



QUARTERLY MEETING

9 November, 2016

Please note change of venue for this meeting

**Hambleton District Council
Civic Centre
Stone Cross
Northallerton
DL6 2UU**

**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 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 Assistant Chief Executive (Legal and Democratic Service) 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 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 Hambleton District Council, Civic Centre, Stone Cross, Northallerton, DL6 2UU on **Wednesday, 9 November 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 20 July 2016** having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.
(Pages 8 to 12)
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 13 to 14)
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 or in writing to Barry Khan, Assistant Chief Executive (Legal and Democratic Services), County Hall, Northallerton DL7 8AD by **midday on Friday, 4 November 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 15 to 19)

- Revenue Budget - Annex 1 (Pages 20 to 33)
 - Prudential Indicators – Annex 2 (Pages 34 to 62)
 - Constitution Amendments 2016 - Annex 3 (Pages 63 to 81)
 - Appointment of External Auditors - Annex 4 (Pages 82 to 87)
 - Appointments to Committees and Outside Bodies (Pages 18 to 19)
6. To consider the **report and recommendations of the Audit Committee** and make decisions on them.
- Annual Report (Pages 88 to 96)
7. To consider the **report and recommendations of the Standards Committee** and make decisions on them.
- Annual Report (Pages 97 to 00)
8. **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 101 to 123)

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

Overview and Scrutiny Committee Chairmen:

(Pages 124 to 139)

- (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 8 November 2016**, the person to whom the question has been put may respond in writing, and this is then circulated to all Members.

9. Council Procedure Rule 10 Questions

10. **Motion 1** – NHS acute services across the Tees Valley, South Durham and the northern part of North Yorkshire are currently being reviewed as part of "The Better Health Programme". The Review includes:

- 24 / 7 Accident and Emergency (A&E) services
- 24 / 7 Consultant-led Maternity services
- 24 / 7 Consultant-led Paediatric services

These services are accessed at the Darlington Memorial Hospital by North Yorkshire residents in the north of the County, and the 24 / 7 Consultant-led maternity and paediatric services at the hospital were specifically committed by the NHS as an important alternative provision when the similar services were downgraded at The Friarage Hospital in 2014.

North Yorkshire County Council:

- calls upon the Better Health Programme review to take into account the needs of its residents and communities, many of them rural in nature, that rely upon these critical care services remaining at the Darlington Memorial Hospital
- and expects the review to honour the commitment to maintain them at the Darlington Memorial Hospital in line with the assurances given to residents in the County during the review of services provided at the Friarage Hospital in 2014.

Proposed by County Councillor Carl Les
Seconded by County Councillor John Blackie

11. **Motion 2** – North Yorkshire County Council welcomes the government’s initiative to reduce the cost of Parliament whilst ensuring fairness of representation across the UK. It is important that the current arrangements for constituency boundaries in North Yorkshire be maintained as these present boundaries reflect strong community identities, effective transport links, recognised school catchment areas and important topographical features such as rivers, moors and hills.

North Yorkshire County Council:

- calls on the Boundary Commission to recognise the important influence of on strong community identities, effective transport links, recognised school catchment areas and important topographical features such as rivers, moors and hills on boundaries and maintain the present ones.

Proposed by County Councillor Richard Cooper

Seconded by County Councillor Robert Windass

12. **Motion 3** – The Government has failed to provide any evidence that grammar schools are the solution to improve the education for the majority of children. Neither is there any evidence that grammar schools provide a route for poor, academically able children to achieve better life chances. Existing evidence does, however, show that pupil selection discriminates against the poorest children. This policy will not benefit the majority of children, but will benefit a chosen few, mainly from wealthier families. Evidence shows pupil selection lowers the attainment of the children who do not get into grammar schools. Nor will this policy improve parental choice, because it won’t give the majority of parents any more choice than they have already. Further selection will do nothing to stop ‘selection by house price’, nor will it eradicate child poverty. Grammar schools have never been a vehicle for social mobility.

North Yorkshire County Council:

- calls on the Government to recognise that this is a total distraction from addressing the most pressing crises facing schools – the shortage of school places, recruiting enough qualified teachers, and cuts to school budgets.

Proposed by County Councillor Steve Shaw-Wright

To be seconded by County Councillor Eric Broadbent

13. **Motion 4** – North Yorkshire County Council notes that 121 Pharmacies in North Yorkshire offer a range of services such as dispensing prescriptions, disposal of unwanted medicines and supporting self-care. Pharmacies play an important role in promoting wellbeing such as healthy eating, smoking cessation, exercise, flu vaccination, sexual health, falls supervised consumption and more. Advice and support services are also available to care homes

North Yorkshire County Council is greatly concerned about Government imposed threats to pharmacies as a result of cuts in the budget of £170m nationally to take effect from October 2016. This is a 6% cut in cash terms but could effectively mean a cut of 12% during the financial year which could potentially close up to a quarter of pharmacies, with an increased focus on warehousing dispensary and online services. Service cuts in pharmacies put more residents at risk as well as putting pressure on GPs and on hospital services and therefore increasing NHS costs. A fully funded community pharmacy service is cost effective and is in the interest of patients and carers.

North Yorkshire County Council:

- agrees to write to the Secretary of State for Health, NHS England and Hambleton, Richmondshire and Whitby, Harrogate and Scarborough and Ryedale Clinical Commissioning Group detailing the concerns and demanding an immediate reversal of these proposals.

Proposed by County Councillor David Billing
Seconded by County Councillor Eric Broadbent

RICHARD FLINTON
Chief Executive Officer

County Hall
NORTHALLERTON
1 November 2016

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



NORTH YORKSHIRE COUNTY COUNCIL

Minutes of the meeting of the County Council held at County Hall, Northallerton on 20 July 2016, commencing at 10.30am

Present:-

County Councillor Val Arnold in the Chair.

County Councillors Margaret Atkinson, Andrew Backhouse, Robert Baker, Philip Barrett, David Billing, John Blackburn, John Blackie, David Blades, Eric Broadbent, Lindsay Burr MBE, Liz Casling, David Chance, Jim Clark, John Clark, Richard Cooper, Sam Cross, Gareth Dadd, Margaret-Ann de Courcey-Bayley, Caroline Dickinson, John Ennis, John Fort BEM, Andrew Goss, Bryn Griffiths, Michael Harrison, Roger Harrison-Topham, Michael Heseltine, Robert Heseltine, Peter Horton, Bill Hault, David Ireton, David Jeffels, Janet Jefferson, Anne Jones, Mike Jordan, Andrew Lee, Carl Les, Cliff Lunn, Don Mackenzie, Brian Marshall, Shelagh Marshall OBE, John McCarthy, Chris Metcalfe, Heather Moorhouse, Patrick Mulligan, Bob Packham, Stuart Parsons, Caroline Patmore, Chris Pearson, Tony Randerson, Janet Sanderson, John Savage, Steve Shaw-Wright, Elizabeth Shields, David Simister, Peter Sowray, Tim Swales, Helen Swiers, Cliff Trotter, John Weighell OBE, Richard Welch, Robert Windass and Clare Wood.

Minutes

It was moved and seconded that the Minutes of the Annual General Meeting of the County Council held on Wednesday, 18 May 2016, having been printed and circulated, are taken as read and 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 -

119. That the Minutes of the Annual General meeting of the County Council held on Wednesday, 18 May 2016, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record.

Chairman's Announcements

The Chairman advised Members that during the meeting a low cost means of live streaming was being trialled.

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 8289 to 8290). County Councillor Carl Les then responded to various questions.

Public Questions or Statements

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

Report of the Executive

Revenue Budget 2015-2016 - Outturn

The recommendation in paragraph 1 of the report (page 8292) was 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 –

- 120.** That County Council approve the proposed carry forward of £484k earmarked for BES development initiatives, as set out at **paragraph 4.3.1** (pages 8299 to 8300).

Capital Expenditure Outturn and Financing 2015-2016

The recommendation in paragraph 2 of the report (page 8292) was 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 –

- 121.** 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 8327.

Four Year Settlement

The recommendations in paragraph 3 of the report (page 9293) 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 –

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

Corporate Tax Evasion

The recommendations in paragraph 4 of the report (page 8293) 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 –

- 123.** 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.

Appointments to Committees and Outside Bodies

The recommendations in paragraph 5 of the report (page 8295) 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 –

- 124.**
- (a) That County Councillor Caroline Dickinson is appointed to Hambleton Area Committee.
 - (b) That County Councillor Caroline Dickinson is appointed to the Conservative Group vacancy on the Young People Overview and Scrutiny Committee.
 - (c) That County Councillor Gareth Dadd is appointed to the Conservative Group vacancy and County Councillor Richard Cooper to the substitute member vacancy on the Chief Officer Appointment and Disciplinary Committee.
 - (d) (i) That the Constitution be updated to reflect the creation of the road Safety Champion, Cycling and Walking Champion role.
 - (ii) That the Executive Member for highways, road safety, access to the countryside and public transport, County Councillor Don Mackenzie,

is appointed Road Safety, 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 Keith Trotter and Howard Whitehead are appointed to the 2 vacant seats on the Members Independent Remuneration Panel.

Statements of Executive Members and Chairmen of Overview and Scrutiny Committees

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 8355 - 8357) and responded to questions.

County Councillor Don Mackenzie, the Executive Member for Highways, road safety, access to the countryside (including Broadband, mobile phone coverage) 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 8359 – 8960) and responded to questions

County Councillor Chris Metcalfe, the Executive Member for Waste Services, Library and Information Services, economic development, rail strategy, 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 88361 - 8365) 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 8367 - 8368).

County Councillor Arthur Barker, the Executive Member for Children and Young People's Services responsibilities 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 8369 - 8370) 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 8371 - 8372) and responded to questions.

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 8373 – 8376).

20 July, 2016

8399

The written statements of the Chairmen of the Scrutiny Board and the Overview and Scrutiny Committees (pages 8377 - 8393) having previously been circulated, were noted.

Council Procedure Rule 10 Questions

There were no Council Procedure Rule 10 questions.

Meeting closed at 12.25

North Yorkshire County Council Meeting**Wednesday, 9 November 2016 at 10.30am****Leader`s statement****Change of government**

Since our last meeting, we have a new Prime Minister, a new Secretary of State for DCLG, and a new Northern Powerhouse Minister. Previously we had excellent working relationships with Greg Clarke and James Wharton and I`m pleased to report that we are making progress in building new working links.

Congratulations go to Gavin Williamson, former County Councillor, on his promotion to Chief Whip.

There have been numerous other changes – in fact only Andrew Jones appears to have kept his previous brief – and one thing is clear, this is a new government with new priorities and new aims. Clearly Brexit is one.

Brexit

I am repeatedly asked about the impact of Brexit and what it will mean for the County Council. The simple and honest answer is that we simply don`t know. What we do know is that there are some areas that are more likely to be impacted but separating the effects of Brexit from other global developments is much harder.

In economic terms the fall of the pound has meant that we get less return on our cash investments and inflation is expected to go up to 2% next year and then be nearer 3% for a few years after. Both of these areas will hit the Council`s finances and will be factored into our forthcoming Budget / MTFS. Perhaps of even greater import though is the economic performance of the country as a whole – if the economy slows down then tax revenues will decline and the public finances will be stretched further and for longer.

As a Council we receive very little direct European funding but we have provisionally secured £1m for the next phase of the roll-out of superfast broadband. I am hopeful that this funding will be secured over the coming weeks. Similarly, European social funds have previously been secured by community organisations to fund skills development. At this stage we know that European funds secured by the Autumn Statement are guaranteed by government but after that it is currently unclear.

The areas that are more likely to be impacted are those which we share with partners. So, for example, we employ significant numbers of staff who have moved to the UK from other parts of the EU particularly in social care and facilities management. Likewise the health service draws many staff from the EU and further afield. The future of the country`s immigration policy will therefore be of interest to both the County Council and the wider County itself.

We will, of course, monitor the situation very carefully and respond appropriately as the picture becomes clearer. Whilst much of the future is uncertain, and we will need to react to issues as they emerge, I welcome the fact that the Transport, Economy & Environment O&S Committee is setting up a standing working party to oversee emerging issues.

Devolution

Devolved powers remain an aim of the new Government. This was confirmed at Prime Minister's Questions yesterday (Wednesday 26th October). In a conversation I have had with the SoS it was crystal clear that the biggest gain share i.e. benefits would only come under an Elected Mayoral model. Any other form of governance would be devo-lite.

Along with the other Leaders in York, North and East Yorkshire including Hull, I remain committed to devolution to the largest possible geography, as this is fair to all, and of a significant size to compete nationally and internationally. This remains the preference of a large part of public opinion, the media, most business leaders, the majority of MP's across all parties and all the region, and the government. If a devolution deal was available to the whole of Yorkshire, One Yorkshire, following the above principles, I would be very willing to participate in such discussions.

Health matters

You will see that later in this agenda I am proposing a motion, seconded by Cllr. John Blackie, concerning a review of health care in the north of the County. I hope this will find unanimous support, as although it is geographically more relevant to Richmondshire, North Hambleton, and Whitby and the Esk Valley, it is relevant to any part of the County where services are delivered "over the border".

Cycling

To finish on a very positive (and healthy!) note, I'm delighted that the route of next year's Tour de Yorkshire will cross Tadcaster's rebuilt bridge over the Wharfe, illustrating far and wide that the town is indeed open for business again.

I'm even more delighted that the governing body of world cycling have agreed that Yorkshire will host the World Cycling Championship in 2019. This will involve 12 races over eight days in this nine day event which includes individual and team time trials as well as full road races. The 1,000 best male and female riders in the world from 75 countries will take part.

We will once again promote Yorkshire as a visitor destination to the whole world. If hosting the Tour de France Grand Depart is like hosting the final of the Champions League, this is akin to hosting the World Cup.

County Councillor Carl Les

November 2016

The Report of the Executive

The Executive met on Tuesday, 26 July 2016 commencing at 11.00 am. County Councillor Carl Les in the Chair. County Councillors Arthur Barker, David Chance, Gareth Dadd, Chris Metcalfe and Janet Sanderson.

The Executive met on Tuesday, 16 August 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, Janet Sanderson and Clare Wood.

Also in attendance: County Councillors Andrew Backhouse, Jim Clark, Janet Jefferson, Shelagh Marshall OBE, Patrick Mulligan and David Simister.

The Executive met on Tuesday, 28 September 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, Janet Sanderson and Clare Wood.

Also in attendance: Ian Hopley - Hambleton District Council, County Councillor Mike Jordan. Representative of Radio York also in attendance.

The Executive met on Tuesday, 18 October 2016 commencing a 11.00 am. County Councillor Carl Les in the Chair. County Councillors Arthur Barker, Gareth Dadd, Don Mackenzie, Janet Sanderson and Clare Wood.

Also in attendance: County Councillors John Clark and Peter Sowray; Amy Davis, Elaine Williams; press representative; David Davis.

1. Revenue Budget 2016/17: During the Performance Monitoring Meeting held on 16 August 2016, the Executive considered the projected revenue outturn for the 2016/17 financial year. **The full report is available at Annex 1 pages 20 to 33.** There is an overall projected net saving of £5.048m against operational budgets for 2016/17 (**paragraphs 5.2.1 to 5.2.3, Annex 1 pages 20 to 22**).

There are a number of 'one-off' variances which together total a saving of £5.048m including:

- £497k early achievement of Budget/ MTFS and 2020 North Yorkshire savings off set by £211k savings which will be re-profiled into future years;
- £1,186k over-achievement of savings (not yet in the 2020 North Yorkshire programme) which may contribute to the MTFS budget shortfall;
- and, £3,364k from other one-off windfalls and savings across all directorates and corporate budgets, net of overspends and investment in services.

A further £212k of business rates pooling surplus is earmarked for spending on BES development initiatives in future years (**paragraph 5.2.1 Annex 1 pages 20 to 21**).

A breakdown of each directorate's forecast variance is provided in Annex 1 Appendices B to F with the financial position of SmartSolutions set out in Appendix G.

Savings targets reflected in Directorate's 2015/16 budgets total £11.3m (**paragraph 5.3.1 Annex 1 page 22**).

The unallocated GWB 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. The projected unallocated Strategic Capacity reserve as at 31 March 2017 is £48.0m (**paragraphs 5.4.1 to 5.4.6 Annex 1 pages 23 to 25**).

County Council approval is required that £212k be earmarked for the BES development initiatives.

The Executive RECOMMENDS:

That the County Council approve that £212k be earmarked for the BES development initiatives detailed in **paragraph 5.2.1 Annex 1 pages 20 to 21**.

2. Prudential Indicators: During the Performance Monitoring Meeting held on 16 August 2016, the Executive considered Annual Treasury Management and Prudential Indicators. **The full report is available at Annex 2 pages 34 to 62.**

External debt stood at £316.6m at 30 June 2016. The average interest rate of this debt was 4.40% (**paragraph 7.8, Annex 2 page 35**). The forecast capital borrowing requirement for 2016/17 is £23.1m (**paragraph 7.10, Annex 2 page 36**) although it is currently planned to fund this internally by running down cash investments.

Investments outstanding at 30 June 2016 were £295.1m (£274.0m at 30 June 2015) of which £38.9m belonged to other organisations who are part of NYCC's investment pool arrangements, with a daily average balance of £309.4m over Q1 of 2016/17 (**paragraphs 7.27 and 7.29, Annex 2 page 38**).

For cash invested the average interest rate achieved in Q1 was 0.66% which exceeded the 7 day benchmark rate of 0.36% and bank rate of 0.5%. It was however below the budgeted rate of 1.25% due to depressed deposit rates available in the current economic climate (**paragraphs 7.28 and 7.34 Annex 2 pages 39 to 40**).

As a result of requirements of the statutory backed Prudential Code there is a need to revise the Treasury Management and Capital related Prudential Indicators. During 2016/17 the Council operated within the approved Prudential Indicators and limits were not exceeded (**section 8, Annex 2 pages 49 to 62**).

The Executive RECOMMENDS:

That County Council approve the revised Prudential Indicators for the period 2016/17 to 2018/19 as set out in **Appendix A, Annex 2 pages 51 to 62**.

3. Constitution Amendments 2016: At the meeting held on 18 October 2016 the Executive considered a number of routine changes and a more substantial change regarding decision-making in respect of commons registration functions - the full report is available at **Annex 3 pages 63 to 81**.

Proposed amendments to the Planning and Regulatory Functions Committee and Sub-Committee Terms of Reference and the Officers' Delegation Scheme are proposed in relation to decision-making in respect of the Council's functions in its role as the Commons Registration Authority under Part 1 of the Commons Act 2006. Such functions are non-executive functions.

It is recommended that, for reasons of clarity, there is a need to amend the Constitution to reference all functions of the authority under Part 1 of the Commons Act 2006, as currently only four functions are specified: two in the Planning and Regulatory Functions Committee and Sub-Committee Terms of Reference and two in the specific delegations to the Corporate Director Business and Environmental Services at paragraphs 4.4 (d) and (q) of the Officers' Delegation Scheme.

