24,426</b>		
Earmarked for			
Graduate posts	396	0	-396
HAS Extra Care procurement			
- Develop business case	348	0	-180
- Procurement	2,500	0	-2,500
HAS Extra Care	600	85	-515
HAS FACS savings proposals	210	0	-210
Engineering and building development	350	0	-350
Sub total of earmarked funding	4,404	85	-4,319
Remaining unallocated after allocations agreed at Q1	20,022		
<b>= total PIP budget 2015/16</b>	<b>24,426</b>		

4.4.5 There is an outturn cash saving of £4,319k on earmarked PIP funds where spending profiled in 2015/16 will be re-phased into later years. As reported to Executive at Q3, a review of the reserves strategy has been undertaken and proposals to reclassify non-recurring PIP funds into specific, earmarked funds were included in the MTFS and Budget Report presented to County Council on 24 February 2016. In line with this approach, the remaining non-recurring £20,022k has been paid into specific earmarked reserves:

- £8,847k PIP non-recurring funding previously agreed by Executive has been earmarked within specific reserves.
- £11,175k PIP non-recurring funding has been classified as unallocated and is within the Strategic Capacity – Unallocated reserve.

4.4.6 The longer term position as set out below however shows that there is potentially £23,198k remaining (from former PIP funds) available for one off issues in the period to 2018/19.

## ITEM 5 - ANNEX 1

Item	2015/16	2016/17	2017/18	2018/19
<b>Funding Available</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Initial budget allocations	14,394	14,394	14,394	14,394
Add subsequent inflationary increases	7,556	7,556	7,556	7,556
Less allocations to Waste Strategy	-14,079	-15,019	-17,689	-21,129
Add funding carried forward from 2014/15	20,616			
<b>= Funding available</b>	<b>28,487</b>	<b>6,931</b>	<b>4,261</b>	<b>821</b>
Allocations previously agreed by Executive including some re-phasing between years				
Allocations to Directorate Budget/MTFS	-4,061			
Allocations within Corporate Miscellaneous	-85			
Budget spent within 2015/16				
<b>PIP Funding still available</b>	<b>24,341</b>	<b>6,931</b>	<b>4,261</b>	<b>821</b>
PIP Funding transferred into Specific, Earmarked Reserves	-13,166			
PIP Funding transferred into Strategic Capacity – Unallocated Reserve	-11,175			
Future Year Recurring Budget: planned transfer into Strategic Capacity – Unallocated		-6,931	-4,261	-821
PIP Funds Remaining*	0	0	0	0

\* NB. All unallocated PIP funds are now within 'Strategic Capacity – Unallocated' Reserve which will support the Budget/ MTFS and investments.

### 4.5 BUDGET/ MTFS SAVINGS TARGETS

4.5.1 The 2015/16 revenue budget reflects previously agreed and updated 2020 North Yorkshire savings targets and these are incorporated into Directorate 2015/16 budget control totals shown in the table in **paragraph 4.3.2**. These 2015/16 savings targets (which are in addition to savings targets reflected in previous year's budgets) total £23,430k, and consist of:

Item	£000
North Yorkshire 2020 savings in 2015/16 agreed in the February 2015 budget and earlier years MTFS savings targets:	
BES	6,812
CYPS	7,629
HAS	6,750
CS	2,239
<b>Total savings reflected in 2015/16 budget</b>	<b>23,430</b>

- 4.5.2 There has been some welcome and significant overachievement of 2015/16 savings to the end of 2014/15. There is £1,640k anticipated early achievement of savings in 2015/16 (**paragraph 4.3.1**) although this figure is offset by £302k savings which the Executive have previously agreed to re-profile, including:
- £202k Education and Skills Service, agreed by Executive on 17 March 2015
  - £100k Disabled Children’s Services, agreed by Executive on 26 May 2015

In addition, a further £341k savings in relation to grass-cutting and gully emptying have not been achieved in 2015/16. In order to realise the full benefits on grass cutting and gully cleansing projects, it was necessary to undertake negotiation with our highways contractor to deliver the savings; this process took longer than originally anticipated due, in part, to other developments in the contract in addition to wanting to maintain a level of service.

- 4.5.3 Variances from the 2015/16 Budget have been tracked as part of the governance of the 2020 North Yorkshire Programme and are mitigated in 2015/16 by other planned savings being delivered in advance. The net position is always reported within the quarterly Revenue Budget monitoring report and details of the variances are shown in **Appendices B to F**.

#### 4.6 GENERAL WORKING BALANCE

- 4.6.1 A key feature of the Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16, approved by the Executive on 3 February 2015 and County Council on 18 February 2015, is to maintain the General Working Balance (GWB) at a defined minimum acceptable level.
- 4.6.2 For 2015/16 the defined minimum level has been a policy target set as part of the 2014/15 Revenue Budget/MTFS process which is as follows:
- (i) Maintenance of a minimum of 2% of the net revenue budget for the GWB in order to provide for unforeseen emergencies etc. supplemented by;
  - (ii) An additional (and reviewable) cash sum of £20m to be held back in the event of a slower delivery of savings targets;
- and reflects:
- (i) The increased number of risk factors which the County Council is facing as set out in **Section 14** of the 2015/16 Budget report and in particular;
  - (ii) Savings targets not being delivered on time; and
  - (iii) The increased level of risk falling on the GWB resulting from the review and consequential release of earmarked reserves into the GWB (i.e. some of the risks which have been covered by these reserves will now fall on the GWB).
- 4.6.3 Taking into account the GWB policy on minimum balances – 2% of the net revenue budget plus £20m – GWB at year-end amounts to £27,270k. A simplified approach was agreed by County Council on 24 February 2016 which sees the GWB held at “policy” level and any unallocated balance in excess of this level is transferred to “Strategic Capacity – Unallocated”. Where sums were earmarked for other specific purposes they have been transferred to specific operational reserves. The underspend against operational budgets in 2015/16 (£3,620k) as outlined in **paragraphs 4.3.1 and 4.3.2** will

## ITEM 5 – ANNEX 1

be paid into the Strategic Capacity - Unallocated Reserve and will be available to assist with MTFS/ Budget and investment decisions in 2016/17 and future years.

- 4.6.4 For comparative purposes, however, based on the information in this report, the GWB at the year-end under the old policy and calculation would have been £68,982k (18.9% of the net operational revenue budget). The table below describes the movement in 2015/16 under the 'old' policy.

Item	£000
Balance at 31 March 2015	91,711
- Directorate and Corporate / PIP surplus carried forward from 2014/15	-23,397
= GWB at 31 March 2015	68,314
<b>Forecast variations in 2015/16</b>	
- contribution required in 2015/16 following budget	-1,006
- additional allocations agreed at Q4 2014/15 outturn funded from the GWB and are profiled in 2015/16	-1,946
+ Net outturn savings	+3,620
<b>= Draft outturn position at 31 March 2016</b>	<b>68,982</b>

- 4.6.5 It should also be borne in mind that 2015/16 represents the single biggest year of savings since 2011/12 (the very first year of the period of austerity) with £23m of savings profiled and the longer term MTFS up to 2019/20 still has a shortfall of £14.0m to find. In light of these risks, the availability of one-off cash is welcome but should not mask the scale of financial challenge over the remainder of this decade.

- 4.6.6 Further details of General Working Balances are provided in **Appendix H**.

### 4.7 STRATEGIC CAPACITY – UNALLOCATED RESERVE

- 4.7.1 As reported to County Council in February 2016, a reclassification of reserves has been undertaken. The 'Strategic Capacity – Unallocated' effectively consolidates unallocated sums, balances released from the detailed review of reserves in 2015/16 and includes former unallocated PIP funding. The balance of the 'Strategic Capacity – Unallocated' reserve as at 31 March 2016 is £36.0m. This includes the £3.6m net savings against operational budgets outlined in the table at **paragraph 4.3.2**.

- 4.7.2 The following table provides a longer term forecast for the 'Strategic Capacity – Unallocated' reserve.



Year End	Latest Forecast			
	Start Year	MTFS	Base budget contribution	End Year
	£000	£000	£000	£000
31 March 2016	36,015	(633)	6,931	42,313
31 March 2017	42,313	(7,264)	4,261	39,310
31 March 2018	39,310	(11,327)	821	28,804
31 March 2019	28,804	(13,961)	821	15,664
<i>31 March 2020</i>	<i>15,664</i>	<i>(13,961)</i>	<i>821</i>	<i>2,524</i>

4.7.3 The table above shows that in the longer term the 'Strategic Capacity – Unallocated' reserve would be £15.7m by the end of the current MTFS period and would be almost fully depleted by 31 March 2020. These projections are illustrative based on the current MTFS position and assumes that the council will have a recurring £14.0m budget shortfall. However, measures are now in progress to address the shortfall which would enable the cash to be used for strategic investments.

#### 4.8 EARMARKED RESERVES

4.8.1 In addition to GWB (**paragraphs 4.6.1 to 4.6.6**) and 'Strategic Capacity – Unallocated' reserve (**paragraphs 4.7.1 to 4.7.3**), the County Council also holds a number of other earmarked reserves. These represent funds that have been set aside for a specific initiative or liability and, therefore, are not available to fund recurring costs that would otherwise be part of the base budget of a service.

4.8.2 Since the 2010/11 introduction of International Financial Reporting Standards (IFRS) to local authority accounts there is also a category of revenue income streams consisting of grants and contributions which have to be fully recognised in the revenue account when any conditions attached to the income have generally been met. This is different to the previous practice of carrying forward such unspent income to the following year as income in advance. Thus at 31 March 2016 £29.3m (£27.0m as at 31 March 2015) of unspent grant and contributions income, where any conditions have generally been met, is being carried forward to 2016/17 in these reserves.

4.8.3 As part of the 2016/17 Revenue Budget/ MTFS report in February 2016, a detailed review of earmarked reserves was undertaken. Following the finalisation of the draft accounts for 2015/16, a further detailed review of reserves will be undertaken in May/ June 2016.

4.8.4 **Appendix I** shows the overall draft position of the County Council's reserves (GWB + 'Strategic Capacity – Unallocated' + earmarked reserves) at the start and end of 2015/16.

4.8.5 A summary of the increase in the level of reserves of £11.9m (including GWB and 'Strategic Capacity – Unallocated' reserve between 31 March 2015 (£207.6m) and 31 March 2016 (£219.5m) is as follows:

## ITEM 5 - ANNEX 1

	31 March 2015 £m	31 March 2016 £m	2015/16 Variation £m
<b>General Working Balance *</b> <b>(paragraphs 4.6.1 to 4.6.6)</b>	<b>91.7</b>	<b>27.3</b>	<b>-64.4</b>
<b>Strategic Reserves</b>			
Strategic Capacity – Unallocated <b>(paragraphs 4.7.1 to 4.7.3)</b>	<b>0</b>	<b>36.0</b>	<b>+36.0</b>
Investments	0	10.0	+10.0
Agreed Investment Projects	1.2	17.7	+15.2
<b>Total Strategic Reserves*</b>	<b>1.2</b>	<b>63.7</b>	<b>+62.5</b>
<b>Operational Reserves</b>			
<b>Earmarked for Schools</b>			
Schools balances (LMS reserves)	30.9	33.9	+3.0
Schools Block/ DSG	13.4	10.9	-2.5
<b>Sub-Total</b>	<b>44.3</b>	<b>44.7</b>	<b>+0.5</b>
<b>Other Earmarked Reserves</b>			
Public Health Reserve	9.4	9.4	-
SmartSolutions	4.8	6.6	+1.8
BES Reserves	12.7	14.1	+1.4
Central Services Reserves	8.0	13.2	+5.2
CYPS Reserves	8.6	9.7	+1.1
Corporate Reserves	14.2	20.2	+6.0
HAS Reserves	12.7	10.9	-1.8
<b>Sub-Total</b>	<b>70.4</b>	<b>84.1</b>	<b>+13.7</b>
<b>Total Operational Reserves</b>	<b>114.7</b>	<b>128.8</b>	<b>+14.2</b>
<b>= Total Reserves</b>	<b>207.6</b>	<b>219.8</b>	<b>+12.2</b>

\* Variations also include the reclassification of reserves outlined in **paragraph 4.6.3**.

4.8.5 In addition to these earmarked reserves, there are also provisions of £7.7m at 31 March 2016 which compares with £9.0m at 31 March 2015 consisting of:

- Insurance claims £4.6m (£4.4m at 31 March 2015)
- Highways Advance Payments £2.1m (£2.5m at 31 March 2015)
- Other provisions £1.0m (£2.2m at 31 March 2015)

4.8.6 The Local Government Act 2003 and associated CIPFA guidance requires a review and regular report as part of the budgetary control process on the level and adequacy of reserves, balances and provisions. These requirements were incorporated into the 2016/17 Budget/ MTFS report approved by Executive and Full Council in February 2016. **Appendix I** continues this process. In addition, **paragraph 4.8.3** above refers to the review of all earmarked reserves undertaken in 2015/16 with a further review to be carried out in 2016/17.

# ITEM 5 - ANNEX 1

## 4.9 STATEMENT OF FINAL ACCOUNTS 2015/16

- 4.9.1 This Revenue Outturn report together with the accompanying Capital Outturn and Treasury Management reports are based on the County Council's organisational and budgetary management arrangements. However, a comprehensive Statement of Final Accounts (SoFA) that conforms in format and content to the IFRS based statutory Code of Practice on Local Authority Accounting is required to be formally approved by Members and certified by the External Auditor.
- 4.9.2 The current statutory requirements (Accounts and Audit Regulations 2011) are that the SoFA is certified by the Section 151 (Chief Finance) Officer by 30 June each year and approved by Members in advance of the External Audit opinion and certificate and publication of the accounts by 30 September each year.
- 4.9.3 It should be noted, however, that following earlier consultation new Accounts and Audit Regulations shorten these current statutory deadlines of 30 June and 30 September to 31 May (shortened by one month) and 31 July (shortened by two months) respectively. As these changes don't have to be implemented until 2017/18, officers will continue to look at the implications and timelines for achieving them.
- 4.9.4 Responsibility for considering and approving the County Council's SoFA rests with the Audit Committee. Following completion of the External Audit in July and August 2016, the final SoFA will, therefore, be submitted to the Audit Committee for approval on 29 September 2016, immediately before the External Auditor presents his opinion and certificate in relation to the SoFA.
- 4.9.5 Although there is no longer a requirement for the draft/ unaudited SoFA to be approved by Members by 30 June each year, DCLG and CIPFA suggest that good practice would be for the draft SoFA still to be presented to Members for review and comment prior to External Audit.
- 4.9.6 As in recent years, the County Council's draft SoFA for 2015/16 will be submitted to the Audit Committee on 14 July 2016 but this will be for review and comment only. As indicated in **paragraph 4.9.4**, the final SoFA after External Audit will subsequently be resubmitted to the Audit Committee on 29 September 2016 for formal approval.
- 4.9.7 The statutory SoFA that will be submitted to the Audit Committee for information and comment on 14 July 2016 and for subsequent approval on 29 September 2016 after External Audit, will be markedly different to the management accounts presented in this report. This is because of two key reasons:
- (a) CIPFA's required service structure is very different to the County Council's organisational structure. The service structure in the SoFA must follow the Service Reporting Code of Practice (Serco).
  - (b) The SoFA must comply with CIPFA's IFRS-based Code of Practice on Local Authority Accounting thereby requiring many technical adjustments to our management accounts for such items as depreciation of assets and pension costs and liabilities.
- 4.9.8 Explanations will be provided as to the key difference between the two sets of figures.

# ITEM 5 - ANNEX 1

## 4.10 LOOKING AHEAD

4.10.1 For 2016/17, the first Q1 update will be submitted to Executive in August 2016. The overall savings requirement reflected in the 2016/17 budget is £11.3m (£10.7m from 2020 North Yorkshire Programme and £0.6m from earlier year's savings programme).

4.10.2 The further review of earmarked reserves in 2016/17 as mentioned in **paragraph 4.8.3** is expected to result in further release of such reserves into the 'Strategic Capacity – Unallocated' reserve.

4.10.3 Beyond 2016/17, the MTFS agreed in February 2016 reflects the following to 2019/20:

- Savings reductions of £25.6m from the 2020 North Yorkshire Programme
- There is a residual £14.0m recurring funding shortfall. As described in the MTFS/ Budget report to Executive and County Council in February 2016, action is underway to identify options to address the shortfall.
- An assumed 2% increase in Adult Social Care Precept each year
- As assumed 1.99% increase in Council Tax each year

4.10.4 For both 2016/17 and subsequent years there are many spend and funding risks and uncertainties as fully set out in the February 2016 budget/ MTFS report. These risks and uncertainties arise from both funding (government grants, council tax, business rates yield etc.) and the County Council's spending and other income streams (e.g. delivery of savings targets, demand for services, inflation and cost pressures, weather uncertainties, unexpected one-off liabilities etc.).

4.10.5 An update on all of the above in relation to 2016/17 will be provided to Executive as part of the Q reports and any significant developments that affect 2016/17 and later years will also be reported to Members. A detailed update for 2017/18 and subsequent years including progress on achieving savings targets and the current longer term shortfall mentioned in **paragraph 4.10.3** will be incorporated into the 2017/18 Revenue Budget/ MTFS process.

### 4.11 Recommendation

That the Executive

- (i) notes the position on the draft outturn position for the County Council's 2015/16 Revenue Budget as summarised in **paragraph 4.2.2**
- (ii) recommend to the County Council the proposed carry forward of £484k earmarked for BES development initiatives detailed in **paragraphs 4.3.1 to 4.3.2**
- (iii) notes the position on the GWB following the application of the simplified approach (**paragraphs 4.6.1 to 4.6.6**)
- (iv) note the position on ' Strategic Capacity – Unallocated' reserve (**paragraphs 4.7.1 to 4.7.3**)
- (v) note the position of other earmarked reserves as detailed in **paragraph 4.8.1 to 4.8.6 and Appendix I**

## HEALTH AND ADULT SERVICES

## APPENDIX B

### 2015-16 REVENUE BUDGET MONITORING OUTTURN 31 MARCH 2016

BUDGET HEAD	REVISED BUDGET 2015-16 £000	FINAL OUTTURN 2015-16 £000	VARIANCE (-) = saving £000	COMMENTS
<b>Care &amp; Support - Area Budgets Hambleton/Richmond</b>	28,482	29,175	694	Significant demand pressure on services for adults with learning disabilities (£655k) and for older people (£859k) was partially mitigated by staffing savings in both assessment teams (£228k) and in-house home care provision (£504k).
Selby	8,044	8,426	383	Overspending on services for older people (£351k) and the Emergency Duty Team (£175k) were in part offset by underspends on community services for adults with physical disabilities (£113k).
Harrogate/Craven	38,721	40,587	1,866	Significant demand and market pressure on services for adults with learning (£1,199k) and physical (+£554k) disabilities and for older people (£284k).
Scarborough/Whitby/Ryedale	34,051	34,376	325	The overspending position reflects pressure on the budgets for services for younger adults with physical disabilities (£500k) and younger adults with learning disabilities (£131k). These were offset, in part, by staff vacancy savings (£250k).
Provider Services	10,316	10,075	241	Staffing underspends (£638k) and lower expenditure on catering and running costs (£410k) reflected lower average occupancy but this also impacted on income levels (£775k).
Mental Health	7,965	7,708	257	Improved income levels, particularly joint funding from health (£420k) and vacancy and travel savings on social work staff (£130k) were partially offset by overspends on services, in particular short term and respite care.
Assistant Director/Cross-area budgets	-	8,835	519	Significant one-off backdated health income following concerted efforts to review clients for potential Continuing Health Care funding. This was, in part, offset by pressure on the pooled budget for disability equipment purchase.
<b>SUB-TOTAL *</b>	<b>119,261</b>	<b>121,512</b>	<b>2,251</b>	

**ITEM 5 - ANNEX 1**

## HEALTH AND ADULT SERVICES

## APPENDIX B

### 2015-16 REVENUE BUDGET MONITORING OUTTURN 31 MARCH 2016

Public Health - Spend	20,889	20,889	-	-	Public Health faced an in-year grant cut of £1.4m and initial plans envisaged drawing down £1.25m from the Public Health reserve to ensure priorities were funded. The final required drawdown was only £0.25m principally due to lower spend against winter health budgets and reduced requirements for funding the community safety and targeted prevention services.
- Grant Income	-	20,889	-	-	
Quality & Engagement	1,769	1,626	-	143	Higher than anticipated external funding (£81k), staff vacancy savings and reduced contract costs.
Commissioning	11,465	11,175	-	291	Ending of some block contracted services together with contract reviews and staff vacancy savings.
Integration	201	212		11	
Resources Unit	1,493	1,451	-	42	Reduced insurance premiums. Balance of Care Act funding transferred to Care Act reserve.
Head of Human Resources	896	817	-	79	Staff vacancy savings linked, in particular, to the restructuring of the telecare service and the creation of the new business development team
Director & Cross-Directorate	187	71	-	258	Underspending reflects one-off grant funding around winter pressures and Deprivation of Liberty costs together with early achievement of some 2016-17 savings. This has been partially offset by a higher provision for potentially doubtful debts reflecting improved management information.
<b>TOTAL</b>	<b>135,272</b>	<b>136,722</b>		<b>1,450</b>	
In-year drawdown of funding from corporately held HAS contingency		1,450	-	1,450	
<b>TOTAL</b>	<b>135,272</b>	<b>135,272</b>	-	<b>0</b>	

# ITEM 5 - ANNEX 1

## APPENDIX C

BUSINESS & ENVIRONMENTAL SERVICES				
2015-16 REVENUE BUDGET MONITORING OUTURN 31 MARCH 2016				
BUDGET HEAD	REVISED BUDGET 2015-16	FINAL OUTTURN	VARIANCE (-) = saving	COMMENTS
	£000	£000	£000	
Highways & Transportation	31,273	32,398	1,125	Overspend reflects additional costs due to weather costs (£1.1m), overspend on highways maintenance (£0.5m) and a shortfall in achievement of 2020 savings in relation to grass cutting and gully emptying (£0.4m). These are offset, in aprt, by savings from an otherwise mild winter (£0.9m)
Integrated Passenger Transport	12,326	10,944	1,382	Underspending of £1,382k is £103k lower than reported at Q3. Further in-year savings on Concessionary Fares are £400k higher than previously reported although this is offset, in aprt, by the one-off direct purchase of vehicles.
Trading Standards & Planning Services	2,318	2,107	210	As reported at Q3, savings in Trading Standards offset by overspending on planning (shortfall in income and planned one-off spend on consultants).
Waste & Countryside Services	31,180	29,345	1,835	Underspend reflects lower waste disposal costs and lower tonnage than anticipated. This stems from negotiated short-term waste contracts which have benefitted from the European demand for waste to supply Combined Heat and Power Plants.
Economic Partnership Unit	205	205	0	
Resources, Performance & Impr	897	905	8	
Corporate Director of BES	519	281	238	Deliberate underspend on Corporate Director budget to help fund the cost of flooding (net against overspend on Highways and Transportation).
<b>TOTAL</b>	<b>78,717</b>	<b>76,185</b>	<b>2,532</b>	
<b>Q3 31 December 2015</b>	<b>79,429</b>	-	<b>2,919</b>	



# ITEM 5 - ANNEX 1

## APPENDIX D

CHILDREN & YOUNG PEOPLE'S SERVICES				
2015-16 REVENUE BUDGET MONITORING OUTTURN 31 MARCH 2016				
BUDGET HEAD	REVISED BUDGET 2015-16	FINAL OUTTURN	VARIANCE (-) = saving	COMMENTS
	£000	£000	£000	
LA Access & Inclusion Inclusion	1,169	1,272	103	Agreed overspend resulting from transitional costs as part of Education and Skills review (Behaviour Advisers)
SEND - Special Education Needs & Disabilities Assessment & Review Officers	763	812	49	
Disabled Children's Services	4,983	5,560	578	Outturn figure reflects £100k reprofiling of 2020 NY Savings as agreed by Executive. Further overspending reflects pressures in commissioning budgets and reduced income contributions from Health partners. Management action - identified as part of a fundamental budget review - will address these issues to ensure that spending is contained within the available funding envelope in 2016/17.
Home to School Transport	19,526	20,485	959	Pressures on SEN home to school and college transport reported at Q3 have continued. A net budget pressure of £1.4m has been partially offset by £0.4m underspending on mainstream transport provision. As reported at Q3, a project has been established to investigate and implement remedial actions which will see these costs reduce.
Children & Families Education & Skills Service	34,730	34,161	-569	Underspending of £569k reflects the early achievement of savings of £274k.
Finance & Management Support Information Technology	3,057	3,156	99	Agreed overspend resulting from transitional costs as part of the Education and Skills Review (School Improvement staff)
Personnel	630	681	51	Reduced grant for Extended Rights to School Travel offset by other efficiencies.
Strategy & Commissioning	-	-	-	
Safeguarding Unit	949	981	32	
Schools & Units	2,535	2,440	-95	
	1,360	1,351	-9	
	-	-0	-0	
<b>LA TOTAL</b>	<b>69,703</b>	<b>70,900</b>	<b>1,197</b>	
<b>DSG</b>				
Access & Inclusion Inclusion	8,319	8,164	155	
Alternative Provision	5,350	5,350	0	
SEND - Special Education Needs & Disabilities Assessment & Review Officers	-	-	-	
High Needs Commissioning	36	37	1	
Home to School Transport	28,412	28,412	0	
Children & Families Education & Skills Service	2,986	2,942	44	
Finance & Management Support	1,202	1,244	42	
	-47,956	47,656	300	£300k represents the net underspending against the in-year DSG grant and has been paid into the Schools Block Reserve for exclusive use against school-related activity in future years.
Information Technology	888	888	-	
Personnel	100	99	0	
Strategy & Commissioning	664	519	145	
Safeguarding Unit	-	-	-	
Schools & Units	-	-	-	
	-	0	0	
<b>TOTAL</b>	<b>69,703</b>	<b>70,900</b>	<b>1,197</b>	
<b>Q3 31 December 2015</b>	<b>71,598</b>		<b>1,424</b>	

# ITEM 5 - ANNEX 1

## APPENDIX E

<b>CENTRAL SERVICES</b>				
<b>2015-16 REVENUE BUDGET MONITORING OUTTURN 31 MARCH 2016</b>				
<b>BUDGET HEAD</b>	<b>REVISED BUDGET 2015-16</b>	<b>FINAL OUTTURN</b>	<b>VARIANCE (-) = saving</b>	<b>COMMENTS</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Strategic Resources</b>				
Financial Services	3,910	3,936	26	
Insurance	-	0	0	
Property Service	13,094	13,273	179	One-off overspend of £179k on corporate repairs and maintenance.
Technology & Change	11,351	11,351	0	
<b>Business Support &amp; HR</b>				
Business Support Services	13,604	12,987	618	Early achievement of savings (£300k) reflects underspending predominantly related to lower than expected venue hire costs (£312k) and refreshments (£192k)
HR Services	3,766	3,505	261	Underspending arising from one-off saving in training budgets. One-off staff savings of £164k have also contributed to the underspend.
<b>Chief Executives Office</b>				
CEO Support Services, Grants & Subscriptions	450	421	29	
Communications Unit	625	663	38	
Policy & Partnerships	3,177	3,205	28	
<b>Legal &amp; Democratic Services</b>				
Democratic Services	330	303	27	
Legal Services	2,034	1,914	120	Underspend arising due to lower than anticipated legal expenses.
Members Services	1,212	1,140	73	Underspend arising mainly due to Member's allowances (£31k), and car allowances (£29k)
<b>Library, Customer &amp; Community Services</b>				
Archives & Records Management	349	353	4	
Coroners	723	884	161	
Customer Services	1,811	1,885	74	
Public Library Service	6,101	6,035	66	
Registrars	-	642	- 195	£186k overspend on staffing offset by higher than expected income (£416k)
<b>TOTAL</b>	<b>62,092</b>	<b>61,213</b>	<b>879</b>	
<b>Q3 31 December 2015</b>	<b>58,725</b>	<b>-</b>	<b>776</b>	

## CORPORATE MISCELLANEOUS

### 2015/16 REVENUE BUDGET MONITORING OUTTURN 31 MARCH 2016

BUDGET HEAD	REVISED BUDGET 2015/16 £000	REVISED OUTTURN £000	VARIANCE (-) = under spend £000	COMMENTS
<b>ANNUAL BUDGETS &amp; FUNDS (EXCLUDING PIP)</b>				
<b>Contingencies</b>				
General Provision - 2015/16 base	250	257	7	This general provision, for one off initiatives, unforeseen expenditure and emergencies includes a contribution of £2.10k towards the Local Government Yorkshire and Humber Pension Costs
- carried forward from 2014/15	159	159	0	
Corporately Held Budget Savings	57	0	-57	Declared savings in Registrars.
HAS Demographic Growth - Centrally held contingency	3,135	1,450	-1,685	£3m provision for the impact of Demographic changes in demand for Adult Social Care services held centrally and claimed by HAS on a needs basis during the year. £1,450k has been drawn down resulting in a one-off saving of £1,685k in 2015-16.
	<b>3,601</b>	<b>1,866</b>	<b>-1,735</b>	
Capital Financing Costs	26,661	26,819	158	Market loans not called and Invest to Save recharges lower than budgeted due to revenue funding of costs previously forecast to be funded centrally.
Interest Earned	-1,744	-1,393	351	Lower interest rate being achieved on investments 0.66% outturn compared with 0.75% provided in the budget (partially offset by the continuing higher than expected levels of cash balances) as well as the payment accrued to the LEP relating to funding held by NYCC.
<b>Other</b>				
YPO Surplus	-450	-599	-149	Based on YPO results and relative NYCC turnover. Net of allocations to catering and cleaning. Figures for 2015/16 are estimates at this stage.
Internal Trading Income	-1,239	-963	276	Lower than anticipated income due to budget centralisations.
Dedicated Schools Grant	-1,149	-1,150	-1	Contribution to corporate overheads from the Dedicated Schools Grant (DSG).
New Homes Bonus Grant	-2,197	-2,198	-1	Actual allocation in 2015-16 of £2,198k ( = 20% of total as 80% paid to Districts)
Refunded Top-slicing of New Homes Bonus (NHB)	0	-202	-202	Refund of top slicing from national funding pot to pay for the NHB.
<b>Education Services Grant</b>	<b>-7,200</b>	<b>-7,251</b>	<b>-51</b>	
Business Rates RPI Compensation Grant from DCLG	-896	-894	2	Localisation of BR from 1 April 2013 means NYCC receives about £60m of such BR each year (£4.1m from DCLG + £.19m from the 7 Districts). The income is normally uplifted by RPI each April but DCLG capped the 2014/15 and 2015/16 increases. DCLG agreed to pay councils a grant to compensate for the lost 1.1% income
Business Rates Pooling	0	-484	-484	Latest forecast net gain to NYCC in 2015/16 of being part of a Business Rating pooling arrangement with 5 of North Yorkshire District Councils.
Business Rates Funding Income	0	391	391	Final allocations for 2015-16 notified by District Councils in relation to 9% Business Rates payable to NYCC together with their estimated BR collection fund account surpluses and deficits were lower than forecast. As a result this largely relates to a reduction relating to Selby DC, resulting in an overall deficit of £.391k
Business Rates Relief Grant from DCLG	-1,000	-1,405	-405	Recent BR reliefs agreed by the Government which impact on the sums retained locally by councils are being reimbursed by grants. Final allocation were notified on 29 April 2015 and exceed the £.1m budget provision
Local Welfare Reform Provision	253	0	-253	Funding approved as part of the 2015/16 Budget to replace the 2014/15 grant, which has been stopped from 2015/16. The Government still expects local authorities to continue providing the support. Savings achieved in advance and will contribute towards to Central Services Cashable Benefits log.
SFNY Contribution	4,000	4,000	0	£4m matched funding to increase Broadband coverage in the County.
Other Budgets	353	599	246	All other Corporate budgets. Overspend relates to charge for Superfast Broadband which was funded centrally and some other miscellaneous expenditure items where it was not readily possible to charge against individual Directorates and therefore they have been charged to Corporate Miscellaneous
	<b>-9,525</b>	<b>-10,156</b>	<b>-631</b>	

# ITEM 5 - ANNEX 1

## CORPORATE MISCELLANEOUS

### 2015/16 REVENUE BUDGET MONITORING OUTTURN 31 MARCH 2016

BUDGET HEAD	REVISED BUDGET 2015/16 £000	REVISED OUTTURN £000	VARIANCE (-) = under spend £000	COMMENTS
<b>Funds</b>				
Community Fund	411	379	-32	
Pay and Reward Fund	331	328	-3	
	<b>742</b>	<b>707</b>	<b>-35</b>	
<b>TOTAL - Excluding PIP</b>	<b>19,735</b>	<b>17,843</b>	<b>-1,892</b>	
<b>PENDING ISSUES PROVISION (PIP)</b>				
<b>Earmarked funding retained in Corporate Miscell.</b>				
Funding of graduate posts	396	396	0	Funding of additional graduate posts agreed by Executive on 20 August 2013 - this has now been repensed to 2016/17 through the earmarked reserve.
HAS Extra Care procurement develop Business case	348	348	0	£500k agreed by Executive on 30 July 2013. £97k was claimed in 2013/14 and £55k in 2014/15 leaving a residual £348k which has now been repensed to 2016/17 as part of the earmarked reserve.
<b>44</b> Procurement	2,500	2,500	0	£2,500k agreed by Executive on 30 July 2013 for HAS Extra Care Procurement, which has been carried forward within the earmarked reserve in order to repense into future years.
HAS Extra Care	515	515	0	£4m approved on 19 August 2014 of which £0.6m was initially phased in 2015/16 but this will now all slip forward within the earmarked reserve
HAS FACS Resources	210	210	0	£1,150k agreed by Executive on 9 July 2013 for resources to support delivery of savings proposals. £135k was claimed in 2013/14 and £805k in 2014/15 leaving a residual £210k which has been repensed to 2016/17 as part of the earmarked reserve.
Engineering and Building Design contract	350	350	0	£500k approved as part of Q1 2014/15 investments - new contract will take effect from April 2016 - to be repensed as part of the earmarked reserve.
<b>Remaining unallocated funding in 2015/16</b>	<b>4,319</b>	<b>4,319</b>	<b>0</b>	
Unallocated funding	20,022	20,022	0	There is currently £20,022k unallocated PIP funding to be carried forward into 2016/17 within the earmarked reserve.
	<b>20,022</b>	<b>20,022</b>	<b>0</b>	
<b>TOTAL PIP</b>	<b>24,341</b>	<b>24,341</b>	<b>0</b>	
<b>OVERALL TOTAL</b>	<b>44,076</b>	<b>42,184</b>	<b>-1,892</b>	
<b>Q3 31 DECEMBER 2015</b>	<b>44,162</b>		<b>-25,378</b>	

# ITEM 5 - ANNEX 1

Appendix G

## Traded Services Profit and Loss Summary: 2015-16

Service	Total Cost- £'000	Total Income- £'000	Net Profit/ (Loss) £'000	Comments	
1 Broadband	2,106	2,106	0	After contribution from Corp Miscellaneous £292K	
2 Building Cleaning Services	7,257	7,370	113		
3 County Caterers Service	16,921	17,068	147		
6 Education and Skills	720	822	102		
9 Education Safeguarding and Protection Service	7	9	2		
11 Energy Traded Service	171	189	19		
12 Financial Management Services	1,224	1,386	161		
13 Grounds Maintenance Service	1,103	1,108	6		
14 Health and Safety Service (HandS)	287	281	-6		
16 Health and Wellbeing Service	0	0	0		
17 HR Advisory Service	703	719	15		After contribution from Reserve £24K
18 LA Clerking Service	366	379	13		
20 Maintenance and Servicing Scheme	3,627	3,885	258		
21 Music Service	2,233	2,111	-121		
22 North Yorkshire Procurement Service	1	27	27		
23 Outdoor Learning Service	2,300	2,298	-2		
24 Schools ICT Service	3,733	3,701	-32		
26 CYC	0	0	0		
28 Training and Learning					
29 Recruitment of Headteachers					
<b>TOTAL £'000</b>	<b>42,757</b>	<b>43,458</b>	<b>701</b>		
Service	Total Cost	Total Income	Net Profit/ (Loss)		
1 Balance of Risks	84	431	347		
2 Insurance Services	1,476	1,455	-20		
3 Staff Absence Scheme	3,526	4,301	775		
	0	0	0		
<b>TOTAL £'000</b>	<b>5,085</b>	<b>6,188</b>	<b>1,102</b>		
Service	Total Cost- £'000	Total Income- £'000	Net Profit/ (Loss) £'000	Comments	
4 Document Management Centre	64	64	0	After contribution from HR reserve £83K	
5 Early Years Finance Service	19	19	0		
7 Education Psychology & STS	102	102	0		
8 (DBS) Education Safeguarding and Protection Service	582	588	6		
10 Employment Support Services	2,002	1,917	-85		
15 Health and Safety Commercial	57	54	-3		
16 Health and Wellbeing Service	176	225	50		
19 Legal and Democratic Services	136	169	33		
25 Specialist Careers Service	74	83	10		
27 School admission and exclusion appeals service	19	15	-5		
<b>TOTAL £'000</b>	<b>3,230</b>	<b>3,237</b>	<b>6</b>		
Service	Total Cost	Total Income	Net Profit/ (Loss)		
SmartSolutions Unit	686	25	-661		
<b>Total</b>			<b>1,148</b>		