Members will see from the proposed amendments that it is recommended that all commons registration functions under Part 1 of the 2006 Act be delegated to the Corporate Director Business and Environmental Services with power for him to refer such matters to the Planning and Regulatory Functions Sub-Committee for determination where, after consultation with any standing Chair of the Sub-Committee or, if none or unavailable, the Chair of the Planning and Regulatory Functions Committee, the Corporate Director deems this to be appropriate (for example in more contentious cases). This would minimise minor cases coming before the Sub-Committee but would enable the Sub-Committee to consider the more contentious matters or matters best considered at a Member level across the whole range of commons registration functions where the Director and Chair of the Planning and Regulatory Functions Sub-Committee/Committee deem this to be appropriate. The Chairs of the Planning and Regulatory Functions Committee and Planning and Regulatory Functions Sub-Committee and the Members of the Constitution Working Group have been consulted on the proposed amendments, along with key officers.

Since reporting to the Executive on 18 October 2016, two more minor changes have been identified relating to the way quorum and substitution requirements appear in the Constitution. These amendments will be made under the Monitoring Officer's delegated powers in order to reflect current practice. These additional changes are highlighted in **Annex 3 pages 63 to 81**.

The Executive RECOMMENDS:

That, the proposed amendments to the Constitution as set out in the Amendments Chart at **Appendix 1, Annex 3 pages 67 to 73** be approved.

That, Council approve that all commons registration functions under Part 1 of the Commons Act 2006 and associated legislation be delegated to the Corporate Director Business and Environmental Services with power for him to refer such matters to the Planning and Regulatory Functions Sub-Committee for determination where, after consultation with any standing Chair of the Sub-Committee or, if none or unavailable, the

Chair of the Planning and Regulatory Functions Committee, the Corporate Director Business and Environmental Services deems this to be appropriate.

That, the proposed amendments to the Planning and Regulatory Functions Committee and Sub-Committee Terms of Reference as set out at **Appendix 2 Annex 3 pages 74 to 75** be approved.

That, the proposed amendments to the Officers' Scheme of Delegation as set out at **Appendix 3 Annex 3 pages 76 to 81** be approved.

4. Appointment of External Auditors: At the meeting held on 18 October 2016 the Executive considered a proposal that the County Council opt in to a "sector led body" for the appointment of external Auditors when the current transitional arrangements expire. For the sake of clarity, the body is called Public Sector Audit Appointments Ltd (PSAA Ltd).

From 1 April 2018 the Council will be able to move to a local appointment of its external Auditor. In the interim, there are a number of options open to the Council and these were considered by the Audit Committee on 14 July 2016. The Audit Committee approved the recommendation as set out in **Appendix 1, pages 82 to 87**. It is considered prudent to ensure that the matter is considered by County Council in line with the Audit Committee's recommendation.

The Executive RECOMMENDS:

That the County Council opt into a sector led body for the appointment of external Auditors when the current transitional arrangements expire, subject to satisfactory proposals by the Local Government Association as determined by the Corporate Director, Strategic Resources in consultation with the Assistant Chief Executive, Legal and Democratic Services and the Chair of the Audit Committee.

5. Appointments to Committees and Outside Bodies: Further to the meeting of the Executive held on 18 October 2016, the appointments below are commended to County Council for approval.

The Executive RECOMMENDS:

a. HealthandWellbeingBoard

- The appointment of Gill Collinson in place of Debbie Newton as substitute for Janet Probert - representing NHS Hambleton, Richmondshire and Whitby CCG.
- The appointment Ros Tolcher, Chief Executive of Harrogate and District Foundation Trust, as the provider representative and that Patrick Crowley, Chief Executive of York Teaching Hospital NHS Foundation Trust, be appointed as the designated substitute for Ros Tolcher.

- b. That County Councillor John Fort BEM is nominated to fill the vacancy on the Yorkshire Dales National Park Authority following the resignation of County Councillor Shelagh Marshall OBE.
- c. That any proposals for the re-allocation of seats, if necessary to achieve political proportionality, or for changes to memberships or substitute memberships of committees, or other bodies to which the Council makes appointments put forward by the relevant political group, prior to or at the meeting of the Council, be agreed.

CARL LES
Chairman

County Hall,
NORTHALLERTON
1 November 2016

NORTH YORKSHIRE COUNTY

COUNCIL EXECUTIVE

16 August 2016

EXTRACT FROM QUARTERLY PERFORMANCE AND BUDGET MONITORING REPORT

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

5.0 REVENUE BUDGET 2016/17

5.1 BACKGROUND AND SUMMARY

5.1.1 This section of the report presents details of the projected revenue outturn for the 2016/17 financial year. The latest in-year 2016/17 budget is £363,852k with the net movement since the budget approved by Executive and County Council in February 2016 shown in **Appendix A**.

5.1.2 At the end of Q1, there is a projected saving of £5,048k (1.4%) against operational budgets. Further detail is provided in **section 5.2**.

5.2 OPERATIONAL BUDGETS

5.2.1 The table below identifies the operational budgets for each of the Directorates in 2016/17. The projected revenue outturn indicates a number of variances which together total a saving of £5,048k. Issues of note include:

- £497k early achievement of Budget/ MTFS and 2020 North Yorkshire savings (**see paragraph 5.3.2**) off set by £211k savings which will be re-profiled into future years;
- £1,186k over-achievement of savings (not yet in the 2020 North Yorkshire programme) which may contribute to the MTFS budget shortfall;
- £3,364k from other one-off windfalls and savings across all directorates and corporate budgets, net of overspends and investment in services.
- In addition, a further £212k 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**.

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	HAS	BES	CYPS	CS	Corp Misc Budgets	Total
	£000	£000	£000	£000	£000	£000
Total Budget 2016/17 Appendix	145,281 B	66,940 C	66,280 D	59,675 E	25,676 F	363,852
Savings and overspends						
Early Achievement of Budget/ MTFS and 2020 North Yorkshire Savings	-	-	-	-497	-	-497
Net impact of agreed re-profiling of savings	+211	-	-	-	-	+211
Overachievement of savings which may contribute to MTFS budget shortfall	-	-212	-	-	-974	-1,186
Other one-off windfalls and savings net of overspends	-186	+206	+1,555	-412	-4,527	-3,364
Corporate Contingency	+1,000	-	-	-	-1,000	-
Sub-Total	+1,025	-6	+1,555	-909	-6,501	-4,836
Business rates pooling surplus earmarked for BES development initiatives	-	-	-	-	-212	-212
Total Operational Budget Outturn Variation	+1,025	-6	+1,555	-909	-6,713	-5,048

5.2.2 The net saving against operational budgets includes the HAS demographic growth contingency held centrally in Corporate Miscellaneous budgets. The total contingency for 2016/17 is £3m, of which, £2m has been transferred to the HAS base budget. Therefore, £1m remains held centrally.

The full year projected outturn for Health and Adult Services, following the application of the £2m contingency, is an overspending of £1,025k. Therefore, the projected outturn (**Appendices B to F**) assumes that the remaining £1m corporate contingency is committed against these cost pressures.

5.2.3 There are a number of key issues which are emerging and are, therefore, highlighted below:

- There is a significant strain in a couple of demand-led service areas in CYPS related to Special Educational Needs and Disabilities (local commissioning budgets and transport);
- Spending pressures in HAS care and support budgets based on the latest assessment of demand and prices;
- Some underspendings in Corporate Miscellaneous and Central Services which were anticipated (e.g. higher than expected Rural Services Grant, inflation etc) and which will be rolled into the savings plan to address the £14m budget shortfall. These will result in a short-term increase in reserves but will assist with the recurring budget position.

5.2.4 A draft outturn statement for the County Council's SmartSolutions traded service 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.

5.3 BUDGET/ MTFs SAVINGS TARGETS

5.3.1 The 2016/17 revenue budget reflects previously agreed and updated 2020 North Yorkshire savings targets and these are incorporated into Directorate 2016/17 budget control totals shown in the table in **paragraph 5.2.1**. These 2016/17 savings targets (which are in addition to savings targets reflected in previous year's budgets) total £11,319k, and consist of:

Item	£000
North Yorkshire 2020 Savings in 2016/17 agreed in the February 2016 budget and earlier years MTFs savings targets:	
BES	2,969
CYPS	4,018
HAS	2,567
CS	1,765
Total savings reflected in 2016/17 budget	11,319

5.3.2 There is a net £286k anticipated early achievement of 2020NY savings in 2016/17 (**paragraph 5.2.1**) following the application of £722k cash-funding.

Item	£000
Total Projects with Early Achievement	497
Total Projects with Delayed Achievement	(933)
= Net position on 2020 Programme as at Q1	(436)
Agreed one-off cash-funding of 2020 Projects with Delayed Achievement (i.e. no impact on net bottom line)*	722
= Net position of 2020 Programme on Q1 revenue outturn projection	286

* Cash-funded projects include:

- Integrated Family Support (£316k)
- Disabled Children's Service (£246k)
- Youth Justice Service (£160k)

A further £211k shortfall will now not be achieved in Health and Adult Services.

5.3.3 Further potential savings of £1,186k have been identified which are not part of current 2020NY programme targets but which may contribute to the MTFS budget shortfall and which will have a one-off impact during 2016/17.

5.3.4 Variances from the 2016/17 Budget are being tracked as part of the governance of the 2020 North Yorkshire Programme. 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**.

5.4 GENERAL WORKING BALANCE

5.4.1 A key feature of the Revenue Budget for 2016/17 and Medium Term Financial Strategy, approved by the Executive on 16 February 2016 and County Council on 24 February 2016, is to maintain the General Working Balance (GWB) at a defined minimum acceptable level.

5.4.2 For 2016/17, the defined minimum level has been a policy target 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 9 of the 2016/17 Budget report and in particular;
- (ii) Savings targets not being delivered on time;

5.4.3 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. This is held at “policy” level and any unallocated balance in excess of this level is transferred to ‘Strategic Capacity – Unallocated’. The projected underspend against operational budgets (excluding business rates pooling surplus earmarked for BES development initiatives) in 2016/17 (£4,836k) as outlined in **paragraphs 5.3.1 to 5.3.3** will, if confirmed, be paid into the Strategic Capacity – Unallocated Reserve, and will be available to assist with MTFS/ Budget and investment decisions in 2017/18 and future years.

5.4.4 The balance of the Strategic Capacity – Unallocated Reserve as at 31 March 2016 was £36.0m. Following a review of the 2015/16 outturn position and assessment of the impact on reserves, a further £855k was released from specific, operational reserves into the Strategic Capacity – Unallocated

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reserve. The following table provides a longer-term forecast for this reserve.

Year End	Start Year	Latest Forecast			
		Review of Reserves	MTFS	Other base budget contributions	End-Year
	£000	£000	£000	£000	£000
31 March 2016	36,015	855	(633)	11,767	48,004
31 March 2017	48,004	0	(7,264)	4,261	45,001
31 March 2018	45,001	0	(11,327)	821	34,495
31 March 2019	34,495	0	(13,961)	821	21,355
31 March 2020	21,355	0	(13,961)	821	8,215

5.4.5 The anticipated net contribution to the reserve in 2016/17 includes:

	£k	£k
Planned use of reserve to support the County Council's overall net budget		(633)
Review of Reserves		855
Other Base Budget Contributions:		
Planned contribution to reserve as part of the Waste Budget Strategy	6,931	
One-off savings arising from a fundamental budget review of the Waste Strategy prior to the opening of Allerton Waste Recovery Plant	2,260	
Higher than expected Rural Services Delivery Grant following late confirmation of figures	1,585	
Other net Directorate underspendings	991	11,767
= Projected net contribution as at Q1 2016/17		11,989

5.4.6 The table at 5.4.4 shows that in the longer term, the 'Strategic Capacity – Unallocated' reserve would be £21.4m by the end of the current MTFS period due to erosion from the budget shortfall identified in the February 2016 MTFS. The projections are illustrative and assume that the council will have a recurring £14.0m budget shortfall and that the available funds are not committed for other investments. However, measures are now in progress to address the shortfall – which in some cases include using funds for investment in infrastructure, invest to save for service transformation or, to generate a revenue saving.

5.5 Recommendation

That the Executive

- (i) notes the latest position for the County Council's 2016/17 Revenue Budget as summarised in **paragraph 5.1.2**
- (ii) recommend to the County Council that £212k be earmarked for BES development initiatives detailed in **paragraph 5.2.1**
- (iii) notes the position on the GWB following the application of the simplified approach (**paragraphs 5.4.1 to 5.4.3**)
- (iv) note the position on ' Strategic Capacity – Unallocated' reserve (**paragraphs 5.4.4 to 5.4.6**)

REVENUE BUDGET APPENDICES

- A 2016/17 Latest Revenue Budgets
- B Health and Adult Services
- C Business and Environmental Services
- D Children and Young Peoples' Service
- E Central Services
- F Corporate Miscellaneous
- G SmartSolutions

2016-17 IN-YEAR REVENUE BUDGETS AT 30 JUNE 2016

	Original Budgets agreed by Cty Cncl on 24/02/16 £000s	Approved carry forwards from 2015-16 £000s	Pending Issues Provision Allocation £000s	Additional Approved Investment Funding £000s	Other agreed transfers and adjustments £000s	Latest Revised Budgets £000s
Children & Young Peoples' Service	68,135				-1,855	66,280
Business & Environmental Services	71,267				-4,327	66,940
Health & Adult Services	141,705				3,576	145,282
Central Services Directorate	54,253				5,422	59,675
Corporate Miscellaneous	28,493				-2,817	25,676
Total Directorate Spending	363,852	0	0	0	0	363,852
Contribution From (-) General Working Balances	-3,282					-3,282
Net Revenue Budget	360,570	0	0	0	0	360,570
Revenue support grant	37,370					37,370
Business Rates DCLG Top Up	42,943					42,943
Business Rates from District Councils	18,331					18,331
Business Rates Collection Fund Deficit	-1,045					-1,045
Precept on District Councils - Current Year	256,500					256,500
Council Tax Collection Fund Surpluses	3,479					3,479
Transitional Grant	2,992					2,992
=Net Budget Requirement	360,570	0	0	0	0	360,570

APPENDIX A

HEALTH AND ADULT SERVICES

2016-17 REVENUE BUDGET MONITORING Q1 30 JUNE 2016

BUDGET HEAD	REVISED BUDGET 2016-17	FORECAST OUTTURN 2016-17	VARIANCE (-) = saving	COMMENTS	
	£000	£000	£000		
Care & Support					
- Area Budgets					
Care and Support - Ham/ Rich	26,881	27,301	420	Projected overspending arising from continued pressure on purchased care budgets (£3.7m), partially offset by staffing savings (£1.2m). Corporate one-off funding for domiciliary care reduces the projected overspend by £1.05m to £1.8m, of which £211k relates to agreed reprofiling of 2020 North Yorkshire savings.	
Care and Support - Selby	11,938	12,253	315		
Care and Support - Scar/ Ryedale	36,421	36,860	439		
Care and Support - Harr/ Craven	41,543	42,898	1,355		
Head of Provider Services	10,593	10,820	227		
Mental Health Services	8,285	8,285	0		
Assistant Director/Cross-area budgets	- 9,267	- 9,768	- 501		Projection includes assumed receipt of Continuing Health Care backdated income#
Corporate Funding for Domiciliary Care	-	- 1,050	- 1,050		
SUB-TOTAL *	126,393	127,599	1,206		
Public Health	-	-	-		
Quality & Engagement	1,900	1,894	- 6		
Commissioning	11,699	11,825	126	Cost transfer for block contracts converted to individual service contracts. Contract reviews to be undertaken.	
Integration	206	96	- 110	One-off funding for core post resulting in a one-off underspend.	
Resources Unit	4,202	4,095	- 107	Vacancy and insurance savings.	
Head of Human Resources	931	848	- 84		
Director & Cross-Directorate	- 50	- 50	-		
TOTAL	145,281	146,306	1,025		
Draw down of funding from corporately held contingency	0	- 1,000	- 1,000	£2m corporate contingency for Health and Adult Services has been transferred to the HAS base budget. This projection assumes that a further £1m of corporate contingency is required given projected overspending on Care and Support budgets.	
REVISED TOTAL	145,281	146,305	25		

BUSINESS & ENVIRONMENTAL SERVICES

2016-17 REVENUE BUDGET MONITORING Q1 30 JUNE 2016

BUDGET HEAD	REVISED BUDGET 2016-17	FORECAST OUTTURN 2016-17	VARIANCE (-) = saving	COMMENTS
	£000	£000	£000	
Highways & Transportation	22,989	22,777	- 212	A fundamental budget review of Highways and Transportation has identified £200k which can contribute, on a recurring basis, to the MTFS budget shortfall. This provides a one-off underspend in 2016/17. Other minor savings on Grass Cutting and Gully Emptying are projected overachievments against existing planned savings targets.
Integrated Passenger Transport	10,372	10,372	- 0	£300k has been removed from the budget as a potential recurring saving and is shown, for reporting purposes, in Corporate Miscellaneous (Appendix F)
Trading Standards & Planning Services	2,149	2,346	197	Projected overspending arising from Planning services.
Waste & Countryside Services	29,717	29,717	0	A fundamental budget review examining all financial and activity data for Waste has identified £154k overachievement of recurring savings and a further £2,106k non-recurring savings which are shown in Corporate Miscellaneous (Appendix F)
Economic Partnership Unit	218	218	- 0	
Resources, Performance & Improvement	970	961	- 10	
Corporate Director of BES	525	544	19	
TOTAL	66,940	66,934	- 6	

APPENDIX C

CHILDREN & YOUNG PEOPLE'S SERVICES

2016-17 REVENUE BUDGET MONITORING Q1 30 JUNE 2016

BUDGET HEAD	REVISED BUDGET 2016-17	FORECAST OUTTURN 2016-17	VARIANCE (-)= saving	COMMENTS
LA	£000	£000	£000	
Access & Inclusion				
Inclusion	857	857	-	
SEND - Special Education Needs & Disabilities				
Assessment & Review Officers	663	663	-	
Disabled Children's Services	4,813	5,173	360	Projected overspending arising from cost pressures in local commissioning budgets (£300k) and occupational therapy costs (£100k).
Home to School Transport	19,476	20,476	1,000	Projected outturn of £1.0m overspend following application of one-off funding arising from cost pressures in Special Educational Needs Transport. The forecast is provisional pending confirmation of the impact of changes in the network from September and other remedial management actions. In addition, there are five additional days within 2016/17 compared to 2015/16.
Children & Families	32,318	32,317	- 1	
CYPS Pooled Placement Budget	1,303	1,303	-	
Education & Skills Service	2,820	2,820	-	
Finance & Management Support	- 551	- 450	100	£100k overspending arising from late notification of lower than anticipated Extended Rights to Free Travel grant
Personnel	919	965	46	Projected overspend identified from initial trend analysis of continuing liability for pension enhancements.
Strategy & Commissioning	2,474	2,474	0	
Safeguarding Unit	1,188	1,238	50	
LA TOTAL	66,280	67,834	1,555	
DSG				
Access & Inclusion				
Inclusion	8,419	8,419	-	
Alternative Provision	5,350	5,350	-	
SEND - Special Education Needs & Disabilities				
Assessment & Review Officers	171	171	-	
High Needs Commissioning	27,133	27,133	-	
Children & Families	2,989	2,989	-	
CYPS Pooled Budget	1,635	1,635	-	
Education & Skills Service	928	928	-	
Finance & Management Support	- 48,950	- 48,950	0	
Information Technology	891	891	-	
Personnel	78	78	-	
Strategy & Commissioning	1,357	1,357	0	
DSG TOTAL	-	0	0	
TOTAL	66,280	67,835	1,555	