## ITEM 5 - ANNEX 1

### GENERAL WORKING BALANCE (GWB)

1. The County Council has adopted a set of 'good practice rules' as part of its MTFS to maintain a policy target of 2% of the net Revenue Budget of the County Council plus an additional cash sum of £20m to be held back in the event of a slower delivery of savings targets.
2. These rules are as follows:
  - (i) that any under spending on the Corporate Miscellaneous budget at the year-end should be allocated to the GWB
  - (ii) that should there be any call on the GWB during a year such that the MTFS Targets will not be achieved at the respective year ends then:
    - (a) that shortfall be addressed in the next Budget cycle and/or
    - (b) that revenue or capital expenditure reductions be effected in either the current or following financial year, in order to offset the shortfall.
  - (iii) that in order to implement (b) the Executive should review the position of the GWB on a regular basis as part of the quarterly budget monitoring report process.
3. The balance on the GWB was £68,314k as at 1 April 2015. The simplified approach sees the GWB held at "policy" level and any unallocated balance in excess of this level is transferred to "Strategic Capacity – Unallocated". Where sums were earmarked for other specific purposes they have been transferred to specific operational reserves.
4. The comparable outturn (using the old policy and calculation) of £69,879k as at 31 March 2016 compares with:
  - (i) a forecast of £63,713k at 31 March 2016 reported as part of the February 2015 Revenue Budget/MTFS
  - (ii) an actual of £68,314k at 31 March 2015
  - (iii) a forecast of £67,308k at 31 March 2016 reflected in the 2014/15 Q4 outturn report

5.0 CAPITAL EXPENDITURE OUTFURN AND FINANCING 2015/16

OVERVIEW

5.1 This section of the report presents details of actual capital expenditure and its financing for 2015/16.

CAPITAL PLAN

5.2 The original Capital Plan for 2015/16 was submitted to and approved by Executive on 3 February 2015 and subsequently by County Council on 18 February 2015 as part of the 2015/16 budget / MTFS set of reports. The latest (i.e. revised and updated) 2015/16 Plan was submitted to and approved by Executive on 16 February 2016 and subsequently by County Council on 24 February 2016 as part of the 2016/17 budget / MTFS set of reports.

CAPITAL EXPENDITURE IN 2015/16

5.3 Capital expenditure in 2015/16 compared to the original Capital Plan and latest Capital Plan referred to in **paragraph 5.2** is as follows:

Item	Gross Capital Spend	Less Capital Grants and Contributions and Directorate Capital receipts	Net Capital Spend
	£m	£m	£m
<b>Original Capital Plan</b>	117.8	-105.4	12.4
<b>Latest Capital Plan</b>	114.4	-107.6	6.8
<b>Outturn for 2015/16</b>	<b>112.8</b>	<b>-105.0</b>	<b>7.8</b>
Original plan (a - c)	-5.0	+0.4	-4.6
Latest plan (b – c)	-1.6	+2.6	+1.0

5.4 The 2015/16 gross capital spending of £112.8m therefore represents a £1.6m underspend compared with the last Q3 Capital Plan update of £114.4m. When capital receipts and grants are taken into account the net position shows an overspend of £1m. The outturn variations referred to throughout the remainder of this report are based on a comparison with the last Q3 2015/16 Capital Plan reported to and approved by Executive in February 2016.

5.5 A summary of the outturn position is set out below for gross capital spend at Directorate level with a more detailed summary being provided in **Appendix A** and an individual statement for each Directorate at **Appendices B to E**. These Appendices also show the outturn position for related capital income from grants, contributions and revenue contribution, and a net spend which is funded from capital receipts and borrowing.

<b>Service</b>	<b>Appendix</b>	<b>Gross Latest Plan (Feb 2016)</b>	<b>Gross Outturn Spend</b>	<b>Variation to Latest Plan</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
Health and Adult Services	B	0.6	0.7	+0.1
Business and Environmental Services	C	80.3	80.4	+0.1
Children and Young People's Services	D	27.7	27.3	-0.4
Central Services	E	5.8	4.4	-1.4
<b>Total</b>		<b>114.4</b>	<b>112.8</b>	<b>-1.6</b>

5.6 A summary of the outturn variations at Directorate level is also shown in the table below:

<b>Service</b>	<b>Gross Spend Variation</b>	<b>Gross Income Variation</b>	<b>Net Spend Variation</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Health and Adult Services	0.1	-0.1	0.0
Business and Environmental Services	+0.1	0.0	+0.1
Children and Young People's Services	-0.4	+0.1	-0.3
Central Services	-1.4	+2.6	+1.2
<b>Total</b>	<b>-1.6</b>	<b>+2.6</b>	<b>+1.0</b>

5.7 The key issues to highlight from the summary above are:-

- (a) the gross capital underspend of £1.6m includes £1.4m on Central Services. As a result of an underspend on ICT and vehicles offset by an overspend relating to a loan to NyNet (due to the timing of cash flows at the end of the year).
- (b) lower Directorate capital income of £2.6m.
- (c) leading to an overall net overspend of £1m.



5.8 The implications of this net £1.0m overspend in terms of carry forward to 2016/17 and its impact on the capital spending capacity of the County Council is considered further in **paragraphs 5.9 to 5.12** below.

### **IMPLICATIONS OF 2015/16 CAPITAL UNDERSPENDING AND PROPOSED CARRY FORWARD TO 2016/17**

5.9 The County Council's Financial Procedure Rules incorporate a carry forward facility for under/overspends both for approved capital expenditure and scheme specific capital income.

5.10 The various components of this net £1.0m overspend and the proposed carry forward to 2015/16 is as follows:-

<b>Item</b>		<b>£000</b>
Latest 2015/16 Q3 Capital Plan update (gross spend)		114,351
2015/16 outturn		112,756
= gross capital underspend		1,595
- reduction in grants and contributions (£107,758k to £104,993k)		-2,585
= net capital overspend		-990
'Corporate' Capital Plan variations not proposed for carry forward to 2016/17		
Material Damage provision underspend	-101	
Purchase of vehicles provision underspend	-498	
NYnet loan balance increase	2,543	1,944
<b>= adjusted net underspend proposed for carry forward to 2016/17</b>		<b>954</b>

5.11 The split of the proposed £954k carry forward underspend between Directorates is as follows:-

<b>Directorate</b>	<b>£000 underspend</b>
Health and Adult Services	0
Business and Environmental Services	-49
Children and Young People's Service	269
Central Services	734
<b>Total net underspend carried forward</b>	<b>954</b>

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

## FINANCING OF 2015/16 CAPITAL EXPENDITURE

5.13 Total capital expenditure of £112,756 in 2015/16 (**paragraph 5.5**) has been financed as follows:-

Item	£000	£000
<b>New borrowing (Paragraphs 5.11 and 5.12)</b>		
• External sources as adjusted for debt repayment and statutory charges to revenue	0	
• Internal capital borrowing	385	385
<b>Capital Grants and Contributions</b>		
• Total	93,282	
• Less loan repayments classed as capital receipts (see below *)	0	93,282
<b>Schemes financed from Revenue</b>		
• Directorate revenue contributions		11,711
<b>Capital Receipts (paragraphs 5.14 to 5.19)</b>		
• Receipts received in 2013/14 from property sales	7,378	
• NYnet loan repayment *	0	
• LLP Growing Places loan repayment *	0	7,378
<b>= Total capital spending to be financed in 2015/16</b>		<b>112,756</b>

5.14 The balancing figure in the above table is an increased level of borrowing for capital purposes from internal sources of £385k.

5.15 A more detailed comparison of the above funding package with that underlying the original Capital Plan approved by Members in February 2015 and the last update approved in February 2016 is provided at **Appendix F**.

5.16 As a result, new borrowing of £385k was needed to finance capital spending in 2015/16 as indicated in **paragraph 5.14**. This had the impact of increasing internal borrowing from cash balances with no external borrowing being taken in 2015/16 or premature loan repayments being made. In considering this figure, the following points should be noted:

- (i) a breakdown of the total capital borrowing requirement of £0.4m into constituent elements and compared with the original and latest Capital Plan is:

Item	Original Estimate (Feb 2015)	Latest Estimate (Feb 2016)	2015/16 Outturn
	£m	£m	£m
Prudential Borrowing approved by the County Council	1.1	0.1	-0.5
Movement on NyNet Loan*	-0.4	-0.4	2.1
Slippage of net capital expenditure and capital receipts between years	9.2	8.8	8.7
Temporary use of surplus capital resources (mainly capital receipts) and other financing arrangements	-3.1	-10.5	-9.9
<b>Total Capital Borrowing requirement</b>	<b>6.8</b>	<b>-2.0</b>	<b>0.4</b>

\* The increase in the NyNet loan balance is classed as capital expenditure and has the impact of increasing prudential borrowing

(ii) as indicated in (i) above, no new external borrowing was taken in 2015/16 and this is considered in more detail in **paragraphs 6.25 to 6.40** of the Annual Treasury Management section of this report.

## CAPITAL RECEIPTS

5.17 The County Council's policy on capital receipts is that essentially all such receipts shall be used to finance capital expenditure in the year in which the receipts are generated; The position relating to County Farms is explained further in **paragraphs 5.20 and 5.21** below.

5.18 The outturn position on Capital Receipts is as follows:

Item	£000
Receipts achieved in 2015/16	
(i) from the sale of land and properties	
• sale of County Farms	3,196
• sale of other land and buildings	4,182
total from the sale of land and property	7,378
(ii) other capital income classed as capital receipts	0
Total capital receipts in 2015/16	7,378
Used to fund capital expenditure in 2015/16	-7,378
<b>Capital Receipts carried forward to 2016/17</b>	<b>0</b>

5.19 Points to mention in relation to the above table are as follows:-

- (i) total capital receipts from the sale of land and property achieved of £7,378k compared with the estimates of £8,793k reflected in the 2015/16 original Capital Plan in February 2015 and £5,652k in the latest 2015/16 Capital Plan approved in February 2016. The shortfall is principally due to slippage of capital receipts from the sale of properties due to timing issues, which are now expected to complete in 2016/17.
- (ii) all available Capital Receipts at 31 March 2016 (£7,378k) have been used to fund capital spending in the year. This approach is advantageous in terms of treasury management activities and reducing capital financing costs in 2016/17

5.20 In terms of County Farms capital receipts, the County Council agreed on 6 May 2008 to maintain a flexible policy on the utilisation of capital receipts. The policy is to use receipts as appropriate to either finance the Capital Plan, to reduce debt or for other purposes, in accordance with the financial demands on the County Council, and with its policies, at the time when the receipts became available.

5.21 The Capital Plan approved by Executive and Full Council in February 2016 therefore utilises all expected County Farms receipts achieved in the financial years 2015/16 to 2018/19 to fund capital spending rather than for debt repayment or other purposes. Therefore all such receipts in 2015/16 totalling £3,196k have been treated accordingly and used for the funding of capital spending.

5.22 The property market has seen much more activity across most sectors albeit with only modest movements in the office/industrial sectors and with a return to increases for residential and industrial land reflecting the improved confidence. Properties continue to sell in the right locations if priced correctly. The farm land market remains strong for both bare land and smallholdings with residential elements being particularly attractive. The County Council will continue its use of auctions to dispose of property which has proved to be a more successful approach in recent years, but will continue to review alternative approaches.

5.23 It was anticipated the flow of surplus property from the County Council's property portfolio should increase as a result of service reviews and the property reviews resulting from 2020 North Yorkshire. The quantity of property that will be released and the rate of flow is to be increased whilst combined with an improving market, it still remains difficult to predict the level of capital receipts that will be achieved over the next few years with any degree of certainty.

#### **FUTURE AVAILABILITY OF CAPITAL RESOURCES**

5.24 The Q3 Capital Plan update report submitted to Executive and Full Council in February 2016 identified a potential £13.0m of unallocated capital funding that might become available in the Capital Plan period. This sum arose mainly from additional capital receipts that had been identified, net of additional capital funding allocations approved by Executive.

5.25 As a result of the 2015/16 outturn position and a more recent updated forecast of capital receipts up to 2018/19 this surplus capital resources forecast is now £4.8m (£2.4m) in hand at the end of 2015/16). This reduction is principally due to the

allocation of £7.5m of unallocated capital funding to support the schools capital primary places programme agreed by the County Council in February 2016.

- 5.26 As indicated in **paragraph 5.25** above, it is currently difficult to predict the level of capital receipts that will be achieved over the next few years with any degree of certainty. Given this scenario the current £12.3m forecast of surplus corporate capital funding does include some fairly significant potential receipts that are relatively uncertain in terms of timing and amount.
- 5.27 The surplus corporate capital resources could be made available for either:
- (i) new capital investment (i.e. additional schemes), or
  - (ii) reducing prudential borrowing in 2016/17 or subsequent years and therefore achieving debt financing cost savings in the Revenue Budget/MFTS or
  - (iii) holding for the time being with no immediate decision to either spend or reduce borrowing. This course of action would result in additional short-term interest being earned within Corporate Miscellaneous.
- 5.28 Members have previously agreed to adopt option (iii) above and retain any surplus capital funding for the time being. Another factor that influenced this decision was that the forecast funding levels include a capital receipts risk in terms of both forecast receipts slipping into a future year and/or not achieving their estimate.
- 5.29 Given the factors mentioned above and the intention to review the schemes in the Capital Plan and uncertainties associated with capital receipts forecasts, it is proposed that option (iii) be reaffirmed at this stage and that the unallocated funding is held in reserve for the time being with the exception of £7.5m being proposed for investment in School Primary Places as set out in **paragraphs 5.30 and 5.31**. Future further investment proposals are likely to include Capital projects and initiatives however and these will be incorporated into a future quarterly Capital report.

## LOOKING AHEAD

- 5.30 As part of the 2020 Yorkshire Programme, officers are reviewing a number of distinct areas in order to improve the way in which the County Council works:-
- (i) assess the scope for property rationalisation across the County Council in order to reduce existing and future property costs. This work is already in train and, as proposed in the Revenue Budget report, £3.2m has been earmarked for property in Northallerton. Further details will be provided to the Executive in due course with a view to seeking approval to commit the funding on specific schemes.
  - (ii) all uncommitted schemes in the Capital Plan together with reviewing the capital plan process as a whole as part of the savings approach towards capital and treasury management identified in the MTFs / Revenue Budget report in an attempt to bridge the savings gap.

- (iii) Centralising the management of the delivery of capital and other property projects within the Property Service. This includes the creation of clear process workflows used by the clients in directorates, the Property Service and Mouchel (the County Council's projects consultant with effect from 1 April 2016) which incorporate formal approval points that control the move of a project from stage to stage in the process."

5.31 In addition, a review of the County Council's School Primary Places requirement has been carried out as part of the planning for the future years school capital programme. In February, the County Council agreed to earmark £7.5m for the provision of additional primary school places over the next few years on the basis that matched funding is secured from the Department for Education. Although some additional funding has now been promised by DfE, this does not yet equate to a matched value. Therefore it is proposed that the earmarked funding (£7.5m) is provided from unallocated capital funding to bridge the funding gap. Further details will be provided following the completion of discussions with the Department for Education.

#### **RECOMMENDATIONS**

5.33 The Executive is recommended:

- (a) to note the position on capital outturn as detailed in **Appendices A to E**
- (b) to recommend to the County Council, the proposed carry forward to 2015/16 of the net capital underspend totalling £954k as set out in **paragraph 5.10**
- (c) to approve the financing of capital expenditure as detailed in **paragraph 5.13** and **Appendix F** including the use of County Farms capital receipts to finance capital spending as explained in **paragraph 5.21**

# ITEM 5 - ANNEX 2

## APPENDIX F

### FINANCING OF CAPITAL EXPENDITURE IN 2015/16

	Original Plan to Exec 03/02/15 £000s	Latest Plan to Exec 16/02/16 £000s	Year End Outturn 31/05/16 £000s
<b>Borrowing</b>			
Unsupported Prudential Borrowing	670	-330	1,614
Re-phased borrowing re slippage etc	9,233	8,826	8,642
= total capital borrowing requirement	<b>9,903</b>	<b>8,496</b>	<b>10,256</b>
Surplus capital resources etc	-3,149	-10,515	-9,871
= adjusted borrowing requirement	<b>6,754</b>	<b>-2,019</b>	<b>385</b>
<b>Capital Grants &amp; Contributions</b>			
Health & Adult Services	18,678	573	671
Business & Environmental Services	68,737	70,574	69,753
Children & Young Peoples Services	626	23,104	22,845
Central Services	311	340	13
	<b>88,352</b>	<b>94,591</b>	<b>93,282</b>
<b>Financed from Revenue</b>			
Health & Adult Services	600	0	0
Business & Environmental Services	8,151	5,780	6,619
Children & Young Peoples Services	1,848	3,367	3,492
Central Services	2,368	3,439	1,601
	<b>12,967</b>	<b>12,586</b>	<b>11,712</b>
<b>Available capital receipts</b>			
County Farms receipts	1,010	4,352	3,196
Earmarked for Depots rationalisation programme receipts	1,200	777	752
Other capital receipts from sale of properties	3,442	3,664	3,430
LEP Growing places loan repayment (classed as capital receipts)	3,710	0	0
Company Loan repayments (treated as capital receipts)	400	400	0
	<b>9,762</b>	<b>9,193</b>	<b>7,378</b>
Brought forward from 2014/15	0	0	0
Carried forward to 2016/17	0	0	0
	<b>9,762</b>	<b>9,193</b>	<b>7,378</b>
<b>Total Expenditure to be financed</b>	<b>117,835</b>	<b>114,351</b>	<b>112,756</b>

## NORTH YORKSHIRE COUNTY COUNCIL

## EXECUTIVE

5 July 2016

## FOUR YEAR SETTLEMENT

## Report of the Corporate Director – Strategic Resources, Central Services

**1.0 Introduction**

- 1.1 On 21 March the Department of Communities and Local Government wrote to all councils setting out their offer of a multi-year finance settlement. The offer covers the Revenue Support Grant, Rural Services Delivery Grant and Transitional Grant.
- 1.2 The report highlights the impact of the recent EU referendum and as the implications for local government finance are unclear the settlement offer is considered subject to no significant change.