CENTRAL SERVICES

2016-17 REVENUE BUDGET MONITORING Q1 30 JUNE 2016

BUDGET HEAD	REVISED BUDGET 2016-17	FORECAST OUTTURN 2016-17	VARIANCE (-)= saving	COMMENTS
	£000	£000	£000	
Strategic Resources				
Financial Services	3,624	3,624	0	
Property Service	14,329	14,329	-	
Technology & Change	9,317	9,018	- 300	Provisional in-year saving of £300k which, if confirmed, includes £83k early achievement of 2020 North Yorkshire savings.
Business Support & HR				
Business Support Services	13,244	13,044	- 200	£250k early achievement of BSS savings partially offset by increased staffing in Financial Administration.
HR Services	3,536	3,536	0	
Chief Executives Office				
CEO Support Services, Grants & Subscriptio	n	440	- 0	
Communications Unit	643	643	-	
Policy & Partnerships	2,254	1,998	- 256	Provisional underspending linked to savings on Local Healthwatch and early savings contribution towards MTFS budget shortfall.
Legal & Democratic Services				
Democratic Services	341	341	- 0	
Legal Services	2,019	2,080	61	Projected overspending arising from higher than anticipated legal expenses.
Members Services	1,213	1,213	-	
Library, Customer & Community Services				
Archives & Records Management	360	359	- 0	
Coroners	728	728	- 0	
Customer Services	2,006	2,006	- 0	
Public Library Service	6,044	5,945	- 100	Early achievement of 2020 North Yorkshire savings (£50k) and other one-off savings arising from vacancies prior to a restructure to deliver planned savings target in 2017/18.
Registrars	- 422	- 536	- 114	Higher than expected income giving rise to early achievement of 2017/18 savings target.
TOTAL	59,675	58,766	- 909	

CORPORATE MISCELLANEOUS

2016/17 REVENUE BUDGET MONITORING - Q1 30 JUNE 2016

BUDGET HEAD	REVISED BUDGET 2016/17 £000	FORECAST OUTTURN £000	VARIANCE (-) = under spend £000	COMMENTS
ANNUAL BUDGETS & FUNDS (EXCLUDING PIP)				
Contingencies				
General Provision	2,688	250	-2,438	Underspending arising from overachievement of savings for Integrated Passenger Transport relating to reduced demand for Concessionary Fares (£300k), Public Health (£500k) and NYLAF (£20k). Following a review of inflation provision to allocate according to latest information on budget requirements, other potential recurring savings of £1,563k have been identified.
HAS Corporate Contingency	1,000	1,000	0	
Domiciliary Care	1,050	1,050	0	
2020 North Yorkshire	1,000	1,000	0	
	5,738	3,300	-2,438	
Capital Financing Costs	26,420	26,452	32	Market loans not called
Interest Earned	-2,734	-1,984	750	Investment returns have remained low in the first quarter of 2016/17. Interest rate forecasts following on from the outcome of the EU referendum now include an expectation of a cut in Bank Rate of 0.25% in the second quarter of 2016/17, which is expected to result in a lower overall rate being achieved on investments
Corporate Funds	400	400	0	
Other Corporate Budgets	4,436	4,436	0	
Corporate Funding				
Education Services Grant	-6,200	-6,200	0	
Dedicated Schools Grant	-1,149	-1,149	0	
New Homes Bonus Grant	-2,697	-2,697	0	
Rural Services Delivery Grant	-6,600	-8,185	-1,585	Higher than expected Rural Services Delivery Grant following confirmation of the final grant allocation. A lower figure had been included in the 2016-17 budget given significant and late changes in the Local Government Finance Settlement and a lack of clarity on whether the full amount was actually available or whether it was contained within other core funding allocations.
Business Rates Funding	-1,896	-2,108	-212	Latest forecast net gain to NYCC in 2016/17 from being part of a Business Rating pooling arrangement, offset by final allocations for 2015/16 notified by District Councils in relation to Business Rates payable to NYCC (Estimated collection fund account surpluses and deficits were lower than forecast).
Business Rates Deficit	-1,045	-1,045	0	
Council Tax Surplus	3,479	3,479	0	
Other Corporate Funding	-1,667	-1,667	0	
	-17,775	-19,572	-1,797	
TOTAL - Excluding PIP	16,485	13,032	-3,453	
Waste Budget Strategy Provision	9,191	6,931	-2,260	The Waste budget strategy assumed a contribution to reserve of £6,931k in 2016-17. Following a fundamental budget review of Waste, over-achievement of recurring savings totalling £154k and further non-recurring savings in 2016-17 totalling £2,206k have been released from the in-year budget.
OVERALL TOTAL	25,676	19,963	-5,713	

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SmartSolutions

Traded Services Profit and Loss Summary: 2016/17 Annual Forecast as at Q1

Service		Income £'000	Expenditure £'000	Profit/(Loss)£ '000
1	Arbor Service	112	112	-
2	Broadband	2,219	2,219	-
3	Building Cleaning Services	7,767	7,768	(1)
4	County Caterers Service	17,848	17,849	(1)
5	Connecting Youth Culture	396	346	50
6	Document Management Centre	61	61	-
7	Early Years Finance Service	14	13	1
8	Education and Skills	769	494	275
9	Education Safeguarding and Protection Service (DBS)	315	315	-
10	Education Psychology & STS	255	250	5
11	Employment Support Services	1,142	1,142	-
12	Energy Traded Service	216	214	2
13	Financial Management Services	3,985	3,810	175
14	Grounds Maintenance Service	734	718	16
15	Health and Safety Service/Commercial	375	354	21
16	Health and Wellbeing Service	227	175	52
17	HR Advisory Service	799	801	(2)
18	LA Clerking Service	432	423	9
19	Legal and Democratic Services	183	142	41
20	Maintenance and Servicing Scheme	3,955	3,955	-
21	Music Service	2,211	2,194	17
22	North Yorkshire Procurement Service	71	40	31
23	Outdoor Learning Service	2,642	2,586	56
24	School Admission and Exclusion Appeals Service	19	16	3
25	Schools ICT Service	3,910	3,811	99
Traded Services Total		50,657	49,808	849

Insurances Profit and Loss Summary: 2016/17 Annual Forecast as at Q1

Service		Income £'000	Expenditure £'000	Profit/(Loss)£ '000
1	Balance of Risks	397	338	59
2	Insurance Services	1,534	1,550	(16)
3	Staff Absence Scheme	4,024	3,844	180
Insurances Total		5,955	5,732	223
Traded Services and Insurance Total		56,612	55,540	1,072

SmartSolutions Team overheads

747 (747)

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EXTRACT FROM QUARTERLY PERFORMANCE AND BUDGET MONITORING REPORT

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

7.0 TREASURY MANAGEMENT

Overview

- 7.1 This section of the report presents details of the County Council's Treasury Management Activity during Q1 2016/17, changes to the Approved Lending List and other current policy issues and considerations.
- 7.2 The CIPFA Code of Practice for Treasury Management recommends that Members should be informed of Treasury Management activities at least twice a year but preferably quarterly. This report ensures, therefore, that the County Council is embracing Best Practice in accordance with CIPFA's revised Code of Practice.
- 7.3 The current monitoring and reporting arrangements in relation to Treasury Management activities are as follows:
- (a) an annual report to Executive and County Council as part of the Budget/MTFS process that sets out the County Council's **Treasury Management and Investment Strategy and Policy** for the forthcoming financial year. For 2016/17 this report was submitted to Executive on 16 February 2016 followed by County Council on 24 February 2016;
 - (b) an annual report to Executive and County Council as part of the Budget/MTFS process that sets the various **Prudential Indicators** (submitted to Executive on 16 February 2016 and County Council on 24 February 2016), together with a mid-year update of these to the Executive as part of the Q1 Performance Monitoring report (see section 8 of this Q1 Performance Monitoring Report);
 - (c) **annual outturn reports** to the Executive for both Treasury Management and Prudential Indicators setting out full details of activities and performance during the preceding financial year. The outturn reports for 2015/16 were submitted to Executive on 14 June 2016;
 - (d) a quarterly report on Treasury Management to the Executive (this report) as part of the **Quarterly Performance Monitoring** report;
 - (e) **periodic meetings** between the Corporate Director – Strategic Resources, the Corporate Affairs Portfolio Holder and the Chairman of the Audit Committee to discuss issues arising from the day to day management of Treasury Management activities;
 - (f) reports on proposed changes to the County Council's Treasury Management activities are submitted to the **Audit Committee** for consideration and comment. A copy of this report is also provided to Audit Committee Members.

Economic Update

- 7.4 The Council's treasury advisors Capita summarised the key points associated with economic activity **in Q1 2016/17 up to 30 June 2016:**
- The UK voted to leave the EU;
 - The economic recovery lost some momentum ahead of the vote;
 - Growth remained highly dependent on consumer spending;
 - The jobs recovery slowed, but wage growth picked up;

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- Inflation remained at very low levels;
- Sharp fall in sterling following the referendum result;
- Post-referendum uncertainty brought the prospect of a near-term rate cut onto the agenda;
- Both the ECB and the Federal Reserve kept policy unchanged.

The current economic and political turmoil is likely to impact on the economic outlook for the UK and interest rates are expected to be cut during the next quarter. Indeed, in a speech on 30 June, Governor Carney stated that “some monetary easing will likely be required over the summer”.

A more detailed economic commentary on developments during Q1 2016 is included in **Appendix D**

Ongoing Review of Annual Treasury Management and Investment Strategy 2016/17

- 7.5 The County Council’s Annual Strategy sets out the County Council’s approach to managing its Treasury Management activities (borrowing and investments) during 2016/17.
- 7.6 It is a key requirement of the CIPFA Code of Practice for Treasury Management that annual Treasury Management Strategies should be kept under constant review throughout the year and reported to Members as appropriate. There is the specific requirement of a mid-year review as a minimum being reported to Members.
- 7.7 The County Council’s 2016/17 Annual Treasury Management and Investment Strategy is therefore, kept under continuous review. Although there continues to be uncertainty and volatility in the financial and banking market, both globally and in the UK, **it is considered that the Strategy approved in February 2016 is still fit for purpose in the current economic climate.** No changes are therefore considered necessary to the Strategy at this stage.

Debt and borrowing

- 7.8 The County Council’s external debt outstanding at 30 June 2016 was as follows:-

Detail	PWLB		Money Market Loans		Total	
	£m	%	£m	%	£m	%
At 31 March 2016	296.6	4.43	20.0	3.95	316.6	4.40
Scheduled loan repayments	0		0		0	
Premature debt repayments	0		0		0	
New loans taken from the PWLB	0		0		0	
= Loans outstanding at 30 June 2016	296.6	4.43	20.0	3.95	316.6	4.40

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- 7.9 Any change (other than for scheduled repayments of principal) to the debt outstanding by the end of 2016/17 will be largely determined by whether the borrowing requirement for 2016/17 is ultimately financed by external borrowing or internal borrowing (by running down cash balances). Such internal borrowing is covered in more detail in **paragraphs 7.17 to 7.20** but based on current interest rate forecasts (and the consequent differential between the cost of borrowing and the level of investment return available in the markets), it is expected that the 2016/17 borrowing requirement will be financed internally throughout 2016/17. As a result, the external debt scenario for 31 March 2017 is potentially as follows:

Detail	£m
Debt outstanding at 30 June 2016 (paragraph 7.11)	316.6
Further scheduled PWLB loan repayments in 2016/17	-7.6
= Estimated debt outstanding at 31 March 2017 if 2016/17 borrowing needs are funded internally	309.0
2016/17 borrowing requirement (paragraph 7.13)	23.1
= Estimated debt outstanding at 31 March 2017 if 2016/17 borrowing needs are funded externally	332.1

- 7.10 Based on the Q1 Capital Plan update the total external borrowing requirement for 2016/17 (including roll over of internally financed borrowing from earlier years) is currently forecast at (excluding company loans to remain financed by internal borrowing), none of which has been borrowed externally to date. This sum is made up as follows:-

Detail	£m	£m
Internally Financed Capital Expenditure at 31 March 2016 (consists principally of residual borrowing requirements between 2010/11 and 2015/16) less Company Loans to be financed through internal borrowing until eventual repayment	30.5 -11.0	19.5
2016/17 borrowing requirement Q1 2016/17 Capital borrowing requirement Revenue provision for debt repayment Refinance 2016/17 PWLB loan repayments	 10.3 -14.3 7.6	
		3.6
= total 2016/17 borrowing requirement		23.1
Less borrowed to 30 June 2016		0
= Remaining 2016/17 borrowing requirement		23.1

- 7.11 It is expected that the 2016/17 borrowing requirement will be 'temporarily' depressed at 31 March 2017 as a result of using the Corporate Capital Pot to finance capital spending at the year end. To protect this Corporate Capital Funding

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Pot however (estimated at in 2016/17 at Q1), an equivalent sum would be added onto the 2017/18 borrowing requirement.

- 7.12 New external borrowing rates (fixed interest maturity rates from the PWLB reflecting the 0.2% 'certainty discounts') during Q1 2016/17 were as follows:-

Item	1 year %	5 years %	10 years %	25 years %	50 years %
Lowest Rate	0.89	1.21	1.85	2.63	2.33
Date	27/06/16	27/06/16	27/06/16	29/06/16	30/06/16
Highest Rate	1.20	1.80	2.51	3.28	3.08
Date	27/04/16	27/04/16	27/04/16	27/04/16	27/04/16
Average during quarter	1.11	1.59	2.25	3.05	2.83

- 7.13 Overall PWLB rates edged downwards during the quarter.

Premature Repayment of External Debt and Debt Rescheduling

- 7.14 The premature repayment of long term debt produces the following immediate benefits

- (a) revenue savings from the significant current differential between the interest payable on the long term debt repaid and the loss of interest being earned on short term investments
- (b) the running down of cash balances limits investment exposure risk
- (c) adjusting the County Council's debt maturity profile to get a more balanced spread of refinancing risk

- 7.15 This policy is however not risk free in terms of:

- (a) loss of the long term stability in interest payments that longer term fixed borrowing provides
- (b) potential "day to day" operational cash flow issues
- (c) ultimately the prematurely repaid loans have to be refinanced by taking new long term loans.

- 7.16 No debt repayment or rescheduling exercises have been effected to date in 2016/17 or are in the pipeline but the situation continues to be monitored to identify any opportunities that may arise. Such opportunities, however, have been limited in the current economic climate and structure of interest rates.

Internal Borrowing

- 7.17 Internal capital borrowing (use of cash balances) to part fund the County Council's Capital Financing Requirement was £30.5m at 31 March 2016.

- 7.18 The level of this internal capital borrowing depends on a range of factors including:

- (a) premature repayment of external debt
- (b) timing of debt rescheduling exercises
- (c) the timing of taking out annual borrowing requirements

- (d) policy considerations on the relative impact of financing capital expenditure from surplus cash balances compared with taking new external debt with the balance of external and internal borrowing being generally driven by market conditions.

- 7.19 Over the next two or three years investment rates are expected to continue to be below long term borrowing rates. A value for money assessment would therefore indicate that value could be best obtained by avoiding/delaying new borrowing and continuing to use internal cash balances to finance new capital expenditure or to replace maturing external debt. This would maximise short term revenue savings and produce other benefits but is not risk free.
- 7.20 This “Internal Capital Financing” option will therefore continue to be actively adopted on an ongoing basis in order to achieve short term revenue savings and mitigate the credit risk incurred by holding investments in the market.

Prudential Indicators

- 7.21 It is a statutory duty for the County Council to determine and keep under review its *Affordable Borrowing Limits*.
- 7.22 The Prudential Indicators for the three year period 2016/17 to 2018/19 were initially approved by Executive on 16 February 2016 and adopted by County Council on 24 February 2016. These Indicators have now been updated to reflect the 2015/16 outturn position and other factors arising in Q1 and are reported to Members in section 8 of this Q1 Performance Monitoring report.
- 7.23 During the financial year to date, the County Council has operated within the latest Treasury Prudential Indicators approved and in compliance with the County Council’s Treasury Management Practices.

Investment Activity

- 7.24 The County Council’s Annual Investment Strategy, which is incorporated in the TMSS, outlines the County Council’s investment priorities as follows:-
 - (a) security of capital
 - (b) liquidity
- 7.25 The County Council also aims to achieve the optimum return on investments commensurate with the appropriate levels of security and liquidity. **In the current economic climate and the heightened credit concerns, it is considered appropriate to keep investments relatively short term to cover cash flow needs, but also to seek out any value available in significantly higher rates for periods up to 12 months with highly credit rated financial institutions, where this is possible within the constraints of the latest Approved Lending List.**
- 7.26 The only financial investments made by the County Council during Q1 2016/17 were the placing of surplus funds on the money markets for periods of up to one year. These placements were only made to institutions included in the Approved Lending List at the time of investment.

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7.27 The investment activity up to 30 June 2016 (Q1 2016/17) was as follows:-

Number of loans made	47
	£m
Investments at 1 April 2016	268.1
+ loaned up to Q1 2016/17	374.3
- repaid during Q1 2016/17	-347.3
= Balance invested at 30 June 2016	295.1
Average daily balance 2016/17 to 30 June 2016	309.4 (£287.7m in 2015/16)
Average Interest Rates	
- achieved up to Q1 2016/17	0.66% (0.64% in 2015/16)
- on £295.1m loaned out at 30 June 2016	0.65% (0.64% at 31 March 2016)

7.28 The average 0.66% return to Q1 2016/17 compares with average market benchmark returns as follows:

7 day	0.36%
1 month	0.38%
3 months	0.46%
6 months	0.60%
12 months	0.87%

Investment rates available in the market have been broadly stable in the quarter and have continued at historically low levels as a result of the ultra low bank rate and other Government measures such as the Quantative Easing programme and the Funding for Lending Scheme.

7.29 A statement listing the individual loans making up the balance placed as at 30 June 2016 is attached as **Appendix A** with this 'total investment pool' consisting of funds from:-

body	31 March 2016		30 June 2016	
	£m	%	£m	%
Other Bodies				
- NY Pension Fund	2.1	1	-13.9	-5
- NY Fire and Rescue Authority	6.8	3	8.9	3
- Yorkshire Dales NP	3.8	1	2.6	1
- North York Moors NP	2.1	1	2.0	1
- National Parks England	0.1	-	0.2	-
- Peak District National Park	6.2	2	7.1	2
- Selby District Council	25.9	10	32.0	11
= total other bodies	47.0	18	38.9	13
NYCC cash funds	221.1	82	256.2	87
Total investment	268.1	100	295.1	100

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7.30 Indicative market current investment interest rates with organisations remaining on the County Council's current Approved Lending List are as follows:-

Period	%
Bank Rate (no changes in quarter)	0.50
Investment Rates	
- overnight (on call)	0.35
- NYCC call accounts	0.50
- 1 month	0.40
- 6 months	0.60
- 1 year	0.80
- 3 year	1.10
- 5 year	1.40
Government's Debt Management Office Account overnight to 6 months	0.25

Approved Lending List

7.31 The Approved Lending List as at 30 June 2016 is attached as **Appendix B** with changes made during Q1 2016/17 being reported in **Appendix C**.