**2.0 Multi-Year Settlement**

- 2.1 In order to qualify for consideration, the Council must respond with a link to its published efficiency plan, no later than 5.00pm on 14 October 2016. Confirmation of the offer is set to be provided shortly after the deadline.
- 2.2 For North Yorkshire County Council the offer comprises the following funding for the four years from 2016/17 to 2019/20:

	2016/17 £000's	Multi-Year Settlement		
		2017/18 £000's	2018/19 £000's	2019/20 £000's
Revenue Support Grant	37,370	19,120	7,560	0
Rural Services Delivery Grant	8,234	6,648	5,114	6,648
Transitional Grant	2,992	2,962	0	0
<b>Total</b>	<b>48,596</b>	<b>28,730</b>	<b>12,674</b>	<b>6,648</b>

- 2.3 In addition, business rates tariffs and top-ups will not be altered for reasons related to the relative needs of local authorities for the years 2017/18 to 2019/20 although in the final year this may be subject to 100% business rates retention. The multi-year settlement shows that by 2019/20 the Council's Business Rates Baseline Funding as £67.14m but with a top-up adjustment of -£3.7m – a net £63.44m.
- 2.4 The offer of a four year settlement from government is welcome as it helps to provide greater certainty and helps the planning framework of the Council. It is important, however, to recognise what is not within the scope of the settlement - it does not include the following:
- Public Health Grant
  - Education Services Grant



- Business Rates Local Share (and Pool Surpluses/Deficits)
- Better Care Fund

A copy of the letter received with the offer is attached as **Appendix A**.

### **3.0 Financial Outlook**

3.1 The approved budget (as set by the County Council on 24 February 2016) identifies a residual funding gap, after planned savings, of £14m through to 2019/20. Since the budget was approved in February there have been a number of further developments that are likely to have a material impact upon the financial outlook for the Council:-

- Dedicated Schools Grant - Since the budget was approved, the DfE has conducted the first stage of a consultation on changes to school funding and the Dedicated Schools Grant (DSG). This grant is used to fund a number of costs associated with schools, including school delegated budgets, but also some council services. The initial proposals suggest that there will be restrictions placed on how the council can use the DSG and therefore this is likely to impact on overall spending decisions. Initial estimates suggest that an amount of at least £3.1m is in this category, although we will not know further details until stage two of the consultation is launched. This was initially expected to have taken place by now but so far has not materialised.
- Better Care Fund - The Council has agreed funding for the Protection/Maintenance of Social Care for 2016/17 only. In reaching this agreement the Council has had to forgo future increases in Clinical Commissioning Groups (CCGs) contribution previously agreed. Funding beyond 16/17 will again be subject to negotiation with the 5 CCGs, all of which are reporting difficult financial positions themselves. Increases in future years will need to keep pace with the Council's inflationary pressures as a minimum, which with the Living Wage issues are likely to be significant.
- Existing Savings Programme – the 2020NY Programme is constantly reviewed and a number of areas have already been re-profiled. However further re-profiling is likely to be proposed by February 2017 and there are also likely to be some downward revisions to some areas of saving, particularly within HAS.

3.2 There have also been some more positive variances including assumptions around inflation and core funding. As a result the overall net forecast is that the Council still faces a shortfall of circa £14m per annum by 2019/20. Work is currently being carried out by officers to identify savings that will reduce this shortfall and maximise the amount of Reserves that remain available for investing in Council priorities. It is anticipated that more detailed proposals will be forthcoming as part of the 2017/18 budget process but proposals will follow the principles set out in the 2020 North Yorkshire Programme and set out in the section below.

### **4.0 Efficiency Plan**

4.1 Acceptance of the government's offer requires the Council to publish an efficiency plan. At this stage the government has not issued a detailed specification for these plans although they have stated that plans must open and transparent about the benefits they will bring to the Council and the community.

- 4.2 The Local Government Association and CIPFA are in dialogue with the government over the details of the plan, favouring complete discretion for councils in order to avoid additional burdens.
- 4.3 The Council's approach to savings delivery is well embedded and a detailed plan is in place. The Council's 2020 North Yorkshire Programme provides the vision for North Yorkshire County Council through to 2020 – focussing on clear priorities and on outcomes for people and communities, playing to our strengths and adopting new ways of working. It includes a comprehensive savings plan to support this vision which touches every part of our organisation. Details on the 2020 North Yorkshire Programme can be found at <http://nyccintranet/content/vision> and the financial summary of the plan as set out in the February 2016 approved MTFS is attached as **Appendix B**.
- 4.4 To date £116m savings have been delivered and firm plans are in place for a further £36.3m. The Council has a strong track record of delivering savings in advance and has already begun to consider ways to bridge the remaining funding gap of £14m through to 2019/20.
- 4.5 Following approval of the budget and MTFS in February 2016 proposals for further savings and income generation opportunities are being formulated - focussing on transformative ways to deliver services and grow our income, as well as further reductions the cost of back office, management and administrative functions in order to minimise the impact on frontline services. Over the coming months the key assumptions within the Council's longer term financial forecasts will also be reassessed in order to minimise the savings required. Detailed proposals to cover the remaining gap will be worked up as part of the budget proposals for 2017/18 onwards.
- 4.6 The Council has also earmarked reserves to mitigate the risk to its savings plans should these take longer to deliver or fall short of target.

## **5.0 What if the Council declines the four year settlement?**

- 5.1 The DCLG's 21 March letter to all councils advised that:-
- “Those councils that chose not to accept the offer, or do not qualify, will be subject to the existing yearly process for determining the local government finance settlement. Allocations could be subject to additional reductions dependant on the fiscal climate and the need to make further savings to reduce the deficit. At present we do not expect any further multi-year settlements to be offered over the course of this parliament “
- 5.2 It has since been clarified that councils choosing not to accept the multi-year settlement could face even steeper reductions in the eligible funding. Whilst this would not impact on RSG and Transitional Grant in 2019/20 (as these will have been phased out), the settlement could be worse in 2017/18 and / or 2018/19. The welcome increase in RSDG would also potentially be at risk.

- 5.3 In considering the multi-year funding offer the following key pros and cons should be kept in mind:

<b>Pros</b>	<b>Cons</b>
Provides a degree of certainty over funding levels for the next three years	Limited funding within the settlement offer – excludes other significant funding streams
Enables better financial planning over the period	Acceptance of reduced funding over the period
	Requirement of an 'efficiency plan' implies a level of government control over the Council's plans to bridge its funding gap
	Funding not guaranteed – government reserves the right to change the settlement due to unforeseen circumstances

## 6.0 Other Considerations

- 6.1 The Secretary of State has indicated that acceptance of the multi-year settlement must be by 14 October 2016. Acceptance of the recommendation of this report from full County Council will provide the authority to accept the settlement given that funding for 3 years is an essential component of the budget policy framework.
- 6.2 It should be recognised, however, that the EU referendum result will have far reaching political and economic ramifications which are likely to have a material impact on public sector finances and consequently the settlement for local government. At this stage it is not known if the offer will be amended or withdrawn and for that reason it is intended that the notification to the Secretary of State will not be until nearer the deadline to allow for further consideration by officers, the Executive and any subsequent full County Council should that be required. In the meantime the Chancellor of the Exchequer has indicated that there will not be an **immediate** Emergency Budget pending the appointment of the next Prime Minister.
- 6.3 Given the above it is regarded as appropriate to consider that the multi-year settlement remains on the table in the interim. If the settlement is withdrawn as part of some further changes in public sector funding then the offer is certain to be withdrawn nationally and the Council will simply have to comply with whatever new arrangements are brought in.

## 7.0 Conclusion

- 7.1 There is little compelling case for accepting the multi-year settlement if the funding offered is viewed in isolation of wider economic and policy factors, particularly given that two of the three funding areas are set to be zero in 2019/20. However, it is considered highly unlikely that non-acceptance would lead to additional funding and there remains a real risk of further funding reductions in the short-term should the Council decide not to take up the government's offer. The likelihood of this happening in the short-term is now regarded as higher following the EU referendum result and the immediate reaction from markets. It is therefore proposed that, subject to no significant changes being, the offer of a multi-year settlement from government is accepted.

- 7.2 The Council's savings plan is well embedded and subject to continuous review and as such is considered appropriate to meet the requirements of the 'efficiency plan'. There remains a gap between expected funding and Council spending through to 2019/20 but plans are being formulated to bridge this gap and the plan will be updated as part of the budget round for 2017/18.

**8.0 Recommendation**

- 8.1 It is recommended that the Executive recommends to County Council that the government's offer of a multi-year settlement for 2017/18 to 2019/20 is accepted.



Department for  
Communities and  
Local Government

**The Rt Hon Greg Clark MP**  
*Secretary of State for Communities and Local  
Government*

**Department for Communities and Local  
Government**  
4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

Tel: 0303 444 3450  
Fax: 0303 444 3289  
E-Mail: [greg.clark@communities.gsi.gov.uk](mailto:greg.clark@communities.gsi.gov.uk)

[www.gov.uk/dclg](http://www.gov.uk/dclg)

10 March 2016

*Dear Colleagues*

## **MULTI-YEAR SETTLEMENTS AND EFFICIENCY PLANS**

On 17 December I announced a historic opportunity for councils to achieve greater certainty and confidence from a 4-year budget. I see this as a key step to supporting you to strengthen your financial management, at the same time as working collaboratively with your local partners and reforming the way services are provided.

The settlement consultation process showed great support for this approach and identified a number of queries about what the offer includes and the requirements for applying to accept this offer. I have therefore set out some further details in the attached annex. But I want to reiterate that I want this offer, and the production of an efficiency plan, to be as simple and straightforward as possible, and reassure you that this is not about creating additional bureaucracy.

If you wish to apply to accept the offer you simply need to send an email or letter to [MultiYearSettlements@communities.gsi.gov.uk](mailto:MultiYearSettlements@communities.gsi.gov.uk) by **5pm on Friday 14<sup>th</sup> October** and include a link to your published efficiency plan.

I do not intend to provide further guidance on what efficiency plans should contain – they should be locally owned and locally driven. But it is important that they show how this greater certainty can bring about opportunities for further savings. They should cover the full 4-year period and be open and transparent about the benefits this will bring to both your council and your community. You should collaborate with your local neighbours and public sector partners and link into devolution deals where appropriate.

Of course this offer is entirely optional. It is open to any council to continue to work on a year-by-year basis, but I cannot guarantee future levels of funding to those who prefer not to have a four year settlement.

I have been delighted by the response of councils all over the country to the offer of four year budgets and I look forward to hearing from you if you would like to avail yourself of it.

For any further queries, please contact officials at the above address.

*Yours sincerely*

**THE RT HON GREG CLARK MP**

## **Annex**

### **Conditions of the multi-year settlement**

The Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. This includes:

- Common Council of the City of London
- London borough councils
- district councils
- county councils
- Council of the Isles of Scilly
- Greater London Authority
- metropolitan county fire and rescue authorities
- combined fire and rescue authorities.

The Government is making a clear commitment to provide minimum allocations for each year of the Spending Review period, should councils choose to accept the offer and if they have published an efficiency plan.

#### **What the offer includes**

On 9 February we provided summaries and breakdown figures for each year to your s151 Officer. From those figures the relevant lines that are included in the multi-year settlement offer, where appropriate, are:

- Revenue Support Grant;
- Transitional Grant; and
- Rural Services Delivery Grant allocations.

In addition, tariffs and top-ups in 2017-18, 2018-19 and 2019-20 will not be altered for reasons related to the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention.

The Government is committed to local government retaining 100% of its business rate revenues by the end of this Parliament. This will give them control over an additional £13 billion of tax that they collect.

To ensure that the reforms are fiscally neutral local government will need to take on extra responsibilities and functions. DCLG and the Local Government Association will soon be publishing a series of discussion papers which will inform this and other areas of the reform debate.

The new burdens doctrine operates outside the settlement, so accepting this offer will not impact on any new burden payments agreed over the course of the four years.

The Government will also need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year.

## **Process for applying for the offer**

Interest in accepting this offer will only be considered if a link to a published efficiency plan is received by 5pm Friday 14<sup>th</sup> October. We will provide confirmation of the offer shortly after the deadline.

## **Efficiency Plans**

Efficiency plans do not need to be a separate document. They can be combined with Medium Term Financial Strategies or the strategy set out in the guidance (<https://www.gov.uk/government/publications/guidance-on-flexible-use-of-capital-receipts>) on how you intend to make the most of the capital receipt flexibilities if appropriate.

The Home Office will provide guidance on the criteria and sign off process for efficiency plans for single purpose Fire and Rescue authorities. All Fire and Rescue authorities, including those which are county councils, should set out clearly in their efficiency plans how they will collaborate with the police and other partners to improve their efficiency.

## **Process for those who do not take up the offer**

Those councils that chose not to accept the offer, or do not qualify, will be subject to the existing yearly process for determining the local government finance settlement.

Allocations could be subject to additional reductions dependant on the fiscal climate and the need to make further savings to reduce the deficit.

At present we do not expect any further multi-year settlements to be offered over the course of this parliament



NORTH YORKSHIRE COUNTY COUNCIL  
MEDIUM TERM FINANCIAL STRATEGY (MTFS)  
2015/16 to 2019/20

EXECUTIVE SUMMARY

	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
<b>A Starting Position</b>	<b>372,999</b>	<b>363,510</b>	<b>360,570</b>	<b>353,591</b>	<b>352,653</b>
<b>B Increased Spending / Growth Requirements</b>					
<b><u>Inflation</u></b>					
Pay Awards	1,843	1,446	1,464	2,468	2,518
Waste Strategy PIP	700	-	-	-	-
NI Contracted Out Change	-	2,556	-	-	-
Other Inflationary Costs	4,472	6,307	5,250	5,300	5,300
Living Wage - Internal Impact	-	35	259	389	1,919
Living Wage - External Impact	-	1,000	3,500	3,500	3,500
<b><u>Additional Spending Requirements / Movement</u></b>					
<b>BES</b>					
Roads	(5,000)	-	-	-	-
Flood - loss of grant	-	136	-	-	-
<b>Central</b>					
Customer Service Centre	-	150	-	-	-
Appropriation to Reserve - C Tax surplus	-	3,479	(3,479)	-	-
Appropriation from Reserve - BR deficit	-	(1,045)	1,045	-	-
Corporate Contingency - Dom Care	-	1,050	(1,050)	-	-
2020 North Yorkshire	-	1,000	(1,000)	-	-
<b>Corporate</b>					
Pension Fund Provisions	(1,665)	-	1,700	-	-
Treasury Management	(829)	(1,231)	(305)	(1,309)	(350)
Corporate Property	2,000	(2,000)	-	-	-
Superfast North Yorkshire (Broadband)	4,000	(1,000)	(3,000)	-	-
Customer Service Centre	200	-	-	-	-
Yorwaste Dividend Shortfall	410	-	-	-	-
County Council Election	(79)	-	750	(750)	-
Other Corporate Items	13	(2)	(6)	3	-
Apprenticeship Levy	-	700	-	-	-
Property	-	3,200	(3,200)	-	-
<b>HAS</b>					
Adult Care	3,000	3,000	3,000	3,000	3,000
Care Act (loss of grant)	-	2,700	-	-	-
<b><u>Additional One-Off Spend from GWB</u></b>					
<b>BES</b>					
Highways	7,000	(5,000)	-	-	-
Major Schemes	210	(210)	-	-	-
Flooding Schemes	500	(500)	-	-	-
<b>Corporate</b>					
SFNY	-	470	(470)	-	-
<b>CYPS</b>					
Universal Youth	100	-	(100)	-	-
<b>HAS</b>					
Assessment Team & Welfare	367	(287)	(80)	-	-
	<b>17,242</b>	<b>15,954</b>	<b>4,278</b>	<b>12,601</b>	<b>15,887</b>
<b>C Cost Reduction / Savings Requirements</b>					
<b>Corporate</b>					
2020 Budget Savings	(21,650)	(10,719)	(12,657)	(8,843)	(4,056)
<b>HAS</b>					
Savings Package from 13/14	(800)	-	-	-	-
Budget 2	(1,600)	(80)	-	-	-
Delayed Savings	520	(520)	-	-	-
FACS Charging	100	-	-	-	-
	<b>(23,430)</b>	<b>(11,319)</b>	<b>(12,657)</b>	<b>(8,843)</b>	<b>(4,056)</b>
<b>D Adjustments to Funding</b>					
<b>Corporate</b>					
Education Services Grant	2,100	1,300	5,200	1,400	200
Local Welfare Reform	947	-	-	-	-
New Homes Bonus	(407)	(500)	(18)	1,167	109
Business Rates Relief Compensation	(1,000)	-	-	-	-
Business Rates 2% cap Grant	(256)	-	-	-	-
Contribution to GWB 14/15	1,322	-	-	-	-
Rural Services Delivery Grant	-	(6,600)	1,600	1,500	(1,500)
<b>HAS</b>					
Better Care	(5,000)	-	-	(5,300)	(5,700)
Public Health	-	500	600	600	600
	<b>(2,294)</b>	<b>(5,300)</b>	<b>7,382</b>	<b>(633)</b>	<b>(6,291)</b>
<b>E Use of General Working Balances (GWB)</b>					
MTFS Balance/(Shortfall)	7,170	(7,803)	(6,632)	(4,063)	(2,634)
Additional One-Off Spend to Directorates (see section B)	(8,177)	5,527	650	-	-
	<b>(1,007)</b>	<b>(2,276)</b>	<b>(5,982)</b>	<b>(4,063)</b>	<b>(2,634)</b>
<b>F Total Net Budget Requirement</b>	<b>363,510</b>	<b>360,570</b>	<b>353,591</b>	<b>352,653</b>	<b>355,559</b>
<b>G Funding Sources</b>					
Revenue Support Grant	(59,218)	(37,370)	(19,120)	(7,560)	-
Business Rates Top Up	(42,588)	(42,943)	(44,745)	(45,866)	(47,014)
Business Rates District Councils 9%	(18,871)	(18,331)	(18,697)	(19,070)	(19,451)
Business Rates Collection Fund Deficit	1,687	1,045	-	-	-
Council Tax District Councils Collection Fund	(2,726)	(3,479)	-	-	-
Business Rates Top-Up Adjustment	-	-	-	-	3,696
Transitional Grant	-	(2,992)	(2,962)	-	-
	<b>(121,716)</b>	<b>(104,070)</b>	<b>(85,524)</b>	<b>(72,496)</b>	<b>(62,769)</b>
<b>H Balance Required from Council Tax</b>	<b>241,794</b>	<b>256,500</b>	<b>268,067</b>	<b>280,157</b>	<b>292,790</b>
<b>I District Council Tax Base (Band D equivalents)</b>	219,816.84	224,240.30	225,361.00	226,488.00	227,620.00
<b>J Basic Amount of Council Tax (Band D)</b>	<b>1,099.98</b>	<b>1,143.86</b>	<b>1,189.50</b>	<b>1,236.96</b>	<b>1,286.31</b>
Annual % Increase (£1,078.52 in 2014/15)	1.99%	3.99%	3.99%	3.99%	3.99%
General Working Balances - one-off spend	(8,177)	(2,650)	(2,000)	(2,000)	(2,000)
General Working Balances - savings	7,170	(633)	(7,264)	(11,327)	(13,961)
Total	(1,007)	(3,283)	(9,264)	(13,327)	(15,961)

**North Yorkshire County Council**

**Executive**

**5 July 2016**

**Corporate Tax Evasion**

**Report of the Corporate Director – Strategic Resources**

**1.0 Purpose of the Report**

- 1.1 To inform the Executive on the detail of a response to the Notice of Motion - County Council 24 February 2016 – Corporate Tax Evasion

**2.0 Background**

- 2.1 A motion presented to Council on the 24<sup>th</sup> of February 2016 regarding Corporate Tax Evasion called for procurement procedures to be amended to all companies bidding for service and works contracts at levels to be decided by the executive to self-certify that they are fully tax compliant in line with central government practice using the standards in Procurement Policy Note 03/14 applying to contracts of the size to be determined by the Executive.
- 2.2 The motion was moved by County Councillor David Billing and seconded by County Councillor John Ritchie and stated:

*"North Yorkshire County Council notes that:*

*Corporate tax evasion and avoidance are having a damaging impact on the world's poorest countries, to such a level that it is costing them far more than they receive in aid this is costing the UK as much as £30bn a year this practice also has a negative effect on small and medium-sized companies who pay more tax proportionately.*

*North Yorkshire County Council further notes that the UK Government has taken steps to tackle the issue of tax avoidance and evasion by issuing Procurement Policy Note 03/14 (PPN 03/14). This applies to all central government contracts worth more than £5m.*

*North Yorkshire County Council also notes the existence of voluntary schemes promoting tax compliance such as the Fair Tax Mark, which can serve as an independent means of verification.*

*In early 2015 new regulations required public bodies, including councils, to ask*

*procurement qualification questions of all companies for tenders of over £173000 for service contracts and £4m for works contracts. However these questions are not as detailed as the PPN 03/14.*

*This Council believes that bidders for council contracts should be asked to account for their past tax record using the standards in PPN 03/14, rather than the lower standards in the recent regulations.*

*This Council therefore calls for procurement procedures to be amended to all companies bidding for service and works contracts at levels to be decided by the executive to self-certify that they are fully tax compliant in line with central government practice using the standards in PPN 03/14 applying to contracts of the size to be determined by the executive.*

*The Council asks the Executive to publicise the policy and to report on its implementation annually.”*

- 2.3 The matter is therefore referred to the Executive for consideration and the outcome will be reported back to County Council 20 July 2016.

### **3.0 Relevant Procurement Considerations**

- 3.1 Procurement Policy Note PPN 03/14 – Measures to Promote Tax Compliance sets out the scope and background of the policy requiring all suppliers bidding for central government contracts over £5m from April 2013 to self-certify their tax compliance.
- 3.2 Since this policy note was published, there have been changes to the Public Contract Regulations. These came into force in February 2015. Section 107.1 of these regulations states that all *Contracting Authorities shall have regard to any guidance issued by the Minister for the Cabinet Office in relation to the qualitative selection of economic operators.*
- 3.3 The Cabinet Office, through Crown Commercial Service, have since provided a Standardised Pre-Qualification Questionnaire (PQQ) which contains the recommended position regarding tax as set out in PPN 03/14. This was adopted for use by the Council on 27<sup>th</sup> November 2015.
- 3.4 Tax Compliance is covered in both the Mandatory and Discretionary sections of the PQQ. As a mandatory point, we are required to always ask the following (Section 2 – Question 2.2) for all above OJEU contracts:

*Non-payment of taxes*

*Has it been established by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which your organisation is established (if outside the UK), that your organisation is in breach of obligations related to the payment of tax or social security contributions?*

*If you have answered Yes to this question, please use a separate Appendix to provide further details. Please also use this Appendix to confirm whether you*

*have paid, or have entered into a binding arrangement with a view to paying, including, where applicable, any accrued interest and/or fines?*

- 3.5 Tax Compliance is also covered in Discretionary Grounds for Exclusion – Part 2. This applies to Central Government only. However, in line with Cabinet Office guidance, Local Government and the wider public sector may choose to apply these measures. We have taken the decision to apply these measures to contracts of £5m and over, where appropriate.
- 3.6 The Council are obliged to use this national standard PQQ, and we are already going above mandatory requirements in applying Discretionary Grounds for Exclusion – Part 2 in our PQQ to contracts of £5m and over, where appropriate. A copy of this PQQ is attached as **Appendix 1**.

#### **4.0 Consultation**

- 4.1 Advice has been sought from the EU/International Procurement Policy Team at Crown Commercial Service on when a new Procurement Policy Note will be published. The following response was provided:

*‘PPN 03/14 will be replaced later in the year to reflect updated policy. However the particular questions it covers on tax will be incorporated into the ESPD (England) which aligns the European Single Procurement Document (ESPD) with the standard supplier selection questions.*

*The ESPD (England) is nearing the final stages of internal clearance and should be released shortly. It will replace the standard PQQ when it is published.*

*In the meantime our advice is for contracting authorities to continue to use the standard PQQ and policy in PPN 03/14 until the ESPD (England) is published.’*

#### **5.0 Conclusions**

- 5.1 Including optional or additional questions in the PQQ is straightforward, however verifying the answers about tax compliance is not. The questions are asked on the basis of suppliers self-certifying, and therefore could be viewed as meaningless. CIPFA have advised that we include a statement in our tender documentation outlining that if a supplier deliberately falsifies the declaration they could be banned from tendering for up to 3 years. We are currently reviewing the legal position on being able to ban a supplier in line with this. This would add a further degree of protection to the Authority, as we currently ask suppliers to sign a declaration confirming the information provided is accurate and true.
- 5.2 Procurement for wider public sector bodies, such as local government, health and education, is subject to the Public Contracts Regulations. These regulations provide modernised rules for the procurement of goods, services and works above certain financial thresholds. The Public Contract Regulations 2015 promote a self-certification approach in order to streamline and simplify the process for suppliers. These Regulations and subsequent Crown Commercial Service guidance advise public sector bodies to only seek evidence from the winning contractor. In relation to the self-certification questions, including those

on tax, public sector bodies can request supporting evidence at the point of PQQ, however this must be based on a proportionate approach taking account of the subject matter.

- 5.3 From a legal point of view if the Council were to award a contract, or about to award a contract, and received a challenge based on the fact that the suppliers self-certification on the tax questions is incorrect then we would be adding a further, albeit small, risk to the procurement process. As outlined above all suppliers are required to sign a declaration - however as an Authority we have a responsibility to carry out due diligence on questions we ask suppliers.
- 5.4 The additional burden in collating the information will be considerable, for little or no protection or benefit. The current approach is such that the Council is working in line with the latest policy direction in the areas of tax compliance and supplier past performance.
- 5.5 On the 24<sup>th</sup> June 2016 it was confirmed that the UK had voted to leave the EU. This creates some longer term uncertainty around the future of public sector procurement rules and regulations, as currently they are derived from EU Directives. It is likely broadly similar rules will apply once the UK exit from the EU is completed. The UK's membership of certain treaties (for example the Agreement on Government Procurement under the World Trade Organisation) will require it to continue to regulate public procurement effectively through some form of legislation.
- 5.6 However, until exit negotiations are complete we cannot be certain what public sector procurement rules and regulations will look like in the longer term. For the immediate future nothing will change and the EU has already made it clear that it expects the UK to be compliant with EU law during the course of the exit strategy, likely the next several years. Therefore, the recommendations contained in this report are currently sound, but will need to be reviewed as future policy guidance becomes available in this area from Government.

## **6.0 Recommendation**

It is recommended that:-

- 6.1 the County Council retains its current position, which is in line with the latest procurement policy guidance.
- 6.2 the County Council reviews its position in line with the European Single Procurement Document, the future UK exit from the EU, and when any associated updated procurement policy notes are published by Crown Commercial Service.
- 6.3 the Executive endorse these recommendations for approval by County Council 20 July 2016.

Corporate Director – Gary Fielding Corporate Director Strategic Resources

COUNTY HALL  
NORTHALLERTON  
*(Insert date)*

Author of report – Kevin Draisey – Head of Procurement & Contract Management

<i>Please indicate your answer by marking 'X' in the relevant box.</i>		<b>Yes</b>	<b>No</b>
<b>From 1 April 2013 onwards, have any of your company's tax returns submitted on or after 1 October 2012; (Please indicate your answer by marking 'X' in the relevant box).</b>			
<b>44.1</b>	<i>Given rise to a criminal conviction for tax related offences which is unspent, or to a civil penalty for fraud or evasion;</i>	<input type="checkbox"/>	<input type="checkbox"/>
<b>44.2</b>	<i>Been found to be incorrect as a result of:</i> <ul style="list-style-type: none"> <li>▪ <i>HMRC successfully challenging it under the General Anti-Abuse Rule (GAAR) or the "Halifax" abuse principle; or</i></li> <li>▪ <i>A Tax Authority in a jurisdiction in which the legal entity is established successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the GAAR or the "Halifax" abuse principle; or</i></li> <li>▪ <i>the failure of an avoidance scheme which the Supplier was involved in and which was, or should have been, notified under the Disclosure of Tax Avoidance Scheme (DOTAS) or any equivalent or similar regime in a jurisdiction in which the Supplier is established.</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>44.3</b>	<p><i>If answering "Yes" to either 4.1 or 4.2 above, the Supplier may provide details of any mitigating factors that it considers relevant and that it wishes the authority to take into consideration. This could include, for example:</i></p> <ul style="list-style-type: none"> <li>• <i>Corrective action undertaken by the Supplier to date;</i></li> <li>• <i>Planned corrective action to be taken;</i></li> <li>• <i>Changes in personnel or ownership since the Occasion of Non-Compliance (OONC); or</i></li> <li>• <i>Changes in financial, accounting, audit or management procedures since the OONC.</i></li> </ul> <p><i>In order that the authority can consider any factors raised by the Supplier, the following information should be provided:</i></p> <ul style="list-style-type: none"> <li>• <i>A brief description of the occasion, the tax to which it applied, and the type of "non-compliance" e.g. whether HMRC or the foreign Tax Authority has challenged pursuant to the GAAR, the "Halifax" abuse principle etc.</i></li> <li>• <i>Where the OONC relates to a DOTAS, the number of the relevant scheme.</i></li> <li>• <i>The date of the original "non-compliance" and the date of any judgement against the Supplier, or date when the return was amended.</i></li> <li>• <i>The level of any penalty or criminal conviction applied.</i></li> </ul>		
<b>Answer</b>			

**NORTH YORKSHIRE COUNTY COUNCIL**

20 JULY 2016

**STATEMENT OF CHILDREN'S SERVICES PORTFOLIO HOLDER****COUNTY COUNCILLOR JANET SANDERSON****Medium Term Financial Strategy & 2020 North Yorkshire**

The Children and Young People's Service has continued to meet its savings targets. The scale of budget cuts required – and achieved to date, whilst maintaining service levels, has been a significant challenge. The objective has been to protect front-line services as much as possible, thus enabling a restructured Directorate to operate effectively across its universal, preventative, targeted and acute service responsibilities, in line with legislation. Although the Directorate is facing emerging pressures in some of the higher need budgets, such as Special Home to School Transport and Disabled Children's Services, we remain on track to achieve the savings and transformation projects agreed by Council.

Although this information appears in my Statement to Council it should be noted that both Executive Members for the Children and Young People's Service have joint responsibility for all relevant resources.

**Partners in Practice**

As one of only eight authorities awarded "Partners in Practice" status by the government, in recognition of the exemplary work in children's services in North Yorkshire, we have submitted a bid to the DfE for £8.2 million. The bid will enable us to assist other authorities to improve practice and to improve our own services even further. We have submitted plans to extend the No Wrong door methodology to care leavers and children and young people with social emotional and mental health issues in the special schools and pupil referral centres and for clinicians in social work teams. As mentioned above, North Yorkshire has had many visits from local authorities who are keen to mirror our transformation journey.

**Local area inspection of arrangements for children and young people with SEND**

North Yorkshire children's services, along with health providers, have just undergone a five day Ofsted inspection of arrangements for assessing and meeting the needs of children and young people with special educational needs and disabilities. The inspection, which took place from 27 June to 1 July inclusive, included focus group meetings with providers, settings and children, young people and their families, and analysis of data and evidence as to how services in the local area were meeting the needs of young people and working towards the delivery of national SEND Reform. The team of inspectors included representatives from Ofsted and Care Quality Commission and the outcome of the inspection will be published in around the middle of August.

**Children and Families Service Performance**

Performance for the work of Children's Social Care and the Prevention Service continues to impress. The service continues to have very positive feedback about one referral pathway through the Customer Contact Centre. This is particularly so from head teachers who report very high satisfaction with the process. In the last quarter we have seen the same trend as the previous year with more cases being referred to the Prevention Service 3349 (0-19 children and young people), open to the service. This is the highest number of cases recorded.



Conversely there has been a reduction in the number of cases being worked with in Child Protection and Looked After categories. This is bucking the trend from many other authorities where Ofsted have seen increases in both looked after children and child protection have been reported. The Ofsted annual report 2016 cites that investment in early help and prevention is a significant correlation with good outcomes in inspection.

### **Children in Care**

The number of children in North Yorkshire's care continues to reduce as we work with young people earlier to prevent family breakdown. The number of children and young people in our Care is now 406 - a reduction of 20%. This success is again bucking the national trend as we see a rise in children in care across the country with some authorities having double the number per 10,000 that we look after.

In addition our performance continues to show great outturn, with children having completed health checks now at 86% and dental checks at 88%. Short term stability (children having less than three moves in one year) is well below the national average. We are currently looking at our long term stability which is 6% behind the England average.

No wrong Door continues to attract national attention and is a feature in the forthcoming review by Sir Martin Narey where he recommends the model to other Local Authorities. We have also had around 30 local authorities contact North Yorkshire and/or visit North Yorkshire to discuss the model further.

We continue to listen to children and young people who have experienced the care system. In June Rachel Malik spoke to managers from across children's services about her experience through care in the last 14 years, the support she received and the incredible achievements. She now had a 2:1 master's degree and is shortly going to Beijing to study with the highest scholarship awarded by the Chinese government. Only 72 young people in the world have been awarded this prize.

### **Children's health outcomes – progress with Future in Mind implementation**

Following commissioning of programmes within the Future in Mind delivery plan, there are two projects about to start. From September 2016 around 30 schools will be testing an early identification and assessment tool to support staff to spot any emerging difficulties young people may be having. The schools will also be provided with a toolkit to use should interventions be needed. From January 2017 the Schools Emotional Wellbeing project will build capacity in schools to implement whole school approaches to promote emotional wellbeing as well as provide some specific individual and group work interventions. Alongside the project work there are a number of work streams looking at transformation within the current emotional wellbeing offer to ensure all services are working effectively together.

This is welcome investment in schools to help them identify and support young people with emotional and mental health needs. It is important to identify emerging difficulties as early as possible and these developments should help schools do that.

## **Schools Debating Competition**

The annual School Debating Competition proved once again to be an excellent forum for discussion. On the day that Britain learned the outcome of one of the biggest debates in its history, primary school children from across North Yorkshire gathered in the County Council's council chamber in Northallerton to present their arguments in the final of a county-wide debating competition. The debating competition was started four years ago by the County Council's then chairman, County Councillor Cliff Trotter. In the first year, only six schools took part, but this year 34 have been involved, with heats in each district of the county. This year's finalists were Easingwold Community Primary School, Hambleton; Richmond Church of England Primary School, Richmondshire; Rossett Acre Primary School, Harrogate; Amotherby Community Primary School, Ryedale; Newby and Scalby Primary School, Scarborough; Chapel Haddlesey Church of England Primary School, Selby; Green Hammerton Church of England Primary School, Harrogate. The winner of the Craven heat, Cononley Primary School, was unable to attend the final.

The topic of debate was "Do you think our climate is changing?" and the winning school was Rossett Acre Primary School. Once again the standard of the debating was extremely high and all the children taking part are to be commended for the liveliness of their presentations and questioning.

**County Councillor Janet Sanderson, Executive Member for Children's Services**

## NORTH YORKSHIRE COUNTY COUNCIL

20 JULY 2016

**STATEMENT OF THE HIGHWAYS, ROAD SAFETY, ACCESS TO THE COUNTRYSIDE  
(INCL BROADBAND, MOBILE PHONE COVERAGE) AND PASSENGER TRANSPORT  
PORTFOLIO HOLDER COUNTY COUNCILLOR DON MACKENZIE****Major schemes**

I am very pleased to report excellent progress with three major schemes, which have featured in my statements to you in recent months, and to give details of a new one.

**A684 Bedale Aiskew Leeming Bar Bypass**

This 4.3km long bypass is on target for completion by the end of next month. Most of the major works relating to the scheme are almost complete and finishing touches are already under way. It is likely that this major highways improvement project will come in under budget. This authority's investment of £5.4m in the £34m scheme will be repaid many times over in benefits for large parts of the county and, in particular, for the Northern Dales.

**A174 Sandsend Road Coast Protection and Slope Stabilisation**

The concrete revetment is complete and final drainage and landscaping works adjacent to this are taking place now. Additional parking spaces have recently been completed. This major scheme is on budget.