Overall Impact of Q1 Treasury Management Activity on Revenue Budget

7.32 Based on the Treasury Management activity at Q1 2016/17 and a forecast for the remainder of the year, the revenue impact is as follows:

Item	Latest Budget	Forecast Outturn	Variation
	£m	£m	£m
Capital Financing charges			
Interest Paid	13.8	13.8	0.0
Revenue Provision for debt repayment	14.3	14.3	0.0
Recharged to Directorates etc.	-1.7	-1.7	0.0
	26.4	26.4	0.0
Interest Earned			
Temporary Loans	-2.7	-2.0	0.7
Other sources	-0.4	-0.4	0.0
Paid out to other organisations	+0.4	+0.4	0.0
	-2.7	-2.0	0.7
Overall net cost	23.7	24.4	0.7

7.33 As a result, there is a net overspend being forecast in 2016/17 as a result of:

- (i) a lower interest rate being achieved on investments with % at Q1 compared with % provided in the budget

Interest rate forecasts

7.34 The current interest rate forecasts (last update 4 July 2016) of Capita Asset Services – Treasury Solutions are as follows

<i>Date</i>	<i>Bank rate</i>	<i>5 year PWLB*</i>	<i>10 year PWLB*</i>	<i>25 year PWLB*</i>	<i>50 year PWLB*</i>
	%	%	%	%	%
Current rates	0.50	1.20	1.73	2.48	2.20
Sept 2016	0.25	1.00	1.60	2.40	2.20
Mar 2017	0.25	1.10	1.60	2.40	2.20
Sept 2017	0.25	1.10	1.70	2.50	2.30
March 2018	0.25	1.10	1.70	2.50	2.30
Sept 2018	0.50	1.20	1.80	2.60	2.40
March 2019	0.50	1.30	1.80	2.70	2.50

* Net of certainty rate 0.2% discount

7.35 The outcome of the EU referendum necessitated a review of interest rate forecasts. The UK now faces a very different situation from what it was in prior to the referendum both politically and economically. As a result, Capita Asset Services undertook a quarterly review of its interest rate forecasts on 4 July 2016. A number of forecasters anticipate the referendum outcome will result in a slowing in growth in the second half of 2016. It is therefore expected that Bank Rate will be cut by 0.25%, at its quarterly Inflation Report meeting on 4 August. Bank Rate could even be cut to 0.10% or 0%.

7.36 The first increase in bank rate thereafter, is not expected until mid-2017 and for further increases then to be at a slower pace than previously anticipated. As the pace of recovery of growth is anticipated to be weak during a period of great uncertainty. The Governor of the Bank of England, Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth in average disposable income is still weak and for some consumers, who have had no increases in pay, could be non-existent (other than through some falls in prices).

7.37 The MPC may also consider renewing a programme of quantitative easing; the prospect of further purchases of gilts in this way has already resulted in 10 year gilt yields falling below 1% for the first time ever. As a result forecasts for PWLB rates have been revised down to take account the movements in gilt yields since the referendum - which have fallen to all-time lows (with 2 year gilt yields even briefly turning negative).

7.38 Economic and interest rate forecasting continues to remain difficult with so many external influences weighing on the UK, as a result, Bank Rate and PWLB rate forecasts (and also MPC decisions) will be liable to further amendment depending on how future economic data transpires.

7.39 Other Treasury Management Development and Issues

To date, none of the three major rating agencies has made a clear indication of any near-term action with regards to financial institution credit ratings following the Brexit vote. However, given the uncertainty surrounding implications it is by no means a certainty that they will act in the near term. Perceived creditworthiness of organisations on the Approved Lending List will continued to be monitored closely throughout this period of uncertainty.

It should be noted, however, that while there are negative implications for the UK, its economy and financial institutions as a result of Brexit, financial markets and the operators therein are materially stronger, in terms of capital and liquidity than they were ahead of the financial crisis.

RECOMMENDATIONS

7.40 That Executive

- (i) notes the position on the County Council's Treasury Management activities during the first quarter of 2016/17
- (ii) refers this report to the Audit Committee for their consideration as part of the overall monitoring arrangements for Treasury Management.

TREASURY MANAGEMENT APPENDICES

- Appendix A Analysis of investments placed as at 30 June 2016
- Appendix B Approved Lending List with counterparty limits as at 30 June 2016
- Appendix C Changes to the Approved Lending List during Q1 2016/17
- Appendix D Detailed Economic Commentary on Developments during Q1 2016/17

Analysis of loans outstanding as at 30 June 2016

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Actual Loan Outstanding						
Loan Repaid	Borrower	Date of Loan	Amount £m	Period of Loan	Interest Rate %	
Call Accounts	Barclays	Bank	32.07	Call	0.50	
	Svenska Handelsbanken	Bank	23.00	Call	0.50	
	Santander UK	Bank	10.05	Call	0.40	
	Santander UK 31 Day Notice	Bank	1.00	Notice	0.65	
	Santander UK 120 Day Notice	Bank	18.95	Notice	1.05	
	Santander UK 180 Day Notice	Bank	10.00	Notice	1.15	
	Bank of Scotland	Bank	15.00	Call	0.40	
Jul-16	Leeds	BS	04-Jan-2016	5.00	04-Jul-2016	0.59
	Bank of Scotland	Bank	26-Jan-2016	5.00	26-Jul-2016	0.75
	Bank of Scotland	Bank	27-Jan-2016	5.00	27-Jul-2016	0.75
	Bank of Scotland	Bank	05-Apr-2016	5.00	05-Jul-2016	0.57
	Bank of Scotland	Bank	15-Apr-2016	5.00	15-Jul-2016	0.65
	Goldman Sachs	Bank	19-Apr-2016	10.00	19-Jul-2016	0.56
	Bank of Scotland	Bank	20-Apr-2016	10.00	20-Jul-2016	0.65
Aug-16	Goldman Sachs	Bank	22-Apr-2016	10.00	22-Jul-2016	0.57
	Hambleton DC	LA	09-May-2016	15.00	26-Jul-2016	0.50
	Nationwide	BS	01-Feb-2016	12.50	01-Aug-2016	0.71
	Nationwide	BS	12-Feb-2016	13.50	12-Aug-2016	0.71
	Bank of Scotland	Bank	29-Feb-2016	5.00	31-Aug-2016	0.75
	Bank of Scotland	Bank	29-Feb-2016	5.00	31-Aug-2016	0.75
	Bank of Scotland	Bank	10-May-2016	5.00	10-Aug-2016	0.65
	Goldman Sachs	Bank	04-May-2016	10.00	04-Aug-2016	0.56
	Goldman Sachs	Bank	25-May-2016	10.00	25-Aug-2016	0.57
	Sep-16	Bank of Scotland	Bank	22-Mar-2016	5.00	22-Sep-2016
Nationwide		BS	31-Mar-2016	6.50	30-Sep-2016	0.71
Oct-16	Nationwide	BS	15-Apr-2016	7.50	17-Oct-2016	0.71
Nov-16	Lancashire County Council	LA	19-Nov-2015	5.00	17-Nov-2016	0.65
	Bank of Scotland	Bank	03-May-2016	5.00	03-Nov-2016	0.80
	Bank of Scotland	Bank	24-May-2016	5.00	24-Nov-2016	0.80
Dec-16	Bank of Scotland	Bank	31-May-2016	5.00	30-Nov-2016	0.80
	Bank of Scotland	Bank	03-Jun-2016	5.00	05-Dec-2016	0.80
Feb-17	Falkirk Council	LA	12-Feb-2016	5.00	10-Feb-2017	0.65
Jun-17	Lancashire County Council	LA	02-Jun-2016	5.00	01-Jun-2017	0.65
	Total Investments			295.07		
	Average Interest				0.65%	

Maturity Profile	
Period	%
< 1 Month	14
1 - 3 Months	61
3 - 6 Months	21
6 - 9 Months	2
9 - 12 Months	2
> 12 Months	0
	<u>100</u>

Actual Loans Outstanding Summarised by Organisation	
	£m
Bank of Scotland	85.0
Barclays	32.1
Nationwide BS	40.0
Svenska Handelsbanken	23.0
Goldman Sachs	40.0
Santander	40.0
Leeds BS	5.0
Local Authority	<u>30.0</u>
	<u>295.1</u>

Institution Type	
	%
Banks	75
Local Government	10
Building Societies	<u>15</u>
	<u>100</u>

Country	
	%
Domestic	92
Foreign	<u>8</u>
	<u>100</u>

Portfolio Breakdown	
	%
Fixed Term	63
Notice Accounts	18
Call Accounts	<u>19</u>
	<u>100</u>

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Appendix B

APPROVED LENDING LIST AS AT 30 JUNE 2016

Maximum sum invested at any time (The overall total exposure figure covers both Specified and Non-Specified investments)

	Country	Specified Investments (up to 1 year)		Non-Specified Investments (> 1 year £20m limit)	
		Total Exposure £m	Time Limit *	Total Exposure £m	Time Limit *
UK "Nationalised" banks / UK banks with UK Central Government involvement					
Royal Bank of Scotland	GBR	85.0	364 days	-	-
Natwest Bank	GBR				
Bank of Scotland	GBR	85.0	3 months	-	-
Lloyds	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK plc (includes Cater Allen)	GBR	40.0	6 months	-	-
Barclays Bank	GBR	75.0	3 months	-	-
HSBC	GBR	30.0	364 days		
Clydesdale Bank (trading as Yorkshire Bank)	GBR	30.0 (Shared with NAB)	Temporarily suspended	-	-
Goldman Sachs International Bank	GBR	40.0	6 months		
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	20.0	6 months	-	-
High quality Foreign Banks					
National Australia Bank	AUS	30.0 (Shared with Clydesdale)	364 days	-	-
Commonwealth Bank of Australia	AUS	20.0	364 days		
Canadian Imperial Bank of Commerce	CAN	20.0	364 days	-	-
Deutsche Bank	DEU	20.0	Temporarily suspended	-	-
Nordea Bank Finland	FIN	20.0	364 days	-	-
Credit Industriel et Commercial	FRA	20.0	6 months	-	-
BNP Paribas Fortis	FRA	20.0	6 months	-	-
Nordea Bank AB	SWE	20.0	364 days	-	-
Svenska Handelsbanken	SWE	40.0	364 days	-	-
Local Authorities					
County / Unitary / Metropolitan / District Councils		20.0	364 days	5.0	2 years
Police / Fire Authorities		20.0	364 days	5.0	2 years
National Park Authorities		20.0	364 days	5.0	2 years
Other Deposit Takers					
Money Market Funds		20.0	364 days	5.0	2 years

* Based on data 8th July

Changes to Approved Lending List 1 April to 08 July 2016

Amendments to Investment Limits / Terms

Organisation	Original Investment Limit / Term	Date Amended	Revised Investment Limit / Term	Reason for Amendment
Amendments made to Investment Limits				
None				
Amendments made to Investment Terms				
National Australia Bank	6 months	20/05/2016	364 days	Following recent reduction in investment limit/term, this has since been revised upward to reflect updated CDS prices back to original investment limit/term
Commonwealth Bank of Australia	6 months	20/05/2016	364 days	
Goldman Sachs	3 months	01/07/2016	6 months	
HSBC	6 months	20/05/2016	364 days	
Temporary Suspensions for Lending List				
Deutsche Bank	3 months	15/01/2016	nil	Result of their Credit Default Swap (CDS) Rating moving 'out of range'. The CDS rating has not yet moved back into range and continues to be monitored

The above shows changes to the Lending List as at 1 April compared to 08 July 2016. It should be noted, however, that changes can be made on a daily basis in reaction to market sentiment, with maximum investment durations being adjusted accordingly.

Maximum investment durations for other organisations have, therefore, been changed during this quarter, but have since returned to the level at 1 April 2016.

Detailed Economic Commentary on Developments during Q1 2016/17

1. Economic Background

UK GDP

- 1.1 UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country. However, the 2015 growth rate finally came in at a disappointing 1.8% showing that growth had slowed down, though it still remained one of the leading rates among the G7 countries. Growth improved in Quarter 4 of 2015 from +0.4% to 0.7% but fell back again to +0.4% (2.0% year on year) in Quarter 1 of 2016.
- 1.2 During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme and uncertainty created by the EU referendum. However, since the peak in November 2015, sterling has fallen against the Euro by 14% which will help to make British goods and services much more competitive and will increase the value of overseas earnings by multinational companies based in the UK.
- 1.3 The Chancellor also announced that the target of achieving a budget surplus in 2020 will have to be eased in order to help the economy recover from the expected slowing of growth during the second half of 2016.

Inflation

- 1.4 The Bank of England May Inflation Report included a forecast for growth for 2016 of 2.0% and 2.3% for 2017 on the assumption that the referendum result was a vote to remain. The Governor of the Bank of England, Mark Carney, warned that a vote to leave the EU would be likely to cause a slowing in growth, particularly from a reduction in business investment. Mr Carney has indicated that the Monetary Policy Committee (MPC), would be likely to cut Bank Rate and would consider doing further quantitative easing purchasing of gilts, in order to support growth.
- 1.5 The May Bank of England Inflation Report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. However, the falls in the price of oil and food twelve months ago will be falling out of the calculation of CPI during 2016 and in addition, the recent 10% fall in the value of sterling is likely to result in a 3% increase in CPI over a time period of 3-4 years. There is therefore likely to be an acceleration in the pace of increase in inflation which will be an additional challenge for an MPC which wants to help promote growth in the economy by keeping Bank Rate low.

USA

- 1.6 The American economy had a mixed 2015 with growth in 2015 as a whole at 2.4%. Quarter 1 of 2016 came in at +1.1% but forward indicators are pointing towards a pickup in growth in the rest of 2016. The Fed embarked on its long anticipated first increase in rates at its December meeting. At that point, confidence was high that there would then be four more increases to come in 2016. However, more challenging international developments and then the EU referendum vote, has

caused a re-emergence of caution over the timing and pace of further increases. It is likely there will now be only one more increase in 2016.

Eurozone

- 1.7 In the Eurozone, the ECB commenced in March 2015 its €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected Eurozone countries at a rate of €60bn per month; this was intended to run initially to September 2016. In response to a continuation of weak growth, the ECB extended the QE programme March, cut interest rates and increased its monthly asset purchases. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence. GDP growth rose by 0.6% in Quarter 1 2016 (1.7% year on year) and is expected to continue growing but at only a modest pace.

Forward View

- 1.8 Economic forecasting remains difficult with so many external influences weighing on the UK. Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities.
- 1.9 The overall balance of risks to economic recovery in the UK remains to the downside.
- 1.13 Apart from the uncertainties already explained above, downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a further flight to safe havens (bonds).
 - Geopolitical risks in Europe, the Middle East and Asia, increasing safe haven flows.
 - UK economic growth and increases in inflation are weaker than we currently anticipate.
 - Weak growth or recession in the UK's main trading partners - the EU and US.
 - A resurgence of the Eurozone sovereign debt crisis.
 - Recapitalisation of European banks requiring more government financial support.
 - Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.
- 1.14 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
 - UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

8.1 PRUDENTIAL INDICATORS

- 8.2 The Prudential Code requires appropriate arrangements to be in place for the monitoring, reporting and revision of Prudential Indicators previously set and these arrangements were agreed by the County Council in 2004.
- 8.3 Updated Prudential Indicators for 2016/17 to 2018/19 were approved by Executive on 16 February 2016 and subsequently by County Council on 24 February 2016 and were based on a 2015/16 Q3 Capital Plan as at 31 December 2015.
- 8.4 The Annual Treasury Management and Prudential Indicators report for 2015/16 was submitted to Executive on 14 June 2016. This reported the 2015/16 outturn position on Prudential Indicators compared with the last updated set of Indicators for the year, as approved by County Council on 24 February 2016. The 2015/16 outturn report did not however consider any consequential changes to the Indicators set for the three year period 2016/17 to 2018/19.
- 8.5 It is therefore necessary to consider and revise the Prudential Indicators for the three years up to 31 March 2019. As a result of Capital Plan updates and other changes, many of the Prudential Indicators need revising, particularly those for capital spending, the consequential capital financing requirement and authorised debt levels.
- 8.6 Rather than consider individual Prudential Indicators in isolation a full review of all Indicators has been undertaken as part of the ongoing financial monitoring process referred to in **paragraph 8.1**.
- 8.7 A Prudential Indicators update and monitoring report is therefore attached as **Appendix A**. This sets out each Prudential Indicator in terms of the:
- (a) Indicators approved in February 2016
 - (b) updated Indicators as at June 2016 (i.e. this report)
 - (c) comments on the reasons for significant variations being proposed
- 8.8 In general the updated Indicators reflect a number of common factors including:
- (a) 2015/16 outturn – capital spending, capital financing and borrowing as reported to Executive on 14 June 2016
 - (b) an updated Capital Plan (per **Section 6** of this report)
 - (c) latest information and approvals on schemes self funded from grants, contributions and from revenue
 - (d) updated forecasts of debt charge estimates and interest earned on surplus cash balances
 - (e) various other miscellaneous refinements

RECOMMENDATION

- 8.9 The Executive recommends to the County Council that it approves the revised Prudential Indicators for the period 2016/17 to 2018/19 as set out in **Appendix A**.

Appendix A - Prudential Indicators 2016/17 – 2018/19 update

PRUDENTIAL INDICATORS UPDATE – FOR 2016/17 TO 2018/19 (EXECUTIVE – 16 AUGUST 2016)

CAPITAL EXPENDITURE & EXTERNAL DEBT INDICATORS	Comment																																																																				
<p>1 Estimated Ratio of capital financing costs to the net Revenue Budget</p> <p>(a) <i>Formally required Indicator</i></p> <p>This reflects capital financing costs (principal plus interest) on external debt plus PFI and finance leasing charges less interest earned on the temporary investment of cash balances.</p> <p>The estimated ratios of financing costs to the net Revenue Budget for the current and future years, and the actual figure for 2014/15 and 2015/16 are as follows:</p> <table border="1" data-bbox="210 692 1128 916"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive February 2016</th> <th colspan="2">Update June 2016</th> </tr> <tr> <th>Basis</th> <th>%</th> <th>Basis</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td colspan="2">actual</td> <td>actual</td> <td>7.5</td> </tr> <tr> <td>2015/16</td> <td colspan="2">probable</td> <td>actual</td> <td>7.6</td> </tr> <tr> <td>2016/17</td> <td>estimate</td> <td>7.1</td> <td>estimate</td> <td>7.3</td> </tr> <tr> <td>2017/18</td> <td>estimate</td> <td>6.7</td> <td>estimate</td> <td>7.0</td> </tr> <tr> <td>2018/19</td> <td>estimate</td> <td>6.1</td> <td>estimate</td> <td>6.5</td> </tr> </tbody> </table> <p>(b) <i>Local Indicator</i></p> <p>This local Indicator reflects a policy decision to cap Capital Financing costs at 10% of the net annual Revenue Budget. The Indicator is different to the formally required Indicator at (a) above in that it only reflects the cost components of interest on external debt plus lost interest on internally financed capital expenditure, together with a revenue provision for debt repayment. Unlike the formally required PI it does not reflect interest earned on surplus cash balances or PFI / finance leasing charges.</p> <table border="1" data-bbox="210 1219 1128 1442"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive February 2016</th> <th colspan="2">Update June 2016</th> </tr> <tr> <th>Basis</th> <th>%</th> <th>Basis</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>actual</td> <td>7.9</td> <td>actual</td> <td>7.9</td> </tr> <tr> <td>2015/16</td> <td>probable</td> <td>7.8</td> <td>actual</td> <td>7.9</td> </tr> <tr> <td>2016/17</td> <td>estimate</td> <td>7.8</td> <td>estimate</td> <td>7.8</td> </tr> <tr> <td>2017/18</td> <td>estimate</td> <td>7.7</td> <td>estimate</td> <td>7.8</td> </tr> <tr> <td>2018/19</td> <td>estimate</td> <td>7.4</td> <td>estimate</td> <td>7.5</td> </tr> </tbody> </table>	Year	Executive February 2016		Update June 2016		Basis	%	Basis	%	2014/15	actual		actual	7.5	2015/16	probable		actual	7.6	2016/17	estimate	7.1	estimate	7.3	2017/18	estimate	6.7	estimate	7.0	2018/19	estimate	6.1	estimate	6.5	Year	Executive February 2016		Update June 2016		Basis	%	Basis	%	2014/15	actual	7.9	actual	7.9	2015/16	probable	7.8	actual	7.9	2016/17	estimate	7.8	estimate	7.8	2017/18	estimate	7.7	estimate	7.8	2018/19	estimate	7.4	estimate	7.5	<p>The estimates of financing costs include current Capital Plan commitments based on the latest 2016/17 Q1 Capital Plan.</p> <p>The updated estimates for 2016/17 to 2018/19 reflect the net effect of a range of factors, principally</p> <ul style="list-style-type: none"> (a) savings being achieved through the ongoing policy of financing capital borrowing requirements internally from cash balances (b) variations in the level of annual borrowing requirements resulting from a range of factors, but principally capital expenditure slippage between years (c) variations in borrowing costs (interest plus a revenue provision for debt repayment) reflecting latest interest rate forecasts to 2018/19 (d) variations in interest earned on cash balances resulting from continuing current historically low interest rates but offset by continuing higher levels of cash balances (formal Indicator only).
Year		Executive February 2016		Update June 2016																																																																	
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Prudential Indicator	Comment																				
<p>2 Estimates of the incremental impact of capital investment decisions on the Council Tax</p> <p>In considering its programme for future capital investment, the County Council is required within the Prudential Code to have regard to:</p> <ul style="list-style-type: none"> ➔ affordability (eg implications for Council Tax) ➔ prudence and sustainability (eg implications for external borrowing) ➔ value for money (eg option appraisal) ➔ stewardship of assets (eg asset management planning) ➔ service objectives (eg strategic planning for the authority) ➔ practicality (eg achievability of the Capital Plan) <p>A key measure of affordability is the incremental impact on Council Tax. The County Council can consider different options for its capital investment programme based on their differential impact on the Council Tax.</p> <p>The estimate of the incremental impact on Council Tax (at Band D) of past capital investment decisions which are reflected in the latest Capital Plan and also in the Revenue Budget for 2016/17 and Medium Term Financial Strategy compared with the 2015/16 Council Tax are:</p> <table border="1" data-bbox="212 997 1113 1157"> <thead> <tr> <th data-bbox="212 997 342 1061">Year</th> <th colspan="2" data-bbox="387 997 772 1061">Executive February 2016 Basis £ - p</th> <th colspan="2" data-bbox="801 997 1113 1061">Update June 2016 Basis £ - p</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 1061 342 1093">2016/17</td> <td data-bbox="387 1061 600 1093">estimate</td> <td data-bbox="600 1061 772 1093">+0.80</td> <td data-bbox="801 1061 931 1093">estimate</td> <td data-bbox="931 1061 1113 1093">+0.80</td> </tr> <tr> <td data-bbox="212 1093 342 1125">2017/18</td> <td data-bbox="387 1093 600 1125">estimate</td> <td data-bbox="600 1093 772 1125">+1.67</td> <td data-bbox="801 1093 931 1125">estimate</td> <td data-bbox="931 1093 1113 1125">+1.67</td> </tr> <tr> <td data-bbox="212 1125 342 1157">2018/19</td> <td data-bbox="387 1125 600 1157">estimate</td> <td data-bbox="600 1125 772 1157">+2.11</td> <td data-bbox="801 1125 931 1157">estimate</td> <td data-bbox="931 1125 1113 1157">+2.11</td> </tr> </tbody> </table>	Year	Executive February 2016 Basis £ - p		Update June 2016 Basis £ - p		2016/17	estimate	+0.80	estimate	+0.80	2017/18	estimate	+1.67	estimate	+1.67	2018/19	estimate	+2.11	estimate	+2.11	<p>This Indicator shows the incremental impact on Band D Council Tax of the capital financing costs resulting from borrowing required to fund the Capital Plan. This borrowing includes the funding shortfall of capital bids approved by Executive in February 2004, as part of the 10 year Capital Forecast projection, together with a number of subsequent funding approvals. The 10 year Capital Forecast is in the process of being reviewed</p> <p>Debt charges from Invest to Save schemes and certain other capital provisions are, however, excluded as these are deemed to be self financed from within Directorate revenue budgets and thus do not impact on Council Tax levels</p> <p>As indicated above, debt charges resulting from borrowing approvals issued by the Government in the years prior to 2011/12 are also excluded from this calculation.</p> <p>No changes are proposed to these figures for the time being.</p> <p>The estimated figures for the three years 2017/18 to 2019/20 will need to be updated as part of the 2017/18 Budget process and review of the Medium Term Financial Strategy.</p>
Year	Executive February 2016 Basis £ - p		Update June 2016 Basis £ - p																		
2016/17	estimate	+0.80	estimate	+0.80																	
2017/18	estimate	+1.67	estimate	+1.67																	
2018/19	estimate	+2.11	estimate	+2.11																	

Prudential Indicator	Comment																														
<p>3 Capital Expenditure - Actual and Forecasts</p> <p>The actual capital expenditure that was incurred in 2014/15 and 2015/16 and the latest estimates of capital expenditure to be incurred for the current and future years are:</p> <table border="1" data-bbox="212 475 1131 694"> <thead> <tr> <th data-bbox="212 475 342 539">Year</th> <th colspan="2" data-bbox="387 475 772 539">Executive February 2016 Basis £m</th> <th colspan="2" data-bbox="824 475 1131 539">Update June 2016 Basis £m</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 539 342 566">2014/15</td> <td data-bbox="387 539 607 566">actual</td> <td data-bbox="607 539 772 566">106.6</td> <td data-bbox="824 539 954 566">actual</td> <td data-bbox="954 539 1131 566">106.6</td> </tr> <tr> <td data-bbox="212 566 342 593">2015/16</td> <td data-bbox="387 566 607 593">probable</td> <td data-bbox="607 566 772 593">112.3</td> <td data-bbox="824 566 954 593">actual</td> <td data-bbox="954 566 1131 593">114.9</td> </tr> <tr> <td data-bbox="212 593 342 620">2016/17</td> <td data-bbox="387 593 607 620">estimate</td> <td data-bbox="607 593 772 620">93.6</td> <td data-bbox="824 593 954 620">estimate</td> <td data-bbox="954 593 1131 620">118.4</td> </tr> <tr> <td data-bbox="212 620 342 647">2017/18</td> <td data-bbox="387 620 607 647">estimate</td> <td data-bbox="607 620 772 647">87.7</td> <td data-bbox="824 620 954 647">estimate</td> <td data-bbox="954 620 1131 647">91.5</td> </tr> <tr> <td data-bbox="212 647 342 694">2018/19</td> <td data-bbox="387 647 607 694">estimate</td> <td data-bbox="607 647 772 694">79.3</td> <td data-bbox="824 647 954 694">estimate</td> <td data-bbox="954 647 1131 694">84.6</td> </tr> </tbody> </table> <p>The above figures reflect the updated Capital Plan (Q1 2016/17) together with:-</p> <ul style="list-style-type: none"> (i) expenditure on fixed assets funded directly from the Revenue Budget and not included in the Capital Plan. (ii) an estimated allowance for future expenditure re-phasing between years. 	Year	Executive February 2016 Basis £m		Update June 2016 Basis £m		2014/15	actual	106.6	actual	106.6	2015/16	probable	112.3	actual	114.9	2016/17	estimate	93.6	estimate	118.4	2017/18	estimate	87.7	estimate	91.5	2018/19	estimate	79.3	estimate	84.6	<p>The Indicators approved by Executive on February 2016 were based on a Capital Plan up to 31 December 2015. This Indicator now reflects the Capital Outturn in 2015/16 and the Capital Plan update for Q1 2016/17.</p> <p>The variations are principally a result of:-</p> <ul style="list-style-type: none"> (a) additional provisions and variations to existing provisions which are self-funded from Capital Grants and Contributions, revenue contribution and earmarked capital receipts (b) Capital expenditure re-phasing between years including slippage from 2015/16 outturn and Q1 2016/17 to later years (c) various other Capital approvals and refinements reflected in the latest Capital Plan update
Year	Executive February 2016 Basis £m		Update June 2016 Basis £m																												
2014/15	actual	106.6	actual	106.6																											
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Prudential Indicator

Comment

4 Capital Financing Requirement (CFR)

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

Date	Executive February 2016				Update June 2016			
	Basis	Borrowing	Other Long Term (PFI etc)	Total	Basis	Borrowing	Other Long Term (PFI etc)	Total
		£m	£m	£m		£m	£m	£m
31 Mar 15	actual	361.1	5.8	366.9	actual	361.1	5.8	366.9
31 Mar 16	probable	346.2	5.5	351.7	actual	347.1	5.5	352.6
31 Mar 17	estimate	336.7	5.3	342.0	estimate	340.9	5.3	346.2
31 Mar 18	estimate	326.8	5.1	331.9	estimate	336.6	5.1	341.7
31 Mar 19	estimate	316.9	4.7	321.6	estimate	334.8	4.7	339.5

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

The February 2016 figures were based on a Capital Plan approved as at 31 December 2015.

The updated figures reflect the following variations to the February 2016 figures

- (a) re-phasing between years of expenditure that is funded from borrowing including slippage between years identified at 2015/16 outturn and Q1 2016/17
- (b) capital receipts (including company loans) slippage between years that affect year on year borrowing requirements
- (c) variations in the level of the Corporate Capital Pot which is used in lieu of new borrowing until the Pot is required
- (d) additions and variations to schemes/provisions approved that are funded from Prudential Borrowing
- (e) variations in the annual Minimum Revenue Provision for debt Repayment which arise from the above
- (f) various other refinements

Prudential Indicator	Comment
<p>5 Gross Debt and the Capital Financing Requirement</p> <p>The Prudential Code emphasises that in order to ensure that over the medium term debt will only be for a capital purpose, the County Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the previous year (2015/16), plus the estimate of any additional capital financing requirement for the current (2016/17) and next two financial years (2017/18 and 2018/19). If, in any of these years, there is a reduction in the capital financing requirement, this reduction should be ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt.</p> <p>This Prudential Indicator is referred to as gross debt and the comparison with the capital financing requirement (Indicator 4) and is a key indicator of prudence.</p> <p>The Corporate Director – Strategic Resources reports that the County Council had no difficulty in meeting this requirement up to 2015/16 nor are any difficulties envisaged for the current or future years of the Medium Term Financial Strategy up to 2018/19. For subsequent years, however, there is potential that the County Council may not be able to comply with the new requirement as a result of the potential for the annual Minimum Revenue Provision (MRP) reducing the Capital Financing Requirement below gross debt. This potential situation will be monitored closely. This opinion takes into account spending commitments, existing and proposed Capital Plans and the proposals in the Revenue Budget 2016/17 and Medium Term Financial Strategy report.</p>	<p>This Prudential Indicator was changed in 2013/14 to reflect the comparison of gross debt (external debt plus other long term liabilities less debt administered on behalf of the Police Authority) with the Capital Financing Requirement (CFR). The comparator debt figure had previously been net debt which was gross debt less investments.</p> <p>The Prudential Code requires that where there is a significant difference between the gross debt and the gross borrowing requirement, as demonstrated by the CFR, then the risks and benefits associated with this strategy should be clearly stated in the annual Treasury Management Strategy. This is covered in paragraphs 8.5 to 8.13 of the Annual Treasury Management and Investment Strategy as submitted to Executive in February 2016.</p> <p>The County Council's gross debt figure is currently significantly below the CFR figures shown in Indicator 4 because of annual capital borrowing requirements being funded internally from cash balances (i.e. running down investments) rather than taking out new external debt.</p> <p>This situation, however, could be reversed in future as a result of two key factors:</p> <ul style="list-style-type: none"> (i) externalising some or all of the internally financed CFR together with (ii) the potential for the annual Minimum Revenue Provision (MRP) for debt repayment reducing the CFR below gross debt because the debt cannot readily be prematurely repaid without incurring significant penalties (premiums). <p>This potential situation will be monitored carefully by the Corporate Director – Strategic Resources.</p>

Prudential Indicator	Comment																																																
<p>6 Authorised Limit for External Debt</p> <p>In respect of its external debt, it is recommended that the County Council approves the following Authorised Limits for its total external debt for the next three financial years.</p> <p>The Prudential Code requires external borrowing and other long term liabilities (PFI and Finance leases) to be identified separately.</p> <p>The authorised limit for 2016/17 (£373.7) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.</p> <table border="1" data-bbox="129 627 1317 906"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Executive February 2016</th> <th colspan="3">Update June 2016</th> </tr> <tr> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> </tr> <tr> <td></td> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>369.2</td> <td>5.5</td> <td>374.7</td> <td>369.2</td> <td>5.5</td> <td>374.7</td> </tr> <tr> <td>2016/17</td> <td>368.2</td> <td>5.3</td> <td>373.5</td> <td>368.4</td> <td>5.3</td> <td>373.7</td> </tr> <tr> <td>2017/18</td> <td>382.5</td> <td>5.1</td> <td>387.6</td> <td>367.6</td> <td>5.1</td> <td>372.7</td> </tr> <tr> <td>2018/19</td> <td>344.5</td> <td>4.7</td> <td>349.2</td> <td>348.6</td> <td>4.7</td> <td>353.3</td> </tr> </tbody> </table>	Year	Executive February 2016			Update June 2016			External Borrowing	Other long term liabilities	Total Borrowing Limit	External Borrowing	Other long term liabilities	Total Borrowing Limit		£m	£m	£m	£m	£m	£m	2015/16	369.2	5.5	374.7	369.2	5.5	374.7	2016/17	368.2	5.3	373.5	368.4	5.3	373.7	2017/18	382.5	5.1	387.6	367.6	5.1	372.7	2018/19	344.5	4.7	349.2	348.6	4.7	353.3	<p>The Corporate Director – Strategic Resources confirms that these authorised limits are consistent with the County Council’s current commitments, updated Capital Plan and the financing of that Plan, the 2016/17 Revenue Budget and Medium Term Financial Strategy and with its approved Treasury Management Policy Statement.</p> <p>The Corporate Director – Strategic Resources also confirms that the limits are based on the estimate of most likely prudent, but not worst case, scenario with sufficient headroom over and above this to allow for operational issues (e.g. unusual cash movements). To derive these limits a risk analysis has been applied to the Capital Plan, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.</p> <p>The updated figures reflect a number of refinements which are also common to the Capital Financing Requirement (see Indicator 4) and Operational Boundary for external debt (see Indicator 7). Explanations for these changes are provided under Indicators 4 and 7 respectively.</p>
Year		Executive February 2016			Update June 2016																																												
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Prudential Indicator				Comment																																															
<p>7 Operational Boundary for External Debt</p> <p>It is recommended that the County Council approves the following Operational Boundary for external debt for the same period.</p> <p>The proposed operational boundary for external debt is based on the same estimates as the Authorised Limit (ie Indicator 6 above) but also reflects an estimate of the most likely prudent, but not worst case, scenario without the additional headroom included within the Authorised Limit to allow for eg unusual cash flows.</p>				<p>The Operational Boundary represents a key management tool for the in year monitoring of external debt by the Corporate Director – Strategic Resources.</p> <p>The updated figures reflect refinements which are common to the Capital Financing Requirement (see Indicator 4 above), together with</p> <p>(a) relative levels of capital expenditure funded internally from cash balances rather than taking external debt</p> <p>(b) loan repayment cover arrangements and the timing of such arrangements</p> <p>These two financing transactions affect external debt levels at any one point of time during the financial year but do not impact on the Capital Financing Requirement.</p>																																															
<table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Executive February 2016</th> <th colspan="3">Update June 2016</th> </tr> <tr> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>349.2</td> <td>5.5</td> <td>354.7</td> <td>349.2</td> <td>5.5</td> <td>354.7</td> </tr> <tr> <td>2016/17</td> <td>348.2</td> <td>5.3</td> <td>353.5</td> <td>348.4</td> <td>5.3</td> <td>353.7</td> </tr> <tr> <td>2017/18</td> <td>362.5</td> <td>5.1</td> <td>367.6</td> <td>347.6</td> <td>5.1</td> <td>352.7</td> </tr> <tr> <td>2018/19</td> <td>324.5</td> <td>4.7</td> <td>329.2</td> <td>328.6</td> <td>4.7</td> <td>333.3</td> </tr> </tbody> </table>							Year	Executive February 2016			Update June 2016			External Borrowing	Other long term liabilities	Total Borrowing Limit	External Borrowing	Other long term liabilities	Total Borrowing Limit		£m	£m	£m	£m	£m	£m	2015/16	349.2	5.5	354.7	349.2	5.5	354.7	2016/17	348.2	5.3	353.5	348.4	5.3	353.7	2017/18	362.5	5.1	367.6	347.6	5.1	352.7	2018/19	324.5	4.7	329.2
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	External Borrowing	Other long term liabilities	Total Borrowing Limit	External Borrowing	Other long term liabilities	Total Borrowing Limit																																													
	£m	£m	£m	£m	£m	£m																																													
2015/16	349.2	5.5	354.7	349.2	5.5	354.7																																													
2016/17	348.2	5.3	353.5	348.4	5.3	353.7																																													
2017/18	362.5	5.1	367.6	347.6	5.1	352.7																																													
2018/19	324.5	4.7	329.2	328.6	4.7	333.3																																													