**Tadcaster Bridge**

Work has started on piling in the river for the pier foundation and to provide future scour protection. Each stage of the rebuilding programme is being approved by the Environment Agency. The arches will be rebuilt in August. Matching stone is currently being quarried.

We have been allocated grant funding from the YNYER LEP of £1.4 million to widen the bridge, a measure which will increase flood protection and provide a better facility for pedestrians. These improvement works will need Listed Building and Planning Consent. The Executive will be asked at its meeting on 26 July to give formal approval to accept the grant.

**Dalton Industrial Estate – Bridge and Highway Improvement**

We have been awarded grant funding of £1.8m from the YNYER LEP towards the costs of a scheme to replace Dalton Bridge and to raise the adjacent highway. Both the bridge and the highway have regularly been affected by flooding to the great detriment of local businesses. This project will bring major, much-needed improvements to access and flood protection for the Dalton Industrial Estate. The programme is in partnership with local businesses and Hambleton District Council and targets economic growth. A report seeking formal approval to accept the grant is to be considered by the Executive on 26 July.

**Confirmation of 2017/18 Capital Programme**

The 2016/17 Capital Programme is well underway. In addition to the regular activities, we are undertaking additional works from new funding sources as follows:

The Flood Recovery Fund is being spent on 21 specific locations where flood damage occurred as a result of the winter storms.

The additional Local Growth Fund allocation for highways maintenance is being spent on over 100 roads leading to our growth towns whilst the additional Pothole Action Fund grant is being spent carrying out patch repairs across the County.

The Capital Programme for 2017/18 has now been approved. As in previous years, the focus is on road maintenance for which we have allocated £38m. There is an additional £2.1m set aside for bridges and other structures, with further substantial sums for signs and lines and for street lighting.

Full details of the 2017/18 programme will be sent to Members and the BES Director will be announcing a series of meetings to take place in September and October at which local matters can be discussed with officers.

### **Road Casualties 2015**

We have recently published the confirmed road casualty statistics for 2015 and the number of people killed on North Yorkshire's roads is the lowest since modern records began. There were 31 fatalities, compared to 40 in 2014.

More people are cycling on our roads, and so we are investing in programmes to reduce and prevent casualties with specific focus on raising drivers' awareness of cyclists on popular routes. These include posters, information sources, advertisements and online advice to all road users.

### **North Yorkshire Flood Risk Strategy**

The recent programme of visits to Area Committees provided a good opportunity for the Flood Risk Management team to set out how we are applying the North Yorkshire Flood Risk Strategy to our review of the December floods. Valuable local information was gained.

### **Broadband and Mobile Telephony**

SFNY has commenced its procurement process for Phase 3 of the expansion of superfast broadband provision to homes and businesses. This latest phase has a contract value of £20.5m, of which £12.5m is provided by NYCC. By the end of Phase 2, we will have connected about 91% of premises in the county to superfast broadband, and expect the latest phase to take that figure up to about 96%.

It is understandable that communities which have not yet received high quality broadband feel even more isolated as their number diminishes. For that reason, every effort is being made to keep our residents informed and to make them aware of alternatives to wired connections. We are also meeting with mobile phone operators at the highest level to explore how NYCC can facilitate and encourage more rapid expansion of 4G coverage as a potential, additional means of improving connectivity in all parts of the county.

DON MACKENZIE

**NORTH YORKSHIRE COUNTY COUNCIL**

20 July 2016

**STATEMENT OF TRANSPORT, WASTE & COUNTRYSIDE SERVICES, ECONOMIC DEVELOPMENT, RAIL STRATEGY AND GROWTH, PLANNING & TRADING STANDARDS PORTFOLIO HOLDER COUNTY COUNCILLOR CHRIS METCALFE****Waste Services**

Since the last meeting of the County Council, contractors have passed the half-way point in the construction of Allerton Waste Recovery Park. The anaerobic digester has been built and tested, and is now being insulated and clad. The building for the mechanical treatment plant is almost complete and the installation of equipment will begin in December this year. Both combustion lines of the Energy from Waste plant are installed, and contractors are now working to connect the myriad of cables, control systems and pipework that join all the major parts together. The waste bunkers are complete, tipping hall construction is under way and work has begun on the connections that will allow the electricity generated by the facility to be sent to the National Grid. I'm pleased to report that the construction programme is still on schedule and waste deliveries from Harrogate will begin from May 2017 to allow the plant to be commissioned with full service commencement expected by 31 January 2018.

Members will remember that we introduced a resident's permit system at Stokesley household waste recycling centre on 1 April 2016, along with reduced opening hours and charges for tyres at all 20 of our centres. I am very pleased to report that this has gone well and that our colleagues in the borough and district councils have not seen a noticeable increase in fly-tipping since we introduced these changes. We have seen a drop in inputs to Stokesley of around 30% which should realise savings of approximately £50k in the current year. We have also seen some people from outside the County pay to use the facility which confirms that our decision not to exclude non-residents was the right approach to take.

**Economic Development**

The York, North Yorkshire & East Riding LEP fully delivered the first year of its growth deal, on time on budget. Whilst continuing to deliver the existing deal, it is also now bidding for an additional share of a new £1.8bn national pot.

Parallel to this, in partnership with NYCC the LEP is investing c.£3m in two flood defence projects. One will improve the bridge solution in Tadcaster, widening the pedestrian footpath, the other will help secure 300 jobs by addressing flooding at Dalton Industrial Estate.

The implications of the EU referendum result are evolving, in particular the impact on the €110m EU Programme for our area. We continue to press for delivery of current projects whilst greater clarity is forthcoming.

**Trading Standards****Farming, Food & Health****Food Allergens Investigation Update**

The Crown Prosecution Service presented the prosecution case on behalf of both the Police and the Service. Mr Zaman was found guilty at Teesside Crown Court on Monday, 23 May, of manslaughter through gross negligence following the death in January 2014 of Paul Wilson. Mr Zaman was also found guilty on charges of employing illegal workers and six breaches of food regulations but was found not guilty of perverting the course of justice. He was sentenced to six years in prison and part of this sentence included 18 months in prison to run concurrently for

the six food safety related offences. The case attracted a large amount of interest from the media.

### **Public Health – Legal Highs Update**

On 26 May 2016, the New Psychoactive Substances Act came into force which bans the production, supply and possession for supply of any substance which is capable of producing a psychoactive effect in a person who consumes it. As such ‘legal highs’ are now illegal.

Any product that causes a ‘psychoactive effect’ ie those that stimulate or depress a person’s central nervous system or affect a person’s mental functioning or emotional state are caught by the Act. However the legislation creates an exemption for alcohol, nicotine and caffeine based products. Prior to the implementation of the Act three shops were known to supply “Legal High” type products (psychoactive substances) in North Yorkshire; one in Harrogate and two in Scarborough. Post 26 May, 2016 Trading Standards officers have visited each of the shops and found that they have all ceased supplying psychoactive substances yet continue to trade other products.

Trading Standards will continue to monitor complaints regarding the supply of psychoactive substances and work with the Police to address any allegations of criminality. The supply of legal highs is now a Police matter as the enforcement role now sits with them. Trading Standards will continue to work in partnership with the Police in a supportive role for example assisting with the gathering of any intelligence. In addition there are also enforcement and safeguarding steering groups in place to counteract any local safeguarding issues and Trading Standards Officers will continue to link in with all partner agencies as required.

### **Public Health – Illicit Tobacco Survey**

In April 2016, Trading Standards and the Public Health team jointly commissioned an illicit tobacco survey to quantify the extent of the illicit tobacco market across North Yorkshire. The results of the survey indicated that in North Yorkshire 31% smokers have tried illicit tobacco and that illicit tobacco makes up 9% of the tobacco market. The percentage share of illicit tobacco compared to the overall tobacco market in North Yorkshire is on a par with neighbouring authorities such as West Yorkshire and the North East authorities.

The survey also indicates large variations in the illicit tobacco purchasing habits across the County. Ryedale at 39%, Selby 29% and Scarborough 21%, demonstrate significantly higher rates of illicit tobacco purchases as compared to other areas in the county, the County average being 19%. The lowest results are in Harrogate at 11%.

In response to the survey results, Trading Standards via the North Yorkshire Tobacco Control group will work with the District Councils and other partners to formulate an enforcement and education programme to identify and take action against those supplying illicit tobacco. Additional activities will be put in place to educate and warn the wider community as to the dangers of purchasing this type of product. The programme will cover the entire county however initial focus will be on Ryedale and Selby given the highest prevalence in those areas.

## **Planning Services**

### **Minerals and Waste Local Plan**

Consultation on a first full draft of the new Minerals and Waste Joint Plan has been completed and responses are being assessed. Further work is taking place to address issues relating to shale gas. A final draft Plan is programmed for completion by October 2016 and will be made available for further representations before approval is sought from Full Council to submit the Plan for Examination in Public.

CHRIS METCALFE

**NORTH YORKSHIRE COUNTY COUNCIL**

**20 July 2016**

**STATEMENT OF THE PORTFOLIO HOLDER -  
LIBRARY, CUSTOMER AND COMMUNITY SERVICES**

**COUNTY COUNCILLOR CHRIS METCALFE**

**Libraries**

**Service reconfiguration**

Since my last statement; this has been an intense period of activity for our library service. Members have been receiving regular updates as to the progress of the planned reconfiguration of libraries as agreed by the Executive in July 2015, i.e. 7 core, 5 hybrid and a further 21 community managed libraries, to come into effect by the spring of 2017.

The service and Stronger Communities continue to make progress and to meet regularly with all local community library groups and organisations across the county. Since my last report, officers from the library service and stronger communities have attended 47 meetings. These have included discussions on Heads of Terms for leases and Service Level Agreements.

Alongside of this; the Stronger Communities team has been working with groups on their constitutions and charity registration, and several groups have already sent their applications off to the charity commission. The Stronger team have also been helping groups to prepare their business plans; the first 6 of which have been considered by a multi-disciplinary assessment panel of established by the Library Service.

This panel, comprising County Council Officers from finance, legal, property, contracting, stronger communities and libraries had their first panel meeting on 7 July to consider the first 6 business plans to be submitted. It was agreed that the majority of these can proceed to detailed negotiations, subject to additional work in certain areas.

Milestones for the next 3 months include assessment of further business plans; agreement on Property Heads of Terms and continuing SLA discussions and I will be reporting on further progress on these at next Full Council.

At the same time work continues on the staff re-structure and the first appointments have been made. The service also continues to deliver first class services to its customers and of particular note are the activities aimed at supporting the development and increasing the life chances of children.

May saw **National Share a Story Month** celebrated across North Yorkshire's libraries. As well as story times in libraries and other locations, staff and volunteers shared storytelling skills with parents and invited schools in to visit and join the library. Over 800 children took part in activities.

This was followed up in June with **National Bookstart Week** with libraries across the county, in partnership with the Book Trust, hosting special story times and activities to inspire families to read together. 45 events were held in 38 libraries with 451 children and 193 adults taking part in the fun. As a result 96 new people joined their local library.

Many more children will have the opportunity to benefit from our libraries when the annual **Summer Reading Challenge** is launched on the 16<sup>th</sup> July.

The Summer Reading Challenge is a national reading initiative, co-ordinated by The Reading Agency, for children aged 4 to 11 and is running in all North Yorkshire libraries this summer. This year The Reading Agency is working in association with the Roald Dahl Literary Estate to mark 100 years since the birth of this ever-popular author and the title of the challenge is The Big Friendly Read.

There will also be over 100 activity sessions in libraries across North Yorkshire during the summer. Last year in North Yorkshire almost 10,500 children took part with over 9,000 of these finishing the challenge and children borrowed more than 126,000 books over the summer.

**Skipton Library Code Club** has just completed a 10 week course in coding for young people aged 9-11. What makes this club different is that it's being delivered by two 14 year old volunteers from Ermysted's Grammar School in Skipton. The teenagers came forward as volunteers to share their interest in coding and have done a wonderful job of inspiring the young people and leading the sessions. They hope to run another session in the autumn term and have encouraged other students to come forward as potential code club volunteers at other libraries in Craven.

**Northallerton Library** has held the first exhibition this month of work by "**Scribble Zone**", an experimental art workshop for young adults. The group has on average 10-14 young people attending every week and aims to provide local young people with the opportunity to experiment with their art, to discover a style with which they are confident and comfortable, and to explore ways in which their work can be shared with the community supported by local artists. Creative art sessions are popular in libraries, as demonstrated by the Arts Council funded Creative Residencies programme, now in its 3<sup>rd</sup> year and taking place in **Leyburn, Stokesley, Catterick and Bilton and Woodfield Libraries**, and challenge perceptions that young people and others may have that libraries are not for them. Libraries are community hubs with potential for a wide range of activities and are free, safe and welcoming.

Of course Libraries are for everyone in the community. **Catterick Garrison Library** is currently hosting an English class for older Nepalese residents. Run by a support worker and a young SSAFA volunteer acting as an interpreter, the class of 25 is working hard to improve their English in an informal atmosphere where they can also browse and borrow from the library. **Skipton Library** opened its doors to a community fair delivered to promote community cohesion in Skipton following concerns raised by an Asian Women's Group at the 'Craven Together' meeting attended by the library service. 17 organisations hosted stalls to raise awareness of the services and opportunities they provide. 260 people attended on the day and following this event many of the organisations involved are planning further information drop in sessions at libraries across Skipton and Craven.

This year being the 400<sup>th</sup> anniversary of the death of William Shakespeare; libraries have already been marking this throughout this year and they have now been awarded £1500 from the Arts Council for an innovative project taking place at **Scarborough Library** in which the Beach Hut Theatre Co. Will work with new community writers and actors to re-interpret scenes from Shakespeare for a modern audience, and performances will take place in the library on the 16<sup>th</sup> July.



## **Archives**

The sixth Archives at Dusk event took place at the Record Office on May 12<sup>th</sup> and the audiences for this popular evening event have continued to increase. This year 180 people were welcomed to an informal evening of archive entertainment, highlighting the Record Office's holdings relating to North Yorkshire's historic homes and gardens, large and small. Visitors were able to explore behind the scenes at the office and to discover fascinating information about garden history, household management and interior design, the lost stately homes of the county and post-war housing. Visitors also had the opportunity to view the unique drawing of Howsham Hall of 1718 whose gardens were redesigned by Capability Brown.

**NORTH YORKSHIRE COUNTY COUNCIL**

20 July 2016

**COUNTY COUNCILLOR GARETH DADD****Procurement Award & Recognition from CIPS**

We have been shortlisted for “Best contribution to corporate responsibility” by the Chartered Institute of Procurement and Supply for the 2016 CIPS Supply Management Awards. The award ceremony will be held in London on 14 September. This is the second year in succession the County Council has been shortlisted by CIPS. The awards represent the top level of the procurement profession in this country, and to be shortlisted alongside so many high performing organisations reflects well on the procurement team we have. It also demonstrates the improvements in our Corporate Procurement Strategy and the role that procurement can play in helping to deliver further efficiencies.

**Q4 Workforce Performance**

I was pleased to receive this month details of our workforce performance across the county. It is further evidence, if it was needed, of how committed our staff are to the services they deliver and communities they serve. The highlights were;

- Despite the need to reduce posts and shrink in some areas, in others we have grown in size as we take on new responsibilities, often funded nationally such as the eCrime unit in Trading Standards and the No Wrong Door project in Children’s Services. We also continue to be successful in winning new work in our traded areas such as cleaning, catering and payroll services and we are expanding by delivering services for other authorities such as Finance for Selby. So whilst our overall numbers have reduced, it’s been a steady, managed reduction smaller than might be expected because of these increases in some areas.
- We again spent relatively little on agency staff and for another year had no agency social workers which is very rare for a local authority with many running on 20-30% agency staff.
- Our turnover levels have reduced slightly to 12% from a steady 13% over recent years.
- Staff performance was high with 85% of staff receiving or keeping their increment in their pay band and only 13% having it removed or withheld mainly due to absence or performance issues.
- Our sickness levels fell slightly despite being at an all-time low last year. The outturn of 6.36 not including schools, compares very well across all sectors with the public sector average at 9.3 days and private sector 8.2. A massive 63% of our staff have not had a day off in the last 12 months.

Our staff continue to be affected by restructures and services changes as we respond to budget reductions and we continue to work really hard at supporting them. Over 2000 staff were involved in redundancy consultations in 15/16 across 59 separate restructures resulting 430 posts being removed and 194 redundancies. But

our support meant that despite the scale of the changes, of those who left only 3% were still looking for another job at the point they left and the rest had found another suitable job or decided to do something else such as a qualification or start their own business.

I once again want to pay tribute to our staff for their ongoing commitment and hard work during what must be an anxious time for many of them and to the trade unions locally who work with us to support staff whilst implement changes.

### **Looking ahead at the Council's Budget Position**

The County Council is due to consider the multi-year settlement elsewhere on the agenda so I shall not dwell on it here. It would, however, be fair to say that the current economic environment feels very uncertain and we would welcome some elements of certainty.

We identified a £14m savings gap for the Council over this and the next 3 years in February's Budget report. Work is on-going to find ways to close this gap and, as always, the emphasis is on doing the most we can to protect frontline services and the most vulnerable in society. Our sound finances mean that we do not need to present emergency measures but we will be able to present a set of proposals to County Council in February 2017. We will, of course, ensure that Members and the public have opportunities to engage in this process.

By taking this approach we will also be able to await the outcome of the Autumn Statement later this year and better understand the direction that the new Prime Minister (and potentially Chancellor of the Exchequer) wishes to take with regard to the country's deficit and public spending etc. We will also better understand the financial impacts of the vote to leave the European Union. The current Chancellor has indicated that we will no longer meet the deficit reduction targets for 2020 but the next few years will be critical and, at this stage, we should not assume that public sector austerity ends in 2020. Our medium term strategy, however, means that we will be able to make early contingency plans so, in my view, we should not react at this stage.

GARETH DADD

## NORTH YORKSHIRE COUNTY COUNCIL

20 JULY 2016

## STATEMENT OF SCHOOLS AND EARLY YEARS PORTFOLIO HOLDER

## COUNTY COUNCILLOR ARTHUR BARKER

**White Paper “Educational Excellence Everywhere”**

As yet, no draft legislation has emerged which would further inform thinking around the implications of the White Paper. Nevertheless, the period between last County Council and this has seen a large number of constructive and helpful conversations with school leaders across the county. It has been a welcome opportunity to share thinking amongst the North Yorkshire education community.