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Prudential Indicator					Comment																																																																
8	<p>Actual External Debt</p> <p>The County Council's external debt is set out below and consists of external borrowing from the PWLB and money markets plus other long term liabilities such as PFI and finance leases which are classified as external debt for this purpose.</p>				<p>The updated estimates for the 3 years to 31 March 2019 reflect refinements which are common to the Capital Financing Requirement (see Indicator 4 above) together with the relative levels of capital expenditure internally funded from cash balances rather than taking external debt.</p> <p>The estimate for 31 March 2016 includes the 2016/17 external borrowing requirement of £19.5m which is ultimately likely to be rolled over into 2017/18.</p>																																																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th colspan="3" style="text-align: center;">Executive February 2016</th> <th colspan="3" style="text-align: center;">Update June 2016</th> </tr> <tr> <th style="text-align: center;">Basis</th> <th style="text-align: center;">Borrowing</th> <th style="text-align: center;">Other Long Term (PFI etc)</th> <th style="text-align: center;">Total</th> <th style="text-align: center;">Basis</th> <th style="text-align: center;">Borrowing</th> <th style="text-align: center;">Other Long Term (PFI etc)</th> <th style="text-align: center;">Total</th> </tr> <tr> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">31 Mar 2015</td> <td style="text-align: center;">actual</td> <td style="text-align: center;">319.8</td> <td style="text-align: center;">5.8</td> <td style="text-align: center;">325.6</td> <td style="text-align: center;">actual</td> <td style="text-align: center;">319.8</td> <td style="text-align: center;">5.8</td> <td style="text-align: center;">325.6</td> </tr> <tr> <td style="text-align: center;">31 Mar 2016</td> <td style="text-align: center;">probable</td> <td style="text-align: center;">326.0</td> <td style="text-align: center;">5.5</td> <td style="text-align: center;">331.5</td> <td style="text-align: center;">actual</td> <td style="text-align: center;">316.6</td> <td style="text-align: center;">5.5</td> <td style="text-align: center;">322.1</td> </tr> <tr> <td style="text-align: center;">31 Mar 2017</td> <td style="text-align: center;">estimate</td> <td style="text-align: center;">320.6</td> <td style="text-align: center;">5.3</td> <td style="text-align: center;">325.9</td> <td style="text-align: center;">estimate</td> <td style="text-align: center;">320.8</td> <td style="text-align: center;">5.3</td> <td style="text-align: center;">326.1</td> </tr> <tr> <td style="text-align: center;">31 Mar 2018</td> <td style="text-align: center;">estimate</td> <td style="text-align: center;">311.1</td> <td style="text-align: center;">5.1</td> <td style="text-align: center;">316.2</td> <td style="text-align: center;">estimate</td> <td style="text-align: center;">306.2</td> <td style="text-align: center;">5.1</td> <td style="text-align: center;">311.3</td> </tr> <tr> <td style="text-align: center;">31 Mar 2019</td> <td style="text-align: center;">estimate</td> <td style="text-align: center;">302.0</td> <td style="text-align: center;">4.7</td> <td style="text-align: center;">306.7</td> <td style="text-align: center;">estimate</td> <td style="text-align: center;">306.2</td> <td style="text-align: center;">4.7</td> <td style="text-align: center;">310.9</td> </tr> </tbody> </table>	Year	Executive February 2016			Update June 2016			Basis	Borrowing	Other Long Term (PFI etc)	Total	Basis	Borrowing	Other Long Term (PFI etc)	Total		£m	£m	£m		£m	£m	£m	31 Mar 2015	actual	319.8	5.8	325.6	actual	319.8	5.8	325.6	31 Mar 2016	probable	326.0	5.5	331.5	actual	316.6	5.5	322.1	31 Mar 2017	estimate	320.6	5.3	325.9	estimate	320.8	5.3	326.1	31 Mar 2018	estimate	311.1	5.1	316.2	estimate	306.2	5.1	311.3	31 Mar 2019	estimate	302.0	4.7	306.7	estimate	306.2	4.7	310.9	
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<p>It should be noted that actual external debt is not directly comparable to the Authorised Limit (Indicator 6 above) and Operational Boundary (Indicator 7 above) since the actual external debt reflects a position at one point in time.</p>																																																																					
9	<p>Limit of Money Market Loans (Local Indicator)</p> <p>Borrowing from the money market for capital purposes (as opposed to borrowing from the PWLB) is to be limited to 30% of the County Council's total external debt outstanding at any one point in time.</p> <p>The actual position at 31 March 2016 was 6% (£20m out of a total of £320.8m) against an upper limit of 30%</p>				<p>This limit was introduced as a new Local Prudential Indicator in 2009/10, although the 30% limit has featured as part of the Borrowing Policy section of the County Council's Annual Treasury Management and Investment Strategy for many years.</p>																																																																

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Prudential Indicator	Comment																														
<p>TREASURY MANAGEMENT INDICATORS</p>																															
<p>10 Adoption of CIPFA Code of Practice for Treasury Management</p>	<p>The County Council formally adopted the 2011 revised CIPFA Code of Practice for Treasury Management in the Public Service at its meeting on 15 February 2012.</p>																														
<p>11 Interest Rate Exposures</p> <p>In accordance with the Code of Practice the County Council sets upper and lower limits on its fixed and variable interest rate exposures as a percentage of outstanding principal sums for 2016/17, 2017/18 and 2018/19 as set out below -</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 20%;">Lower %</th> <th style="text-align: center; width: 20%;">Upper %</th> </tr> </thead> <tbody> <tr> <td>Borrowing</td> <td></td> <td></td> </tr> <tr> <td>• Fixed</td> <td style="text-align: center;">60</td> <td style="text-align: center;">100</td> </tr> <tr> <td>• Variable</td> <td style="text-align: center;">0</td> <td style="text-align: center;">40</td> </tr> <tr> <td>Investments</td> <td></td> <td></td> </tr> <tr> <td>• Fixed</td> <td style="text-align: center;">0</td> <td style="text-align: center;">30</td> </tr> <tr> <td>• Variable</td> <td style="text-align: center;">70</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Combined Net Borrowing and Investments</td> <td></td> <td></td> </tr> <tr> <td>• Fixed</td> <td style="text-align: center;">160</td> <td style="text-align: center;">210</td> </tr> <tr> <td>• Variable</td> <td style="text-align: center;">-60</td> <td style="text-align: center;">-110</td> </tr> </tbody> </table>		Lower %	Upper %	Borrowing			• Fixed	60	100	• Variable	0	40	Investments			• Fixed	0	30	• Variable	70	100	Combined Net Borrowing and Investments			• Fixed	160	210	• Variable	-60	-110	<p>No changes to these limits are proposed</p> <p>This means that the Corporate Director – Strategic Resources, will</p> <p>for borrowing manage fixed interest rate exposure within the range 60% to 100% of outstanding principal and variable interest rate exposure within the range 0% to 40% of outstanding principal</p> <p>for investments manage fixed interest rate exposure within the range 0% to 30% of outstanding principal and variable rate exposure within the range 70% to 100% of outstanding principal. The split of investments between fixed and variable rates is based on the market convention that investments up to 365 days are regarded as being at variable rates.</p> <p>The combined net borrowing and investment position represents the formal Prudential Indicator for Interest Rate Exposures. On its own however it does not show clearly how borrowing and investments will be managed, hence the two separate 'local indicators' showed above. The change reflects the impact on the indicator of a continuing high level of cash balances and consequential investments which are all on variable interest rates.</p>
	Lower %	Upper %																													
Borrowing																															
• Fixed	60	100																													
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Prudential Indicator	Comment																																													
<p>12 Maturity Structure of Borrowing</p> <p>The upper and lower limits for the maturity structure of County Council borrowings are as follows:-</p> <p>The amount of projected borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate:</p> <table border="1" data-bbox="230 564 1225 991"> <thead> <tr> <th data-bbox="230 564 629 659">Period</th> <th data-bbox="629 564 754 659">Lower Limit %</th> <th data-bbox="754 564 873 659">Upper Limit %</th> <th colspan="2" data-bbox="873 564 1225 592">Memo item - actual at</th> </tr> <tr> <td></td> <td></td> <td></td> <th data-bbox="873 592 1050 659">1 April 15 %</th> <th data-bbox="1050 592 1225 659">1 April 16 %</th> </tr> </thead> <tbody> <tr> <td data-bbox="230 659 629 703">under 12 months</td> <td data-bbox="629 659 754 703">0</td> <td data-bbox="754 659 873 703">50</td> <td data-bbox="873 659 1050 703">12</td> <td data-bbox="1050 659 1225 703">2</td> </tr> <tr> <td data-bbox="230 703 629 748">12 months & within 24 months</td> <td data-bbox="629 703 754 748">0</td> <td data-bbox="754 703 873 748">15</td> <td data-bbox="873 703 1050 748">2</td> <td data-bbox="1050 703 1225 748">10</td> </tr> <tr> <td data-bbox="230 748 629 793">24 months & within 5 years</td> <td data-bbox="629 748 754 793">0</td> <td data-bbox="754 748 873 793">45</td> <td data-bbox="873 748 1050 793">9</td> <td data-bbox="1050 748 1225 793">19</td> </tr> <tr> <td data-bbox="230 793 629 837">5 years & within 10 years</td> <td data-bbox="629 793 754 837">0</td> <td data-bbox="754 793 873 837">75</td> <td data-bbox="873 793 1050 837">22</td> <td data-bbox="1050 793 1225 837">12</td> </tr> <tr> <td data-bbox="230 837 629 882">10 years and within 25 years</td> <td data-bbox="629 837 754 882">10</td> <td data-bbox="754 837 873 882">100</td> <td data-bbox="873 837 1050 882">10</td> <td data-bbox="1050 837 1225 882">8</td> </tr> <tr> <td data-bbox="230 882 629 927">25 years and within 50 years</td> <td data-bbox="629 882 754 927">10</td> <td data-bbox="754 882 873 927">100</td> <td data-bbox="873 882 1050 927">45</td> <td data-bbox="1050 882 1225 927">49</td> </tr> <tr> <td data-bbox="230 927 629 991"></td> <td data-bbox="629 927 754 991"></td> <td data-bbox="754 927 873 991"></td> <td data-bbox="873 927 1050 991">100</td> <td data-bbox="1050 927 1225 991">100</td> </tr> </tbody> </table>	Period	Lower Limit %	Upper Limit %	Memo item - actual at					1 April 15 %	1 April 16 %	under 12 months	0	50	12	2	12 months & within 24 months	0	15	2	10	24 months & within 5 years	0	45	9	19	5 years & within 10 years	0	75	22	12	10 years and within 25 years	10	100	10	8	25 years and within 50 years	10	100	45	49				100	100	<p>No changes to these limits approved by Executive on 16 February 2016 and County Council on 24 February 2016 are proposed.</p> <p>The lower limits of 10% for the periods 10 to 25 years and 25 to 50 years is designed to ensure that the County Council does not have the risk of having to repay all debt within a ten year period.</p>
Period	Lower Limit %	Upper Limit %	Memo item - actual at																																											
			1 April 15 %	1 April 16 %																																										
under 12 months	0	50	12	2																																										
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			100	100																																										

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Prudential Indicator	Comment
<p>13 Total Principal Sums Invested for periods longer than 364 days</p> <p>The 2016/17 aggregate limit of £20m for 'non specified' investments longer than 364 days is based on a maximum of 20% of estimated 'core cash funds' up to 2018/19 being made available for such investments.</p> <p>The purpose of this prudential limit for principal sums invested for longer than 364 days is for the County Council to contain its exposure to the possibility of loss that might arise as a result of it having to seek early repayment or redemption of principal sums invested.</p>	<p>No change to this limit is proposed.</p> <p>The County Council currently has no such investments that fall into this category.</p> <p>Prior to 1 April 2004, Regulations generally prevented local authorities from investing for longer than 364 days. As a result of the Prudential Regime however, these prescriptive regulations were abolished and replaced with Government Guidance from April 2004.</p> <p>This Guidance gives authorities more freedom in their choice of investments (including investing for periods longer than 364 days) and recognises that a potentially higher return can be achieved by taking a higher (ie longer term) risk.</p> <p>This flexibility requires authorities to produce an Annual Investment Strategy that classifies investments as either Specified (liquid, secure, high credit rating & less than 365 days) or Non Specified (other investments of a higher risk). Non Specified investments are perfectly allowable but the criteria and risks involved must be vigorously assessed, including professional advice, where appropriate. Therefore investments for 364 days+ are allowable as a Non Specified investment under the Government Guidance. The use of such investments is therefore now incorporated into the County Council's Annual Treasury Management and Investment Strategy.</p>

NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE

18 October 2016

CONSTITUTION AMENDMENTS 2016

Report of the Assistant Chief Executive (Legal and Democratic) Services

1.0 PURPOSE OF REPORT

- 1.1 To present to Members, for their consideration and recommendation to full Council, proposed changes to the County Council's Constitution.

2.0 BACKGROUND

- 2.1 The Constitution is amended periodically to keep it up to date and to record agreed working practices. Every four years, the Monitoring Officer undertakes a full review of the Constitution and is currently commencing a detailed review. This report details some initial proposed amendments to the Constitution for recommendation to full Council, which must approve changes to the Constitution. Many of the issues identified as changes in this report are routine updates. A further report will follow in due course.

3.0 AMENDMENTS TO THE CONSTITUTION

- 3.1 The proposed amendments to the Constitution arising out of the Monitoring Officer's review of it are set out in the Amendments Chart attached as **Appendix 1** to this report. The opportunity has been taken to update various aspects of the Constitution and also to undertake certain administrative functions such as improving formatting and amending typographical errors. Such proposed administrative amendments have not been shown in the Amendments Chart and will just be undertaken with the amendments ultimately approved by Council. The Chart also sets out reasons for the amendments recommended.

- 3.2 The more substantive areas of proposed change are highlighted below.

3.3 Decision-making re commons registration functions

- 3.3.1 Proposed amendments to the Planning and Regulatory Functions Committee and Sub-Committee Terms of Reference and the Officers' Delegation Scheme are proposed in relation to decision-making in respect of the Council's functions in its role as the Commons Registration Authority under Part 1 of the Commons Act 2006. Such functions are non-executive functions.

- 3.3.2 It is recommended that, for reasons of clarity, there is a need to amend the Constitution to reference all functions of the authority under Part 1 of the Commons Act 2006, as currently only four functions are specified: two in the Planning and Regulatory Functions Committee and Sub-Committee Terms of Reference and two in the specific delegations to the Corporate Director Business and Environmental Services at paragraphs 4.4 (d) and (q) of the Officers' Delegation Scheme.

- 3.3.3 The following specific delegations currently appear in the Corporate Director Business and Environmental Services' specific delegations at para 4.4 in the Officers' Delegation Scheme in the Constitution:

(d) *To exercise the power to remove land from the registers of Common Land and Town or Village Greens where a Release Order has been issued to the County Council by the Secretary of State for Environment, Food and Rural Affairs under Section 17 of the Commons Act 2006.*

(q) *Functions and powers related to enforcement against unlawful works on registered common land; to protect unclaimed registered common land or town and village greens, and to institute proceedings for offences in respect of unclaimed land. (Sections 41 and 45 Commons Act 2006)*

3.3.4 The following delegations currently appear in both the Planning and Regulatory Functions Committee and Sub-Committee Terms of Reference:

Regulatory Powers

26. [Not used]

27. **Power to register land as common land or a town or village green, except in the case of an exchange of lands affected by an Order made under Section 19(3) of, or paragraph (t), or Schedule 3 to the Acquisition of Land Act 1981. Section 15 of the Commons Act 2006.*

28. **Power to register variations of rights of common. Section 7 of the Commons Act 2006*

29. [Not used]

3.3.5 However this does not specifically reference the range of different types of application under Part 1 of the Commons Act 2006 and it is therefore recommended that, for reasons of clarity and accountability, the powers to determine the various types of applications under that legislation should be specified in the Constitution.

3.3.6 This has led to a review by officers of the current arrangements regarding decision-making in relation to common land which has culminated in the proposed amendments to the Terms of Reference of the Planning and Regulatory Functions Committee and Planning and Regulatory Functions Sub-Committee and the Officers' Delegation Scheme as set out in **Appendices 2 and 3** to this report respectively. Where a delegation has been removed, the words '[Not used]' have been inserted to retain current numbering to avoid any problems with cross references.

3.3.7 Part 1 of the Commons Act 2006 came into effect in full in North Yorkshire in December 2014 and as anticipated has generated a constant flow of applications to bring the Commons Register up to date. Section 15 of the Commons Act 2006 (which is contained within Part 1 of the Act and which provides for applications to register land as Town and Village Green) has however been in force since 2006. Such applications have historically often been quite contentious (one application to register land in North Yorkshire ultimately led to a case in the Supreme Court and there has been a stream of other cases across the country) however the relevant legislation has recently been tightened in an attempt to avoid such applications being used out of context as a last minute attempt to prevent already authorised development. Consequently the number of these applications is far fewer than previously and those that are received are largely non-contentious and could now sit comfortably in the same part of the Constitution as other decision-making powers under Part 1 of the 2006 Act.

3.3.8 Members will see from the proposed amendments that it is recommended that all commons registration functions under Part 1 of the 2006 Act be delegated to the

Corporate Director Business and Environmental Services with power for him to refer such matters to the Planning and Regulatory Functions Sub-Committee for determination where, after consultation with any standing Chair of the Sub-Committee or, if none or unavailable, the Chair of the Planning and Regulatory Functions Committee, the Corporate Director deems this to be appropriate (for example in more contentious cases). This would minimise minor cases coming before the Sub-Committee but would enable the Sub-Committee to consider the more contentious matters or matters best considered at a Member level across the whole range of commons registration functions where the Director and Chair of the Planning and Regulatory Functions Sub-Committee/Committee deem this to be appropriate.

- 3.3.9 The Chairs of the Planning and Regulatory Functions Committee and Planning and Regulatory Functions Sub-Committee and the Members of the Constitution Working Group are being consulted on the proposed amendments, along with key officers.

3.4 Appointments to Outside Bodies

- 3.4.1 There are many outside bodies listed within Part 3, Schedule 5 (Appointment to Outside Bodies) of the Constitution, to which County Councillors and their nominees are appointed. Certain amendments are proposed to Schedule 5 to ensure that the Constitution is up to date.

4.0 POLICY IMPLICATIONS

- 4.1 Any policy implications arising out of the proposed changes to the Constitution are addressed in the Amendments Chart in **Appendix 1**.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no significant financial considerations arising from this report.

6.0 LEGAL IMPLICATIONS

- 6.1 The legal implications of the proposed amendments are set out earlier in the body of this report.

7.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 7.1 Consultation on the proposed amendments to the Constitution set out in this report and in the Amendments Chart and appendices has taken place with relevant officers and is currently taking place with the Members' Constitution Working Group (via correspondence). The Chairs of the Planning and Regulatory Functions Committee and Sub-Committee have been consulted on the proposals to amend the Committee's and Sub-Committee's Terms of Reference and the Officers' Delegation scheme re commons registration functions as set out in paragraph 3.3 above.

- 7.2 This report will go on from the Executive on 18 October 2016 to County Council on 9 November 2016.

8.0 HUMAN RESOURCES IMPLICATIONS

- 8.1 There are no significant resource considerations arising from this report.

9.0 EQUALITIES IMPLICATIONS

- 9.1 The report is compliant with the Council's equalities' responsibilities.

10.0 **HEALTH AND SAFETY IMPLICATIONS**

10.1 The report is compliant with the Council's health and safety responsibilities.

11.0 **OPTIONS**

11.1 The options in relation to the amendments required and/or proposed to the Council's Constitution are set out in the body of this report and its appendices.

12.0 **REASONS FOR RECOMMENDATIONS**

12.1 For the reasons set out in the Amendments Chart and this report, it is recommended that, subject to any comments Members may have, the recommendations and changes to the Constitution set out below be proposed to the meeting of the County Council on 9 November 2016.

13.0 **RECOMMENDATIONS**

13.1 That, subject to any comments Members may have, the proposed amendments to the Constitution as set out in the Amendments Chart at **Appendix 1** and in this report be recommended to full Council for approval.

13.2 That, subject to any comments Members may have, it is recommended to full Council that all commons registration functions under Part 1 of the Commons Act 2006 and associated legislation be delegated to the Corporate Director Business and Environmental Services with power for him to refer such matters to the Planning and Regulatory Functions Sub-Committee for determination where, after consultation with any standing Chair of the Sub-Committee or, if none or unavailable, the Chair of the Planning and Regulatory Functions Committee, the Corporate Director Business and Environmental Services deems this to be appropriate.

13.3 That, subject to any comments Members may have, the proposed amendments to the Planning and Regulatory Functions Committee and Sub-Committee Terms of Reference as set out at **Appendix 2** to this report, be recommended to full Council for approval.

13.4 That, subject to any comments Members may have, the proposed amendments to the Officers' Scheme of Delegation as set out at **Appendix 3** to this report, be recommended to full Council for approval.

BARRY KHAN

Assistant Chief Executive (Legal and Democratic) Services and Monitoring Officer

COUNTY HALL
NORTHALLERTON

6 October 2016

Background Documents:

- The Council's Constitution
- The Commons Registration (General) Regulations 1966
- The Commons Act 2006
- The Commons Registration (England) Regulations 2014
- The Local Authorities (Functions and Responsibilities) (England) Regulations 2000

Proposed Amendments to Constitution – October/November 2016

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

<u>PART A: ITEMS FOR DECISION</u>			
Provision in Constitution	Current Wording	Proposed Amendment	Reason(s)
Part 2 - Articles of the Constitution Article 8 - Regulatory and Other Committees Article 8.03	8.03 Health and Wellbeing Board The Council has established a Health and Wellbeing Board which will, with effect from 1 April 2013, undertake functions and operate as required, in relation to health and wellbeing matters, by the Health and Social Care Act 2012 and related regulations.	8.03 Health and Wellbeing Board The Council has established a Health and Wellbeing Board which undertakes functions and operates as required, in relation to health and wellbeing matters, by the Health and Social Care Act 2012 and related regulations.	To remove out of date references and update the Constitution.
Part 3 – Responsibility for Functions 5. DELEGATION OF FUNCTIONS BY THE COUNCIL	5.8 Functions of health and wellbeing boards under the Health and Social Care Act 2012 and related regulations are undertaken by the Health and Wellbeing Board as set out in Schedule 1. The Board operates in shadow form until 1 April 2013 when it will be placed on a statutory footing.	5.8 Functions of health and wellbeing boards under the Health and Social Care Act 2012 and related regulations are undertaken by the Health and Wellbeing Board as set out in Schedule 1.	To remove out of date references and update the Constitution.
Part 3 – Responsibility for Functions Schedule 4 – Officers' Delegation Scheme	1.2 The Monitoring Officer – The Assistant Chief Executive (Legal and Democratic Services) (s5 Local Government and Housing Act 1989) (a) Duty to prepare a report if it appears to her that any proposal, decision or omission has or would give rise to any contravention of law or has caused any maladministration or injustice.	1.2 The Monitoring Officer – The Assistant Chief Executive (Legal and Democratic Services) (s5 Local Government and Housing Act 1989) (a) Duty to prepare a report if it appears to him/her that any proposal, decision or omission has or would give rise to any contravention of law or has caused any maladministration or injustice.	A stylistic amendment to 'futureproof' the Constitution.

<p>Part 3 – Responsibility for Functions</p> <p>Schedule 5 - Appointments to Outside Bodies</p>		<p><i>Remove reference to the following:</i></p> <ul style="list-style-type: none"> • Harrogate District Community Transport • Local Government Yorkshire and Humber • Harrogate District Local Strategic Partnership North Yorkshire Coast Community Partnership • Selby District Local Strategic Partnership - Steering Group (LSP) <p><i>Amend the following references to reflect mergers:</i></p> <p>References to Hambleton and Richmondshire Citizens Advice Bureau and Selby and District Citizens Advice Bureau should become references to “Citizens Advice Hambleton, Richmond & Selby & District”.</p> <p>References to Craven Citizens Advice Bureau, Ripon and District Citizens Advice Bureau and Harrogate CAB should become references to “Craven and Harrogate Districts Citizens Advice Bureau”.</p> <p><i>Amend the following reference:</i></p> <p>Northallerton and District Voluntary Service Association</p> <p><i>to:</i></p> <p>Hambleton Community Action</p>	<p>The organisations no longer exist.</p> <p>To reflect a merger between the organisations</p> <p>To reflect a merger between the organisations</p> <p>To reflect a change of name.</p>
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<p>Part 3 – Responsibility for Functions</p> <p>Schedule 5 - Appointments to Outside Bodies</p>		<p><i>Include reference to appointments made as Director and Deputy Director of Rail North.</i></p>	<p>To keep the Constitution up to date.</p>
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<p>Part 1</p> <p>Responsibility for Functions</p> <p>Schedule 2 – The Executive</p> <p>Executive Members’ Delegation Scheme</p>	<p>...</p> <p>16. The Executive Member with responsibility for Stronger Communities (or in his/her temporary absence such other member of the Executive as may be available) has the power to determine County Councillor Locality Budget grant applications.</p>	<p><i>Amend paragraph 16 as follows:</i></p> <p>...</p> <p>16. The Executive Member with responsibility for Stronger Communities (or in his/her temporary absence the Leader) has the power to determine County Councillor Locality Budget grant applications.</p>	<p>The Executive previously endorsed this consequential change to the Constitution arising out of the report to the Executive re Locality Budgets for reporting back to full Council.</p> <p>The Constitution was amended under the Monitoring Officer’s powers in Article 15.02 (c)(iii) of the Constitution, to reflect changes to arrangements for the distribution of responsibilities and the delegation of powers in accordance with decisions taken by the person(s) or body with authority to take such action, however the entry requires amendment to correctly reflect the delegation made.</p>
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PART B: ITEMS FOR INFORMATION

<p>Part 4 Rules of Procedure</p> <p>Council Procedure Rules</p> <p>Council Procedure Rule 4 (e)</p> <p>APPOINTMENT OF SUBSTITUTE MEMBERS OF COMMITTEES AND SUB- COMMITTEES</p>	<p>(a) The Council, in addition to appointing Members (hereafter called “the normal Members”) to serve on a committee, may also appoint, on the nomination of each of the political groups represented on the Council, County Councillors to act as substitute Members in the circumstances set out below.</p> <p>(b) For each committee other than the Appeals Committee (Home to School Transport), the number of Members who may be nominated as substitute members shall not exceed four for the Conservative Group and Liberal Democrat Group and shall not exceed three for each of the other political groups. For the Appeals Committee (Home to School Transport), each Group which nominates members shall each be entitled to nominate up to six substitute members. (The number of substitute Members which each group is entitled to nominate shall be reviewed by the Council after the County Council elections and at any other time when, in the opinion of the Council, there has been a significant change in the political balance on the Council).</p> <p>(c) In addition to appointing Members as named substitute Members for each committee etc, each political group shall be entitled to nominate a “standing substitute list” comprising all or some of its Members, listed in the order in which they are to be invited to act as substitute for all committees, sub-committees etc on which they are neither a normal Member nor a named substitute.</p>	<p>(a) The Council, in addition to appointing Members (hereafter called “the normal Members”) to serve on a committee, may also appoint, on the nomination of each of the political groups represented on the Council, County Councillors to act as substitute Members in the circumstances set out below.</p> <p>(b) For each committee other than the Appeals Committee (Home to School Transport), the number of Members who may be nominated as substitute members shall not exceed four for the Conservative Group and Liberal Democrat Group and shall not exceed three for each of the other political groups. For the Appeals Committee (Home to School Transport), each Group which nominates members shall each be entitled to nominate up to six substitute members. (The number of substitute Members which each group is entitled to nominate shall be reviewed by the Council after the County Council elections and at any other time when, in the opinion of the Council, there has been a significant change in the political balance on the Council).</p> <p>(c) In addition to appointing Members as named substitute Members for each committee etc, each political group shall be entitled to nominate a “standing substitute list” comprising all or some of its Members, listed in the order in which they are to be invited to act as substitute for all committees, sub-committees etc on which they are neither a normal Member nor a named substitute.</p>	<p>It is proposed that the current Substitution Scheme published in the Constitution be amended to reflect current practice.</p> <p>The Constitution currently provides that if a Member of a committee cannot attend a meeting, he/she must approach the named Substitutes in the order in which they are listed in the named substitute list. It is proposed to amend the Constitution to reflect current practice ie that Members may approach any of the named substitutes of the same political group identified on the substitute list in the membership list for that committee, and, if there are none available, then the Member can approach the members on the standing substitute list for the political group in the order in which their names appear on that list.</p> <p>The Constitution will be amended by the Monitoring Officer under his delegated powers in Article 15.02 (c)(ii) of the Constitution, to ensure that the Constitution meets all legal requirements and is up to date.</p> <p>The appearance of this amendment in this Appendix will constitute the reporting back to full Council of the matter as required by Article 15.02 of the Constitution.</p>
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	<p>(d) A normal member of a committee shall, if he/she wishes a substitute Member to attend the meeting of that committee in his/her place, make the necessary arrangements with the first available Member named in the list of substitute Members of his/her political group and shall either give, or shall arrange for the nominated substitute Member, or any other member of his/her political group, to give the Assistant Chief Executive (Legal and Democratic Services) notice of the substitution before the commencement of the meeting, either in written or in oral form.</p> <p>(e) The substitute Member named in the substitution notice shall be the substitute Member whose name appears first in the list of substitute Members of the same political group as that of the normal Member, whose appointment as substitute members of the relevant committee has been approved by the Council. If, however, that substitute Member cannot attend the meeting in question or will be attending in substitution for another Member, then the second named substitute Member for that group may be named in the notice, and if he/she cannot attend or has already arranged to attend in substitution for another Member, the third substitute Member may be named etc. If no named substitute is able to attend the meeting, the members of the standing substitute list for that political group may be approached in the order in which their names appear on that list.</p> <p>.....</p>	<p>(d) A normal member of a committee shall, if he/she wishes a substitute Member to attend the meeting of that committee in his/her place, make the necessary arrangements with any available Member named in the list of substitute Members of his/her political group, subject to the substitute having received any necessary training, and shall either give, or shall arrange for the nominated substitute Member, or any other member of his/her political group, to give the Assistant Chief Executive (Legal and Democratic Services) notice of the substitution before the commencement of the meeting, either in written or in oral form.</p> <p>(e) The substitute Member named in the substitution notice shall be a substitute Member whose name appears in the list of substitute Members of the same political group as that of the normal Member, whose appointment as substitute members of the relevant committee has been approved by the Council. If no named substitute is able to attend the meeting, the members of the standing substitute list for that political group may be approached in the order in which their names appear on that list.</p> <p>.....</p>	
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<p>Part 4 Rules of Procedure</p> <p>Council Procedure Rules</p> <p>Council Procedure Rule 8</p> <p>QUORUM</p>	<p>8. QUORUM</p> <p>8.1 Council Meetings</p> <p>If during any meeting of the Council the Chairman declares that there is not a quorum present (one quarter of the whole number of Members) the meeting shall stand adjourned. (If at any time more than one third of the Members have a disclosable pecuniary interest, the quorum shall be one quarter of the Members remaining).</p> <p>8.2 Other Meetings</p> <p>The quorum of any other meeting will be one quarter of the total voting membership of the body or three voting members, whichever is the larger. During any meeting if the Chairman counts the number of Members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.</p>	<p><i>Insert a new Rule 8.3 as follows:</i></p> <p>8.3 Committee quorum list</p> <p>Current Committee quorum are set out below:</p> <p>Planning and Regulatory Functions Committee – Quorum (3) voting Members</p> <p>Planning and Regulatory Functions Sub-Committee - Quorum (3) voting Members</p> <p>Standards Committee - Quorum (3) voting Members</p> <p>Audit Committee - Quorum (3) voting Members</p> <p>Appeals Committee (Home to School Transport) - Quorum (3) voting Members</p> <p>Employment Appeals Committee - Quorum (3) voting Members</p> <p>Chief Officers Appointments and Disciplinary Committee - Quorum (3) voting Members</p> <p>Pension Fund Committee - Quorum (3) voting Members</p> <p>Craven Area Committee - Quorum (3) voting Members</p> <p>County Committee for Hambleton - Quorum (3) voting Members</p> <p>County Area Committee for the Harrogate District - Quorum (5) voting Members</p> <p>Richmondshire Area Committee - Quorum (3) voting Members</p> <p>Ryedale Area Committee - Quorum (3) voting Members</p> <p>Selby Area Committee - Quorum (3) voting Members</p>	<p>The Constitution will be amended by the Monitoring Officer under his delegated powers in Article 15.02 (c)(i) of the Constitution, to reference current committee quorum figures in a new Rule 8.3. This amendment is for reasons of clarity and ease of reference.</p>
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		<p>Yorkshire Coast and Moors County Area Committee - Quorum (4) voting Members</p> <p>Care and Independence Overview and Scrutiny Committee - Quorum (4) voting Members</p> <p>Corporate and Partnerships Overview and Scrutiny Committee - Quorum (4) voting Members</p> <p>Scrutiny of Health Committee – Quorum (4) voting Members</p> <p>Transport, Economy and Environment Overview and Scrutiny Committee - Quorum (4) voting Members</p> <p>Young People Overview and Scrutiny Committee - Quorum (4) voting Members</p>	
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CONSTITUTION AMENDMENTS 2016

Proposed amendments to the Planning and Regulatory Functions Committee Terms of Reference

26. [To determine such applications and exercise such functions under Part 1 of the Commons Act 2006 and associated legislation \(and any successor legislation\) as may be referred by the Corporate Director Business and Environmental Services where he deems this to be appropriate after consultation with any standing Chair of the Planning and Regulatory Functions Sub-Committee or, if none or unavailable, the Chair of the Planning and Regulatory Functions Committee.](#) [Part 1 of the Commons Act 2006](#)

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27. To appoint a Sub-Committee of five members of the Committee to perform the functions set out at [paragraph 26](#) above. [Section 101 Local Government Act 1972.](#)

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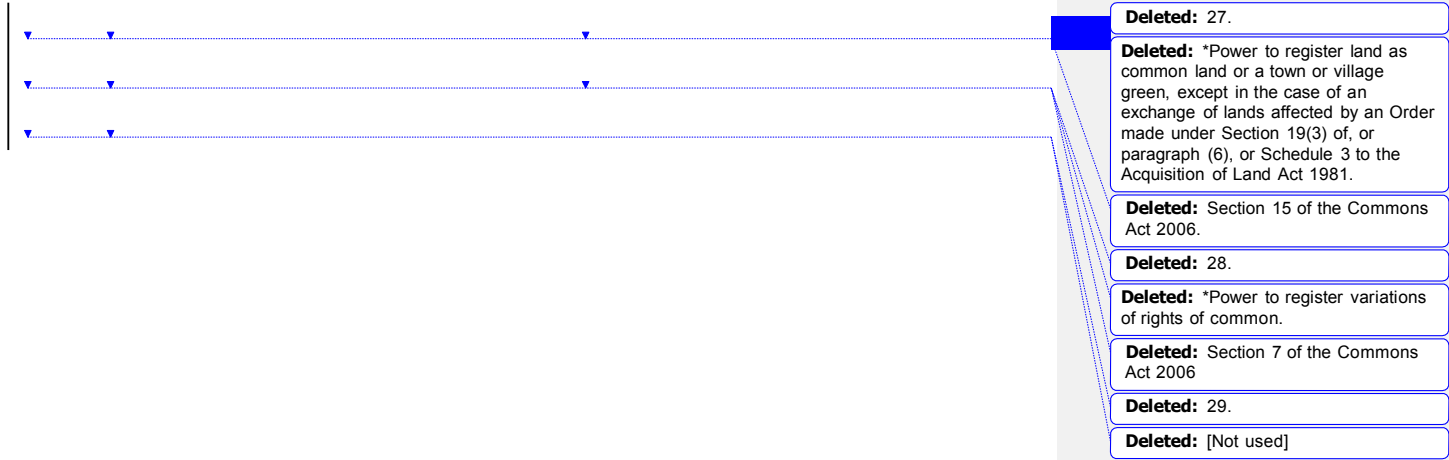
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Proposed amendments to the Planning and Regulatory Functions Sub-Committee Terms of Reference

Regulatory Powers

1. [To determine such applications and exercise such functions under Part 1 of the Commons Act 2006 and associated legislation \(and any successor legislation\) as may be referred by the Corporate Director Business and Environmental Services where he deems this to be appropriate after consultation with any standing Chair of the Planning and Regulatory Functions Sub-Committee or, if none or unavailable, the Chair of the Planning and Regulatory Functions Committee.](#) [Part 1 of the Commons Act 2006](#)



APPENDIX 3

CONSTITUTION AMENDMENTS 2016

Proposed amendments to paragraph 4.4 of the Officers' Delegation Scheme

4.4 To the Corporate Director – Business and Environmental Services

(a) To exercise the functions of the Council under legislation relating to control of pollution and management of air quality (regulatory and licensing functions only); Council

(b) To exercise the functions of the Council under Part III of the Wildlife and Countryside Act 1981 and sections 26, 116, 118 and 119 of the Highways Act 1980 and sections 257 and 258 of the Town and Country Planning Act 1980 in relation to rights of way. This delegation includes, but is not limited to, the following powers: Council

(i) power to keep the Definitive Map and Statement of the Public Rights of Way under review and to modify the map under section 53 of the Wildlife and Countryside Act 1981;

(ii) power to make and advertise Definitive Map Modification Orders, Public Path Orders and Creation Agreements for the recording, changing the recording, creation, stopping up, extinguishment or diversion of public rights of way, including those where an objection is received from any person or body entitled under the relevant statute to the proposed making of the Order, and the confirmation of creation, extinguishment and diversion Orders to which no objection has been received following public advertisement;

* Note responsibility for the confirmation of Orders where there are unresolved objections lies with the Secretary of State for Environment, Food and Rural Affairs - responsibility for the granting of Stopping up Orders lies with the Magistrates Court.

(iii) power to make representations to the Secretary of State, after consultation with the relevant Executive Member(s) and local Member(s), regarding Definitive Map Modification Orders and Public Path Orders to which a valid objection has been received following public advertisement of the Order.

(c) To amend the procedures for dealing with Definitive Map Modification Orders, power to be exercised in consultation with the appropriate Executive Member and the Assistant Chief Executive (Legal and Democratic Services); Council

(d) [\[Not used\]](#)

(e) To exercise all functions of the Council as Highway Authority including but not limited to traffic and vehicle regulation, public transport, car parking and road safety together with any related enforcement action, making and Council and Executive

Deleted: To exercise the power to remove land from the registers of Common Land and Town or Village Greens where a Release Order has been issued to the County Council by the Secretary of State for

Environment, Food and Rural Affairs under Section 17 of the Commons Act 2006.