Whilst some schools are continuing to seek academy status, there is now a sense of taking further time to consider possibilities and, critically, to look, as groups of schools, into the possibility of changed organisational arrangements. The Directorate is supporting such discussions wherever it can. We are also looking into what possibility there might be for the local authority – either in its own right, or through individual staff leaving the organisation, to set up a North Yorkshire Learning Trust which might in the future be able to sponsor academies. Further information is needed through legislation in order to determine whether this might be feasible.

**School Funding**

In March, the DfE launched the first part of a two-stage consultation on a national funding formula. This consultation kept very much to principles but allowed us to gain some insight into the government’s longer term plans. We have lobbied for a number of years now for a fairer distribution of school funding across England and it looks likely that the details – when available later this year – will confirm a move towards this. However we do have some concerns if the government moves to allocate funding direct to every school in the country – without any local input – from April 2019. In particular they have suggested getting rid of a “mobility” factor which is absolutely necessary at schools in North Yorkshire with high pupil turnover. This is an issue for those supporting service families or in areas with seasonal employment trends. I have recently written a letter to the Parliamentary Under-Secretary of State, Sam Gyimah MP, about my continued concerns at these proposals and have strongly urged the Department to look again at this proposal to ensure that families who serve in the armed forces are not forgotten.

We also have concerns about the simplistic way of calculating sparsity which does not take account of the nature of North Yorkshire and such geographic barriers as rivers, dales, moors and hills. Our response noted these concerns and we await with interest the government’s reply to these, along with the details in stage two of the consultation. The proposals will also have an (as yet unquantified) impact on the council’s overall finances and services as it seeks to restrict the local decision-making abilities of the North Yorkshire Education Partnership and County Council in setting budgets. The timeline for stage two of the government’s consultation on development of a national schools funding formula and is still awaited.

**School Ofsted inspection outcomes**

The percentage of schools graded as good or outstanding by Ofsted continues to be an improving picture with all indicators remaining above national averages. As at 1 July 2016, 89.7% of North Yorkshire’s primary schools are graded as good or outstanding which is above the national figure

of 88.4%, and 85% of secondary schools are good or outstanding, which remains considerably better than the national figure of 77%.

The percentage of pupils attending a good or outstanding school has also increased and at a faster rate than the national rate. As of 1 July 2016, 91.3% of North Yorkshire's primary school pupils attended a good or outstanding school (better than the national figure of 87.6%). 86.9% of North Yorkshire's secondary pupils attend a good or outstanding school, which again is considerably higher than the national figure of 79.9%.

There remain three primary schools which hold an inadequate judgement - Moorside Infants, Hawes Community Primary and Richmond CE Primary Schools – and the LA is working closely with the DfE, the schools and potential academy sponsors.

### **School Organisation**

Fellow Councillors will be pleased to know that the new primary school being built in Selby is now complete and will open in September. It will be called The Staynor Hall Community Primary Academy and will be run by the Ebor Trust.

Following a request from the governors of St Joseph's Catholic Primary School, Bishop Thornton, the Executive has, on 5 July, approved consultation on a proposal to close the school. With only 13 pupils on roll in a school which could accommodate 60, and with no new entrants anticipated for September, the opportunities for children to access the full range of experiences they need, particularly opportunities for working and playing with children of their own age, will be limited. The school also faces a budget deficit with little or no prospect of an improvement. The request for the consultation to be carried out is supported by the Diocese of Leeds.

A final decision will be made by the Executive on 16 August, with closure potentially with effect from 31 August 2016.

### **Scarborough Pledge launch**

The Scarborough Pledge was launched formally on 22nd June 2016. There was an excellent attendance with schools, settings, FE, business and employers, the County Council and Borough Council all represented. The Pledge is funded by the County Council with £250k each year for three years. The collective ambition is to improve outcomes and life chances for all children and young people. Pete Dwyer opened the Launch and presentations followed summarising the key themes and workstreams focussing on literacy, supporting parents to support their children's learning, speech and language, cultural experiences, employability skills, raising aspirations and employer engagement. The strap-line for the Pledge is "transforming coastal futures" and one of the next steps will be to involve the children and young people themselves in roles as Pledge Ambassadors.

**County Councillor Arthur Barker**  
**Executive Member for Schools and Early Years**

## **NORTH YORKSHIRE COUNTY COUNCIL**

**20 July 2016**

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

#### **Better Care Fund**

I am pleased to be able to report that the national escalation panel which I attended in London on the 7<sup>th</sup> June, along with Richard Flinton, Richard Webb and each of the CCG accountable officers, recognised the need to do more to support social care within the 2016/17 Better Care Fund plan. Whilst this represents a move in the right direction for social care, I do not underestimate how challenging this period has and continues to be for partners and for the health and care system as a whole. Nonetheless I am heartened by the commitment shown by system leaders to continue to work together, and I am equally committed through my role as chair of HWB to do all I can to support them as we work towards finalising the BCF plan for 2016/17.

#### **Mindful Employer**

The County Council has recently signed up to the national Mindful Employer Charter and is one of the first organisations in North Yorkshire to do so.

Signing the Charter represents a public declaration that the County Council is taking steps to improve the mental health and wellbeing of its employees and promote the recruitment and retention of people with mental health issues. It provides real opportunities for the County Council to lead by example. It has a number of advantages and benefits such as enhancing our reputation as a good employer, contributing towards our legislative duties, enhancing customer experience and contributing towards increased staff productivity and engagement.

The Charter itself is a set of aspirations, rather than targets and the focus is on working towards the principles, not the immediate fulfilment of them. Consequently, signing up represents the first stage on a developmental journey for organisations.

#### **Deprivation of Liberty Safeguarding (DoLS) & Law Commission**

The repercussions of the Cheshire West Supreme Court judgment continue to have implications for both North Yorkshire and other local authorities. The judgment significantly widened the criteria for DoLS assessments with the result that most authorities have had to implement a prioritisation system. In North Yorkshire this is based on the guidance developed by the Association of Directors of Adult Social Services (ADASS).

The Law Commission has undertaken a review of the current position nationally and a draft report is expected by the end of the year. In order to offer reassurance the Directorate continues to benchmark its position both regionally and nationally and has carried out a self-assessment against standards recommended by the Local Government Association and ADASS. The findings from the latter are being addressed both in the Directorate and its partners via the Safeguarding Adults Board.

Finally four local authorities have initiated judicial review proceedings against the Government in respect of the costs involved in managing the processes. North Yorkshire will continue to monitor this development.

### **Coffee Cart First Anniversary**

I was honoured to join trainees and staff to mark the first anniversary of the Creative Coffee Cart here at County Hall, which is a joint venture between the voluntary sector (Creative Support) and the County Council, providing work opportunities for people with disabilities. I hope Members will continue to support this venture – and also the local coffee roasters from East Rounton who provide the coffee!

### **Dementia and Carer Awareness**

I was delighted to support recent events to raise awareness about carers support and about dementia. It was a pleasure to attend the regular Sporting Memories group at Northallerton library and, as this statement is published, a 'Living well with Dementia in Knaresborough' event is taking place on Thursday 14 July at Gracious Street Church, Knaresborough. This event, for people with dementia, their carers and local businesses and health and social care services, aims to make Knaresborough a more dementia-friendly community and builds on similar initiatives taking place in Harrogate, Northallerton, Scarborough and elsewhere across the County.

### **Anne Marie Lubanski**

I would like to take this opportunity to thank Anne Marie for her work with North Yorkshire County Council over the past eight years, including four years as an Assistant Director. Anne Marie has earned a well-deserved promotion to become Strategic Director for Adult Care and Housing with Rotherham Council. Pending external recruitment, Ian Spicer will cover the locality social care teams in addition to his mental health service responsibilities and Dale Owens will cover provider services, Living Well and his existing remit for extra care. In the meantime, I am sure you will join me in wishing Anne Marie all the very best.

**Clare Wood**

**NORTH YORKSHIRE COUNTY COUNCIL**

20 July 2016

**STATEMENT FROM PORTFOLIO HOLDER FOR STRONGER COMMUNITIES,  
PUBLIC HEALTH, LEGAL AND DEMOCRATIC SERVICES  
AND THE ROLE OF AREA COMMITTEES****COUNTY COUNCILLOR DAVID CHANCE****STRONGER COMMUNITIES**

The main focus of the Stronger Communities programme for 2016/17 is to support the final stages of the library service reconfiguration programme. The twenty-six community and hybrid library management groups will be supported to complete a business plan, recruit and train volunteers and develop their operating models prior to the hand over in April 2017.

The first quarter of 2016/17 has seen the Stronger Communities programme build on the success of its first full year of operation. 36 groups were supported in the first three months of 2016/17 with investment of circa £195k. Twenty-five voluntary and community sector groups were given help to expand or extend their existing provision and to build organisational capacity. Six new library management groups were assisted with start up support and costs. Five new groups were also established providing activities and support to both adults and children and young people across the county.

**Libraries – Supporting community and hybrid libraries**

All Expressions of Interest have been submitted from community library management committees. Work is progressing with newly formed groups to obtain charitable status and to prepare their formal business plans. As of 30 June, fourteen community and hybrid libraries have submitted constitutions to the Charity Commission and it is expected that the remaining twelve will be submitted by the end of July. Six business plans have been evaluated with the remaining business plans to be seen by the evaluation panel between July and September.

The Stronger Communities team have carried out a range of development activities with new and emerging groups including community visioning events to explore potential partners and future service options for community libraries, options appraisals, trustee recruitment and skills audits and preparation of constitutions. Four learning and advisory seminars for all management committees are planned for July and August.



## **Services for Older People and Vulnerable Adults**

The focus for 2016/17 is to utilise local experience and intelligence from within the established Stronger Communities Team and Living Well service coupled with emerging national research to inform a more targeted approach to reduce, prevent or delay demand for statutory services.

This will be achieved through a number of internal projects such as identifying and mapping demand for services and the creation of an officer sub-group of the Stronger Communities Programme Board to take a strategic lead on this issue within the County Council. This work will then inform and prioritise investment in the voluntary and community sector.

## **Community Transport**

The emphasis of support continues to be strengthening the existing community transport offer in light of the reduction in bus subsidies and changes to Integrated Passenger Transport to ensure access to services and connectivity across the County.

In order to seek to build the customer base for community transport providers and help make them more sustainable, a marketing brief was prepared and advertised externally for quotations to carry out a piece of work to establish a North Yorkshire community transport brand; re-positioning community transport as a universal service rather than one that is associated with either people on low incomes or for health services.

The evaluation of these quotes is underway and it is expected that a provider will be in place to deliver this work by the end of July.

## **Services for Children, Young People and Families**

Building on the work with the Prevention Service and North Yorkshire Youth last year, 2016/17 will see the rollout of a further five Youth Provider Networks in market towns while continuing to support the development of new volunteer led groups/activities for children and young people across the county. In addition Stronger Communities will continue to support the implementation of the 0-5 Early Years Strategy 2016/17 in conjunction with Children and Young Peoples Services.

## **PUBLIC HEALTH**

### **Duncan Selbie visit**

The Chief Executive of Public Health England (PHE) visited the Council on 4 July 2016. We discussed some of the public health challenges we face as a large rural shire county with an ageing population and a complex health and social care system. It was also an opportunity to showcase some of the work we are doing in partnership with the NHS, districts and voluntary sector to address issues like loneliness and isolation, obesity and health inequalities. Our Public Health team work with colleagues from PHE on a wide range of topics such as our planning and response to health protection incidents.

### **Healthy Child Programme 0-5**

We assumed responsibility for the 0-5 Healthy Child Programme in October 2015 and have successfully managed the transfer from the NHS. We have now re-commissioned that service and a new contract has been awarded to Harrogate District Foundation Trust (HDFT) who were the incumbent providers and also the providers of the 5-19 Healthy Child Programme. The new service will commence in October 2016. Work is ongoing with HDFT to mobilise the contract and to implement new structures between the CYPS Prevention Service and Healthy Child Programme to facilitate integration and develop a 'one team' approach.

The data for North Yorkshire suggests that childhood injuries are an area of particular concern. Many of these injuries are preventable. In the North Yorkshire Child Health Profile (March 2016), hospital admissions caused by injuries in children was one of the few areas in which North Yorkshire performed significantly worse than the England average. An estimated 10% reduction in admissions equivalent to Two hundred and twenty-two admissions avoided would bring our performance in line with the England average and result in a £300,000 savings to acute health care spending.

The Healthy Child Programme is central to the prevention of accidents and injuries in children and over the last few months our Public Health team have worked collaboratively with Harrogate and District Foundation Trust and CYPS Prevention Service to develop a multi-agency pathway aimed at reducing the number of unintentional injuries and hospital admissions across the county. The pathway creates a standardised and systematic approach for professionals involved with all children 0-19 and will support local decision making. This pathway will be supported by the development in an injury minimisation toolkit. The toolkit, primarily developed by health visitors, will provide a systematic evidence based tool to assess and reduce risk in and around the home.

### **Alcohol Strategy**

In January 2015 the Council with our partners published a joint alcohol strategy. The strategy aimed to galvanise partners to collectively reduce the harms from alcohol and identified three outcome areas: to establish responsible and sensible drinking as

the norm, to identify and support those who need help into treatment through recovery, and to reduce alcohol related crime and disorder.

We continue to support public health campaigns such as Dry January and have financially invested in Personal, Social and Health Education (PSHE) in schools to help raise awareness of sensible drinking. We commissioned access to Alcohol Identification and Brief Advice (IBA) training for non-specialists and have increased provision for IBA interventions in primary care. The Public Health team has worked with professionals to develop a treatment pathway to ensure that people can access the appropriate treatment to support recovery from alcohol misuse. Alcohol profiles have also been developed to support districts in making alcohol licencing decisions. The Care Quality Commission (CQC) inspected the clinical arm of North Yorkshire Horizons in February 2016. The report noted that “The flexibility of the service allowed staff to engage with clients with a chaotic lifestyle and support them through recovery” and praised this as an area of outstanding practice. The majority of new referrals to North Yorkshire Horizons are for people with alcohol misuse problems. This shift in the adult drug and alcohol service was one of the key achievements of the strategy in its first year.

### **NHS sustainability and transformation plans (STPs)**

There are three STPs covering the North Yorkshire footprint which highlights the complexity we face in working with the NHS. STPs are meant to focus on three gaps in each STP area: health and wellbeing, quality and financial. The Public Health team have been working with our Clinical Commissioning Groups (CCGs) to develop responses to the health and wellbeing challenge and to provide public health advice on prevention.

### **LEGAL AND DEMOCRATIC SERVICES**

As part of the better together project with Selby District Council, the legal teams from both authorities have been exploring collaborative working. The teams shared a joint trainee solicitor who has now qualified successfully and has been retained by the County Council. In addition a member of Selby’s legal team covered maternity leave for one of the County’s senior solicitors. Again this proved a highly beneficial arrangement for both authorities. The County legal team while continuing to maintain their links with Selby, including winning a successful joint bid to appear on the panel for Merseyside Fire Authority are now involved in another collaborative project, but this time with City of York Council (CYC). A joint trainee solicitor has been appointed by York and North Yorkshire while a senior solicitor from County has gone into CYC legal team to support their commercial team.

**NORTH YORKSHIRE COUNTY COUNCIL**

**20 July 2016**

**SCRUTINY BOARD**

**STATEMENT BY THE CHAIRMAN**

1. Scrutiny Board attended Executive (Performance Monitoring) on 14 June 2016 and contributed to discussions on performance with regard to:
  - Public Health
  - Local Enterprise Partnership
  - Highway Condition (as part of the wider Highways report)
  - Workforce Performance
  - Compliments and Complaints
2. Also on the agenda for the Executive was the Joint report from the Transport, Economy and Environment Overview and Scrutiny Committee and the Scrutiny of Health Committee which explored the extent to which the Minerals and Waste Joint Plan was as future proofed as practicable if or when a shale gas industry is developed in the county.
3. The report was extremely well received by the Executive. I commend Members from both committees as it was an extremely good piece of scrutiny work.

**County Councillor Elizabeth Casling**  
**Chairman: Scrutiny Board**

**July 2016**

**NORTH YORKSHIRE COUNTY COUNCIL****20 July 2016****CARE AND INDEPENDENCE OVERVIEW AND SCRUTINY COMMITTEE****CHAIRMAN'S STATEMENT****Extra Care: Dialogue with Providers**

1. In the second of a series of planned conversations with social care providers, chiefly those delivering commissioned services, we talked to two of our current extra care providers: Broadacres, and Housing and Care 21.
2. North Yorkshire has a long and strong track record on extra care housing and now has nineteen schemes across the county, with 5 more under development in Leyburn, Sowerby, Pickering, Harrogate and Ripon. Most feature some form of increased on-site support, to enable individuals with illnesses or disabilities to live as independently as possible. People have their own flats and tenancies, and there is often a range of communal facilities available, such as hairdressers, restaurants and shops.
3. Extra care housing is housing designed to have care arrangements on site. This ranges from low to high intensity care with low to high dependence and varies from staying put services such as home help and floating support.
4. We wanted the views of these two providers on the rationale for extra care housing – that it acts as a preventative model, supports independence and helps avoid admissions into residential care. Their overriding opinion, shared by the directorate, was that it is still very much all these things and remains the most successful and cost effective form of care delivery when compared to other models, including residential care and care in the community.
5. Formal and informal relationships between the providers and the HAS Directorate in terms of communication, referral, arrangements, the sharing of ideas and good practice, were excellent at all levels - strategic through to operational. As an example, we were especially impressed at the close attention that is paid jointly to initial and ongoing allocations to ensure that overall dependency levels do not rise too high or fall too low for that matter - an important factor in securing a good standard of social life and help shape a vibrant community.
6. Building a community spirit when people have mixed levels of dependency and differing levels of need can be challenging. To help grow and foster that sense of community, we learned how providers remain committed to involving and engaging with residents so that their views about facilities and community living are fully

taken into account and that community activities and facilities reflects people's wishes and aspirations.

7. We were reassured that participation in community events, facilities and activities is two way: non-residents are actively encouraged to participate and make use of the home's community facilities and schemes, clubs, hobbies and groups; and, conversely, tenants and residents are encouraged to take part in community life. It was good to hear the importance the providers placed on an extra care facility being a good neighbour.
8. We heard how more recent schemes have been able to improve the physical layout so that it is even more open and therefore promoting and reinforcing a sense of independent belonging whilst not compromising on safety.
9. Compared to the domiciliary care providers we talked to at our last meeting, the extra care providers had less grave concerns about the business effects of the Living Wage, recruitment and retention and staff turnover. Those aspects are always going to be a worry in a labour intensive enterprise like social care provision, but not, it seems, according to the representatives we spoke to to anything like the same extent as they appear to be in personal and domiciliary care provision.
10. We have asked that the directorate come back to us in the new year with a clear account of how it *knows* extra care is performing well, how it is delaying higher needs dependency, the extent to which it is cost effective, how it enables an improved lifestyle, whether it is still delivering the outcomes that were predicted and expected, and so on. In short, we will get to grips with the qualitative and quantitative data and information used by the authority to inform commissioning decisions.
11. This whole exercise, the dialogue with providers and the information promised, should put the committee in a good position to assess progress of the next phase of the implementation plan for extra care.

### **Alcohol Strategy One Year On**

12. We reviewed the progress of January 2015 North Yorkshire County Council published joint alcohol strategy, which is aimed at galvanising partners to collectively reduce the harms from alcohol. The data we saw shows good progress against the identified three outcome areas; establish responsible and sensible drinking as the norm; identify and support those who need help into treatment through recovery and to reduce alcohol related crime and disorder. Alongside this key date is evidence of significant developments and initiatives within each of the three outcome areas.

13. There is still lot more to do to adequately and effectively address alcohol and its associated consequences, but with the support of key partners across North Yorkshire, we can continue to realise the vision presented in the strategy.

**Next Meeting: Dementia**

14. The method and format we adopted in this meeting - that of an open conversation and dialogue with providers - is one that we intend to replicate in the future with both in-house and external providers where the scope of their activity matches key areas of our work programme. Because of the committee's past interest in the effects of Dementia, and the tireless commitment of one its previous Chairmen, Tony Hall, to improve awareness of the condition, I ought to mention that up next is a conversation with representatives of Making Space, and Dementia Forward. These organisations provide support workers to work on a one-to-one basis with people diagnosed with dementia to help them to continue to enjoy an active and independent life for as long as possible. This is timely in that the committee should also be able to review the update of the Dementia Strategy before it goes to Health and Well Being Board.

**COUNTY COUNCILLOR PATRICK MULLIGAN**

Chairman, Care and Independence Overview and Scrutiny Committee  
County Hall,  
NORTHALLERTON

9 July 2016

Background Documents - Nil.

**North Yorkshire County Council****20 July 2016****Corporate and Partnerships Overview and Scrutiny Committee****Chairman's Statement**

1. My statement for this full Council summarises the main topics considered at our Committee meeting on 20 June 2016.

**Interim Evaluation of Locality Budgets**

2. We heard that 356 projects and activities had been supported in total. The funding committed in year one was £349,996 (97.2% of total budget). The average recommendation was £931, the lowest £300 (the minimum allowed) and the maximum was £5,000 (the maximum allowed). Every County Councillor submitted at least one project and there was a very broad spread in the type of projects.
3. I firmly believe the beauty of the scheme was in its simplicity and how it gave us discretion to target support to specific local initiatives. The scheme has been a great success.
4. We would fully support plans being made in the Medium Term Financial Strategy when it is being formulated in February 2017 so that the scheme can be continued beyond March 2017. We will be working with the Executive to help develop the scheme going forward.

**Equality Objectives**

5. We contributed to the consultation on the proposed equality objectives for the County Council for the period 2016-2020.
6. In respect of the proposed Objective, *"Improve the wellbeing and inclusion of lesbian, gay, bisexual, and transgender (LGBT) children and young people"*, we felt that there must be equity in the funding of schools and that funding should be focused on need. In respect of the proposed objective, *"Take opportunities where they arise and where it is proportionate to do so, to improve accessibility of public transport"* we suggested it should focus on the need take a proactive approach and actively generate opportunities working closely with partners and other stakeholders.
7. In terms of proposed objectives and the trade off with cost, resource commitment and complying with legislation we fully supported an approach which is proportionate.



## **LGA Peer Review**

8. We heard that the headline statement from the Peer Review was that “North Yorkshire County Council (NYCC) is a very good council – its services are highly regarded and the peer review team witnessed areas of excellence.”
9. Our attention was drawn to the original scope question which related to the Council’s preparedness for meeting the demands of the year 2020 and how the Review team were keen to explore what the future for North Yorkshire looked like *beyond* 2020 by asking the following questions:
  - What kind of Council are you going to be?
  - How are you going to be different?
  - How are you going to maintain excellent service delivery?
10. We had a very interesting and, I hope, useful debate on these questions.
11. We strongly felt that the Council’s successful work with Selby District Council should be broadened and extended – not necessarily just within North Yorkshire. We acknowledged that “better together” is not just about funding and reducing costs but rather it is also about bringing the County Council closer to local areas and increasing awareness locally of what it does.

**County Councillor Derek Bastiman**  
**Chairman - Corporate and Partnerships Overview and Scrutiny Committee**  
County Hall, Northallerton

July 2016

**North Yorkshire County Council**

**20 July 2016**

**Transport, Economy and Environment  
Overview and Scrutiny Committee**

**Chairman's Statement**

1. The Committee has not met since I gave my previous statement to the County Council on 18 May 2016. The Committee is scheduled to meet next on 27 July 2016.

**Executive – 14 June 2016**

2. As detailed in my previous statements, a joint investigation was undertaken earlier this year by the Transport, Economy and Environment Overview and Scrutiny Committee and the Scrutiny of Health Committee to:
  - a) Inform production of the Minerals and Waste Joint Plan for North Yorkshire, York and the North York Moors National Park, with regards to Hydraulic Fracturing ('Fracking'); and to
  - b) Inform the Executive's response to the petition considered by the Ryedale Area Committee on 10 June 2015.
3. The Joint Sub-Committee's report was presented to the Executive on 14 June 2016 and the recommendations were approved subject to minor amendments. The finalised report has been sent to the various organisations that provided evidence at the Joint Sub-Committee's meeting in January.

**Committee – 27 July 2016**

4. At our next meeting we will be receiving and discussing the following items:
  - Ringway Performance 2015/16 and progress in 2016/17 to date;
  - Highways England annual update;
  - Road casualty figures in 2015, the provisional figures for Q1 2016 and the work of the 95Alive Partnership;
  - Reports of the NYCC representatives on the Airport Consultative Committees.

**County Councillor Andrew Backhouse  
Chairman**

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

11 July 2016

## NORTH YORKSHIRE COUNTY COUNCIL

20 July 2016

## SCRUTINY OF HEALTH COMMITTEE – STATEMENT BY THE CHAIRMAN

The main topics arising since my last statement are:

**NHS Place Based Planning and its Implications for North Yorkshire**

I welcome the Government's decision to give more time for Sustainability and Transformational Plans to be finalised. While the 30 June deadline remained the Plans submitted will form the basis of discussion rather than be for final decision.

I still remain very concerned about the whole process and the configuration of STPs covering North Yorkshire, but this new sense of realism should allow more time for local authorities, the voluntary sector, patients and the public to be more involved in the planning process. This should form the basis for a full public consultation and allow us to turn this potential threat into an opportunity to improve all aspects of health and care across North Yorkshire and to develop new integrated models of care which would be local to where people live.

**Hambleton, Richmondshire and Whitby Clinical Commissioning Group (CCG) area - "Transforming our Communities" (Including the Lambert Hospital, Thirsk)**

Against a background of the temporary closure of the Lambert Hospital in Thirsk and the public meeting organised by County Councillor Gareth Dadd on 22 March 2016 the CCG and the South Tees Hospitals NHS Trust have been carrying out joint public engagement activities to seek views and suggestions on the future provision of care in the Thirsk area.

A formal public consultation is taking place from July until September 2016 on 3 options:

- 1) Do nothing – The Lambert Memorial Hospital would remain closed and additional beds would continue to be commissioned alongside the current provision of community rehabilitation beds on the Rutson Ward in Northallerton.
- 2) Re-open the Lambert Memorial Hospital with a new North Yorkshire based service provider delivering inpatient care, services on the Rutson ward would remain unchanged.
- 3) Provide step up and step down beds supported by integrated locality teams.

Step-up beds are those in community facilities where people are admitted from home as an alternative to acute hospital admission. Step-down beds act as a transfer from acute hospital for people who require additional time and rehabilitation to recover but are unable to have this provided at home.

The Scrutiny of Health Committee has been involved in these developments over the last 18 months and will continue to be closely involved. We will be formally consulted at our meeting during the autumn period of this year. This will include the CCG briefing us on messages they have received as part of their wider consultation.

### **Ambition for Health: Transforming Health and Social Care Services in Scarborough, Ryedale, Bridlington and Filey**

Ambition for Health is a five-year programme to deliver joined-up and transformed health and social care services for local people, in a way that is effective and financially sustainable. The programme is collaboration between eight local NHS and local authority organisations, and covers the Scarborough, Ryedale, Bridlington and Filey areas. The initiative is addressing 4 key issues:

- Changing health needs of communities creating more demand for health and care services
- Poor health outcomes for people living in deprived and geographically isolated areas
- Workforce pressures from an inability to recruit and retain staff
- Financial pressures from a reduction in funding for health and care services

The “ambition” is to inspire people to lead a healthy lifestyle, provide more care at home – joined up health and social care in our communities and providing sustainable services for local people which are safe, of a high quality and are within budget. Securing a sustainable future for Scarborough Hospital, in particular maintaining core services including emergency medicine, obstetrics and paediatrics is a key part of the vision.

The Scrutiny of Health Committee supports the principles underpinning the Ambition for Health programme. The Scarborough and Ryedale CCG is now launching a widespread engagement process with stakeholders, patients and the public. The Committee will continue to be involved including ensuring that formal consultation is carried out if necessary.

### **Better Health Programme (Durham, Darlington and Tees Valley)**

Plans to reorganise health provision in Darlington, Durham and the Tees Valley could result in changes to accident and emergency and consultant-led maternity and paediatric services at the Darlington Memorial Hospital.

Members will recall that when consultant-led maternity and paediatric services were removed from the Friarage Hospital in Northallerton one of the reasons supporting the change was that these services are available in Darlington.

A Joint Health Scrutiny Committee comprising councillors from across all affected local authorities has been set up to oversee the programme including any service change/review proposals and associated statutory consultation. North Yorkshire County Council is represented on that joint committee by County Councillors Caroline Dickinson and John Blackie and myself.

The Joint Committee and the North Yorkshire Scrutiny of Health Committee will be keeping a close eye on these developments which could have a major impact on North Yorkshire residents, particularly in Richmondshire and Hambleton.

A formal consultation will begin in the autumn.

### **End of Life Care - Dying Well**

Our committee meeting on 1 July 2016 also marked the launch of an in-depth project which the Committee is going to undertake into End of Life Care (EoLC) across North Yorkshire.

In July last year the Health and Wellbeing Board accepted the Committee's recommendation that the Joint Health and Wellbeing Strategy (JHWS) 2015-2020 should include a greater emphasis on improving EoLC and supporting friends and relatives deal with bereavement and, in some cases, the longer term problems around isolation and loneliness. We also recommended that the Strategy should contain a specific priority - "Dying Well".

Over the coming months we will be engaging with commissioners, GPs, nurses, patients, carers and bereavement groups to help inform the Joint Strategic Needs Assessment which provides the evidence base underpinning the JHWS and to help set out what a good End of Life Care Service should look like.

### **National Review of Congenital Heart Disease (Adults & Children)**

Last year NHS England published new national commissioning standards for congenital heart disease (CHD) services covering both adults and children in England.

Over the last 5 years I have represented North Yorkshire on the Joint Scrutiny of Health Committee looking at CHD services across the Yorkshire and the Humber region. Retaining specialist congenital heart disease surgery for both children and adults in Leeds and Newcastle has always been our objective.

I am pleased to say that last week NHS England announced that Leeds Teaching Hospitals NHS Trust will retain specialist surgical status as will Newcastle Hospitals NHS Foundation Trust.

This is very good news for North Yorkshire.

### **Retirement of Bryon Hunter**

On 8 August 2016 Bryon Hunter, Scrutiny Team Leader retires after almost 30 years with North Yorkshire County Council. Bryon has been involved with the Scrutiny of Health Committee since its formation in 2003. His wide experience of health matters is widely appreciated by not only the Council but also by the wider health community throughout North Yorkshire.

Bryon's valuable contribution will be greatly missed and we wish him a long and happy retirement.

**County Councillor Jim Clark**  
**Chairman: Yorkshire County Council Scrutiny of Health Committee**

**July 2016**

**NORTH YORKSHIRE COUNTY COUNCIL****20 July 2016****YOUNG PEOPLES OVERVIEW AND SCRUTINY COMMITTEE****CHAIRMAN'S STATEMENT****Strategic Reorganisations**

1. We set time aside at our last meeting to focus on the white paper: "Educational excellence everywhere". To do anything less, given the scale of the white paper's proposals, would simply have been remiss - especially after the announcement that it was no longer thought necessary to take blanket powers to convert good schools in strong local authorities to academies at this time. From briefings at seminars, members will know the extent of the white paper's reach, so I focus here on the committee's reaction. Our concerns were the same as those highlighted by the Directorate:
  - Concentration on structures
  - Capacity of the academy sector to take on more.
  - Particular concerns for authorities such as NY
  - Will schools find the levels of autonomy that they want?
  - Inclusiveness of multi-academy trusts: what happens to the small, the financially pressed, those with standards not as high as they should be?
2. The overriding feeling in the room was this represents an unnecessary rush to academise.
3. We acknowledged the uncertainty around how the Local Authority's education duties will focus on three areas:
  - ensuring every child has a school place
  - ensuring the needs of vulnerable children are met
  - acting as champions for all parents and families"
4. These are all significant - more so in what will be an increasingly dispersed system. In terms of what happens next, we asked to be kept informed of the results of the many structured conversations taking place with key players and partners. We are particularly interested in what happens as the directorate looks to develop traded services through Smart Solutions, and even further ahead, the possibility of forming a Learning Trust. All of this, however, will be guided by the draft legislation. In the meantime, it is important that we keep a weather eye on developments, which might include convening a separate, workshop type session as those developments unfold.

5. Largely because of the white paper, but also partly because of the recent experience of managing scrutiny's involvement in the proposed amalgamation of Whitby and Eskdale Schools, we thought it timely to review the committee's role in strategic reorganisations.
6. Up to now, there has been no hard and fast rule about what matters scrutiny should take an interest in. We have rarely wished to look at proposals, and where we have done it has tended to be with a view to ensuring that appropriate considerations have been made and that consultation has been carried out appropriately. Examples are:
  - a. The amalgamation of Graham and Raincliffe schools in Scarborough in 2011
  - b. The removal of the middle school system in North Craven in 2010/11
7. With so much change in the air, we settled on a way forward to see us through till the guidance is definitive. From now on, and as a matter of routine, when any proposal has been agreed by Executive Member to go to consultation, the Scrutiny Officer will be notified, to enable the Chairman of YPOSC to consider whether, and at what time, the committee might wish to learn more about the proposal. Once the legislation has been passed following the White Paper, there will doubtless be a further issue of guidance for decision makers.
8. In the light of that we supported the directorate's intention to look anyway at processes again, to ensure that we are all operating in the most reasonable and effective way. This may or may not require changes to the constitution and at that time the interface with Scrutiny will be re-examined.

## **Careers**

9. Careers education is a topic that attracts considerable policy interest. The issue of what, how, how much, when and by whom careers-related education should be provided to young people remains a focus of much debate. The Education Act 2011 transferred responsibility for careers guidance from local authorities to Schools and there is now a duty on schools to secure independent and impartial careers guidance for all year 8--13 pupils.
10. We are looking forward to reviewing the findings from a baseline assessment of careers education and guidance in 17 schools in North Yorkshire and 3 schools in the City of York. The schools have been selected to participate in the North Yorkshire County Council (NYCC) and the York, North Yorkshire, and East Riding Local Enterprise Partnership (YNYER LEP) funded project 'Putting the Learner First- Progression for Success' (hereafter referred to as Progression for Success). The project has been conceived as a way to improve the outcomes for young people in North Yorkshire through the development of the career and enterprise provision.

11. Schools participating in the project have been provided with funding of £2,745 to improve their provision. To achieve this they have been provided with a programme of focussed professional development days, support visits and encouraged to seek a recognised careers education and guidance quality award validated through the Quality in Careers Standard. A key objective for schools is therefore to successfully gain a quality mark for their careers provision within the timeframe of the project. It is hoped that this objective, when tied with the other support that schools will be receiving, will drive a transformation of practice within the schools.
12. Our work will focus on how schools approach the quality and scope of career guidance in the project schools and how to achieve a demonstrable improvement in the provision of career guidance in schools (inputs). Most importantly, however, a critical measure of success will be an improvement in outcomes for young people.

### **Youth Justice System**

13. The committee has also taken the first steps in its intention to look at local changes planned to the Youth Justice System, which is under national departmental review for the Ministry of Justice. The review is examining evidence on what works to prevent youth crime and rehabilitate young offenders, and how this is applied in practice; how the youth justice system can most effectively interact with wider services for children and young people; and whether the current delivery models and governance arrangements remain fit for purpose and achieve value for money. The final report is expected in July 2016.
14. The members briefing will, therefore, be taken in September, as by then we may have a clearer view on what the future holds and what that means for the committee's work.

### **JANET JEFFERSON**

Chairman, Young Peoples Overview and Scrutiny Committee  
County Hall,  
NORTHALLERTON

11 July 2016

Background Documents - Nil.



## Meetings of the County Council - Evacuation in Emergency

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

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

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

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

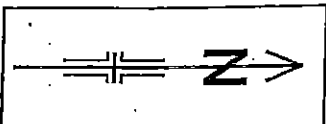
(b) If the fire alarm is sounded during Group meetings:-

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

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

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

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



Members  
Car Parking

Visitors  
Car Parking

Pond

Pond

**SOUTH SIDE  
CAR PARK**

Fire Assembly  
Point

MAIN  
EVACUATION ROUTE

Council  
Chamber

Fire Assembly  
Point

**NORTH SIDE  
CAR PARK**

SECONDARY  
EVACUATION ROUTE

El Sub Sid

# COUNTY HALL NORTHALLERTON

Reproduced from the Ordnance Survey  
digital data with the permission of the  
controller of Her Majesty's Stationery  
Office,  
Crown Copyright Reserved.  
Licence Number: 100017946