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entering into agreements pursuant to the Highways Act 1980.

(i) This includes authorising any of the following (including where objections have been received from a person entitled under the relevant statute):

- Traffic regulation orders under the Road Traffic Regulation Act 1984 including but not limited to pedestrian crossings, speed limits, waiting and loading restrictions, weight limits, prohibition of driving and one way traffic and the provision of parking places off and on the highway;

provided always that where such an objection is received, the Corporate Director - Business and Environmental Services shall take the decision in consultation with the relevant Executive Member(s) and after consultation with the local Member(s) and that the matter be referred to the Executive for determination where there is an outstanding objection which is supported by a local Member(s).

(ii) Where it is considered by the Corporate Director - Business and Environmental Services in consultation with the relevant Executive Member(s) that a proposed Traffic Regulation Order meets the criteria for having a wide area impact, the Corporate Director - Business and Environmental Services will consult the relevant Area Committee(s) upon the proposed Order.

(iii) This includes the power to exercise the Council's powers to consent to, refuse consent to, or require modifications to district/borough councils' proposals re off-street parking orders; and to exercise the County Council's powers under section 39(6) Road Traffic Regulation Act 1984 to vary or revoke off-street parking orders made by district/borough councils.

(f) To exercise all of the functions in relation to town and country planning (including minerals and waste planning) and development control including those Council functions listed in Part A of Schedule 1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (including any necessary enforcement action where this is considered expedient) and also including the authority to approve or refuse planning applications where there are objections which are *not* on material planning grounds, PROVIDED ALWAYS that where the Corporate Director Business and Environmental Services is minded to refuse a planning application, he/she shall firstly consult the Chairman of the Planning and Regulatory Functions Committee before doing so. The Corporate Director Business and Environmental Services shall be authorised to determine whether an objection is on material planning grounds and shall report back to the Planning and Regulatory Functions Committee on any planning applications determined by him/her under these delegated powers.

Council
and
Executive

(g) To exercise the functions of the Council relating to the physical environment of the County, rights of way (in so far as not covered under (b) above) and open spaces.

Executive

(h) To exercise the functions of the Council relating to waste disposal and related issues.

Executive

- (i) Obtaining information under Section 330 of the Town and Country Planning Act 1990, Section 5A Acquisition of Land Act 1981 and Section 16 of the Local Government (Miscellaneous Provisions) Act 1976, and undertaking surveys pursuant to Section 15 Local Government (Miscellaneous Provisions) Act 1976, preliminary to the exercise of power to make compulsory purchase orders or other purposes.
- (j) To manage the leased car scheme.
- (k) To award work, under the terms and conditions of the existing Highways Maintenance Contract, up to the value of £100,000 in respect of the structural maintenance of Bridges and Structures and £150,000 in respect of the approved programme for Highways Maintenance and Integrated Transport.
- (l) To exercise the functions of the County Council relating to the economic environment of the County, including economic development measures, European funding and tourism.
- (m) To exercise the functions as weights and measures and food authority and for trading standards and consumer protection, animal health, sports grounds, nursing agencies, performing animals and explosives licensing, listed in Part B of Schedule 1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 which are functions of County Councils and the powers under any 'relevant statutory provision' within the meaning of Part 1 of (health, safety and welfare in connection with work, and control of dangerous substances) of the Health and Safety at Work etc Act 1974 to the extent that those functions are discharged otherwise than in the authority's capacity as an employer in Part C of Schedule 1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 which are functions of County Councils, together with Parts III and IV of the North Yorkshire County Council Act 1991 (including any necessary enforcement action and the power to authorise any Trading Standards Officer, Enforcement Officer, Animal Health Inspector or other officer of the Trading Standards and Regulatory Services Unit to prosecute and to appear on the Council's behalf before a Magistrates' Court).
- (n) To exercise all other functions for trading standards and consumer protection not included in (m) above.
- (o) To exercise the functions of the Council in relation to arts and museums where appropriate in conjunction with the Corporate Director – Health and Adult Services.
- (p) To exercise the Authority's functions in relation to the Planning (Hazardous Substances) Act 1990.
- (q) [To determine all applications and exercise all functions of the authority in its role as Commons Registration Authority under Part 1 of the Commons Act 2006 and associated legislation \(and any successor legislation\) including but not limited to:](#)
 - i. [Power to register creation of rights of common \(section 6 Commons Act 2006\).](#)

Executive and Council

Council

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relating to rights and land (section 23 and Schedule 3 Commons Act 2006)

xix. Functions and powers related to enforcement against unlawful works on registered common land; to protect unclaimed registered common land or town and village greens, and to institute proceedings for offences in respect of unclaimed land. (sections 41 and 45 Commons Act 2006)

PROVIDED ALWAYS that it shall be open to the Corporate Director Business and Environmental Services to refer such matters to the Planning and Regulatory Functions Sub-Committee for determination where he deems this to be appropriate after consultation with any standing Chair of the Planning and Regulatory Functions Sub-Committee or, if none or unavailable, the Chair of the Planning and Regulatory Functions Committee.

- (r) That the delegation of authority to allocate grant funding for community transport, to be assessed in accordance with agree criteria, to the Corporate Director – Business and Environmental Services, in conjunctions with Executive Members, for grants which are less than £100k.
- (s) To sign, on behalf of the authority, notices regarding periodic reviews of quarries after 15 years of the granting of planning permissions in accordance with Schedule 14 of the Environment Act 1995 (and supporting guidance).
- (t) To exercise all functions of the Council in relation to street café licences under sections 115E, 115F and 115G of the Highways Act 1980, including (but not limited to) the granting (or otherwise) of such licences and any conditions upon such licences, irrespective of whether any objections have been made.
- (u) To exercise all functions of the Council as Lead Local Flood Authority under the Flood and Water Management Act 2010 and the Land Drainage Act 1991, including (but not limited to) the granting (or otherwise) of land drainage consents for ordinary watercourses.

Council

Executive

NOTE: The following matters are excluded from this delegation:-

- (i) Giving permission or consent to development where there are unresolved objections on material planning grounds (the issue of whether the objection is on material planning grounds shall be determined by the Corporate Director, Business and Environmental Services), or where the development is or would be significantly inconsistent with any provision or proposal of the Development Plan;
- (ii) Authorising the making of new street byelaws and orders;
- (iii) Authorising any of the following, where objections have been received from a person entitled under the relevant statute:
- ♦ Stopping up or diversion of highways (excluding public rights of way); and
 - ♦ Private street works.
- (iv) Any other matter which has specifically been delegated for decision by an

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Area Committee.

- (v) Approval of the consultation draft or final version of the Sub-Regional Investment Plan (SRIP);
- (vi) Response to consultations on relevant strategies from partners;
- (vii) Approval of capital programme projects;
- (viii) Policy and criteria for grant and loan schemes;
- (ix) Grants to outside bodies where no scheme is in place;
- (x) Major changes in the pattern of provision for Trading Standards and Regulatory Services; and
- (xi) The issue of a new safety certificate in respect of a sports ground in North Yorkshire, or the withdrawal of an existing certificate. The power to amend existing safety certificates is however delegated.

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

14 July 2016

CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS

Report of the Corporate Director - Strategic Resources

1.0 PURPOSE OF THE REPORT

- 1.1 This report summarises the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.
- 1.2 The Council will need to consider the options available and put in place new arrangements in time to make a first appointment by 31 December 2017.
- 1.3 The options range from the local appointment of an audit panel, to a joint appointment and finally, an appointment via a Sector Led Body (SLB) established by the Local Government Association for this purpose.
- 1.4 Given the challenges of local appointment and the associated costs, the preferred option is the sector-led appointment, and whilst it means no local control over the appointment of auditor it does benefit from economies of scale.

2.0 BACKGROUND

- 2.1 The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. On 5 October 2015 the Secretary of State Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.
- 2.2 The Council's current external auditor is KPMG LLP, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the LGA with delegated authority from the Secretary of State CLG. Over recent years we have benefited from reduction in fees in the order of 50% compared with historic levels. This has been the result of a combination of factors including new contracts negotiated nationally with the firms of accountants and savings from closure of the Audit Commission. The Council's current external audit fees are £94k p.a. for NYCC and £25k p.a. for the Pension Fund.

- 2.3 When the current transitional arrangements come to an end on 31 March 2018 the Council will be able to move to local appointment of the auditor. There are a number of routes by which this can be achieved, each with varying risks and opportunities. Current fees are based on discounted rates offered by the firms in return for substantial market share. When the contracts were last negotiated nationally by the Audit Commission they covered NHS and local government bodies and offered maximum economies of scale.
- 2.4 The scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council's audit must follow. Not all accounting firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The registration process has not yet commenced and so the number of firms is not known but it is reasonable to expect that the list of eligible firms may include the top 10 or 12 firms in the country, including our current auditor. It is unlikely that small local independent firms will meet the eligibility criteria.

3.0 Options for local appointment of External Auditors

- 3.1 There are three broad options open to the Council under the Local Audit and Accountability Act 2014 (the Act):

Option 1 To make a stand-alone appointment

- 3.2 In order to make a stand-alone appointment the Council will need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Council's external audit. A new independent auditor panel established by the Council will be responsible for selecting the auditor.

Advantages/benefit

- 3.3 Setting up an auditor panel allows the Council to take maximum advantage of the new local appointment regime and have local input to the decision.

Disadvantages/risks

- 3.4 Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus on going expenses and allowances
- 3.5 The Council will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts.
- 3.6 The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.

Option 2 Set up a Joint Auditor Panel/local joint procurement arrangements

- 3.7 The Act enables the Council to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees (members). Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council need to liaise with other local authorities to assess the appetite for such an arrangement.

Advantages/benefits

- 3.8 The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities.
- 3.9 There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

- 3.10 The decision making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used or possible only one elected member representing each Council, depending on the constitution agreed with the other bodies involved.
- 3.11 The choice of auditor could be complicated where individual Councils have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the Council. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose a firm that is conflicted for this Council then the Council may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

Option 3 Opt-in to a sector led body

- 3.12 In response to the consultation on the new arrangement the LGA successfully lobbied for Councils to be able to 'opt-in' to a Sector Led Body (SLB) appointed by the Secretary of State under the Act. An SLB would have the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.

Advantages/benefits

- 3.13 The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities
- 3.14 By offering large contract values the firms would be able to offer better rates and lower fees than are likely to result from local negotiation
- 3.15 Any conflicts at individual authorities would be managed by the SLB who would have a number of contracted firms to call upon.

- 3.16 The appointment process would not be ceded to locally appointed independent members. Instead a separate body set up to act in the collective interests of the 'opt-in' authorities. The LGA are considering setting up such a body utilising the knowledge and experience acquired through the setting up of the transitional arrangements.

Disadvantages/risks

- 3.17 Individual elected members will have less opportunity for direct involvement in the appointment process other than through the LGA and/or stakeholder representative groups.
- 3.18 In order for the SLB to be viable and to be placed in the strongest possible negotiating position the SLB will need Councils to indicate their intention to opt-in before final contract prices are known.

4.0 The way forward

- 4.1 The Council have until December 2017 to make an appointment. In practical terms this means one of the options outlined in this report will need to be in place by spring 2017 in order that the contract negotiation process can be carried out during 2017.
- 4.2 The LGA are working on developing a Sector Led Body. In a recent survey, 58% of respondents expressed an interest in this option. Greatest economies of scale will come from the maximum number of councils acting collectively and opting-in to a SLB. In order to the strengthen the LGA's negotiating position and enable it to more accurately evaluate the offering the Council is asked to consider whether it is interested in the option of opting in to a SLB. A formal decision to opt-in will be required at a later stage.

5. Risk Management

- 5.1 There is no immediate risk to the Council, however, early consideration by the Council of its preferred approach will enable detailed planning to take place so as to achieve successful transition to the new arrangement in a timely and efficient manner.
- 5.2 Providing the LGA with a realistic assessment of our likely way forward will enable the LGA to invest in developing appropriate arrangements to support the Council.

6.0 Legal implications

- 6.1 Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements;

- 6.2 Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
- 6.3 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

7.0 Financial Implications

- 7.1 Current external fees levels are likely to increase when the current contracts end in 2018.
- 7.2 Should the Council wish to consider appointing a panel, the cost of establishing a local or joint Auditor Panel outlined in options 1 and 2 above will need to be estimated and included in the Council's budget for 2017/18. This will include the cost of recruiting independent appointees (members), servicing the Panel, running a bidding and tender evaluation process, letting a contract and paying members fees and allowances.
- 7.3 At this stage future audit fees cannot be confirmed but opting-in to a national SLB provides maximum opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel.

8.0 Conclusion and Next Steps

- 8.1 The Council will need to take action to implement new arrangements for the appointment of external auditors from April 2018. In order that more detailed proposals can be developed the Committee is asked to give early consideration to the preferred approach.
- 8.2 Given the advantages and disadvantages of each option the preferred approach is to opt-in to the appointment via a sector led body. Subject to the views of the Audit Committee and confirmation of the proposals by the LGA, a report will be submitted to full Council to seek formal approval to this approach to enable the LGA to begin the formal process of tendering the audit contracts.
- 8.3 The LGA is strongly supportive of the SLB approach as it believes this offers best value to Councils by reducing set-up costs and having the potential to negotiate lowest fees

9.0 RECOMMENDATION

- 9.1 Subject to confirmation of the proposals by the Local Government Association, it is recommended that the Audit Committee recommend to full-Council that North Yorkshire County Council opt-in to 'a sector-led body' for the appointment of external auditors when the current transitional arrangements expire.

GARY FIELDING
Corporate Director, Strategic Resources

Author – Karen Iveson Assistant Director,
Strategic Resources

14 July 2016

The Report of the Audit Committee

The Audit Committee met on 29 September 2016. Present:- County Councillor Mike Jordan (in the Chair); County Councillors Margaret Atkinson, Robert Baker, Eric Broadbent, Jim Clark, John Fort BEM and Helen Grant. In attendance:- Mr David Marsh and Mr David Portlock (External Members of the Committee).

1. Annual Report: The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance to local authorities to help ensure that audit committees operate effectively. The guidance recommends that audit committees should report annually on how they have discharged their responsibilities.

The Audit Committee, on 29 September 2016, considered and approved its Annual Report for the year ended 30 September 2016. The Annual Report is appended.

The Audit Committee RECOMMENDS:

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

MIKE JORDAN
Chairman

County Hall,
NORTHALLERTON.
1 November 2016

PURPOSE OF THE REPORT

To provide Members of the County Council with details of the work carried out by the Audit Committee during the year ended 30 September 2016. The report also details how the Audit Committee has fulfilled its Terms of Reference during this period.

BACKGROUND

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

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

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

WORK UNDERTAKEN AND OPINION

The Audit Committee has met on five occasions in the year to 30 September 2016, in accordance with its Programme of Work.

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

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

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

External Audit

- 1 Welcomed the appointment of KPMG as the County Council's new external auditors. The Committee met with the new auditors to discuss their approach;

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

- 2 Received and considered the external auditor's plan for the audit of the 2015/16 financial statements and the review of the County Council's arrangements for securing value for money;
- 3 Received and considered the results of KPMG's interim work in relation to the audit of the 2015/16 financial statements of the County Council and the North Yorkshire Pension Fund. The Committee was pleased to note that the auditors consider the control environment is generally well designed and effective although improvements to the bank reconciliation process and the authorisation of journals were recommended;
- 4 Received and considered the external auditor's report on the 2015/16 Audit. The report highlighted the key findings of the audit, made recommendations for improvements in control and identified other matters requiring communication to those charged with governance. The Committee was pleased to note that the external auditors had issued unqualified audit opinions for both the County Council and the North Yorkshire Pension Fund. KPMG had also issued an unqualified value for money conclusion and an unqualified opinion on the Whole of Government Accounts return;

Internal Audit

- 5 Continued to oversee the internal audit arrangements for the County Council and North Yorkshire Pension Fund. This has included approving changes to the Internal Audit Charter;
- 6 Received and considered the results of internal audit work performed in respect of each Directorate and across different thematic areas. Monitored the progress made by management during the period to address identified control weaknesses;
- 7 Received and approved the Internal Audit Plan for 2016/17. The plan ensures that limited internal audit resources are prioritised towards those systems and areas which are considered to be the most risky or which contribute most to the achievement of the County Council's corporate objectives;
- 8 Monitored the delivery of the annual Internal Audit plans through regular update reports presented by the Head of Internal Audit. Reviewed variations to the Audit plans which were considered necessary to reflect new or changed County Council priorities;
- 9 Considered the County Council's overall counter fraud arrangements in the light of emerging risks (both national and local) and approved changes to the County Council's whistleblowing policy;
- 10 Received and considered the outcome of the annual 2015/16 Fraud and Loss Risk Assessment. The Committee also reviewed the work of Internal Audit in respect of suspected fraud including the results of investigations into matters reported via the County Council's whistleblowing facilities or directly by management;
- 11 Received and considered the Annual Report of the Head of Internal Audit which provided an overall opinion on the County Council's control environment. The Committee noted that the work of internal audit is primarily focused on those areas

which represent the highest risk for the County Council. The Committee also considered the breaches of the Council's Finance, Contract and Property Procedure Rules which had been identified during audit work. The Head of Internal Audit confirmed that the Council's framework of governance, risk management and control provided substantial assurance. In forming this opinion, the Head of Internal Audit had considered the progress made by management during the year to address identified control weaknesses. The Head of Internal Audit also drew the Committee's attention to issues related to information security and the systems used to manage children's direct payments;

- 12 Assessed the performance of the County Council's internal audit provider, Veritau Limited against the targets set for 2015/16, and considered the performance targets for 2016/17. The Committee also considered the outcome of the internal audit quality assurance and improvement programme (QAIP). The QAIP is an ongoing process which helps to ensure internal audit work is conducted in accordance with established professional standards. The Committee was pleased that internal audit practices met the required standards and therefore continued reliance could be placed on the arrangements operating within the County Council;

Risk Management

- 13 Continued to oversee the County Council's risk management arrangements and strategy;
- 14 Reviewed the progress made by the County Council to identify and address corporate risks. This included consideration of the updated Corporate Risk Register. The Committee recognised that many of the risks identified were complex in nature and/or had potentially significant financial implications particularly given the increasingly complex nature of potential governance models (eg integration with health and combined authorities);
- 15 Assessed the adequacy and effectiveness of each Directorate's risk management arrangements through consideration of the progress made to address issues identified in the annual Statements of Assurance. The Committee also considered the risks identified in the Directorate Risk Registers and how these linked to the Corporate Risk Register;
- 16 Considered the outcome of the annual insurance renewals;

Corporate Governance

- 17 Considered and approved the Annual Governance Statement for 2015/16 of the County Council. The Committee also noted the issues identified in the annual Statements of Assurance prepared by Management Board, the Chief Executive and each Corporate Director, which inform the preparation of the Annual Governance Statement. The Committee also reviewed the progress made by management to address significant issues identified in the 2014/15 Annual Governance Statement;
- 18 Considered some limited changes to the Local Code of Corporate Governance prior to approval;

- 19 Considered a number of recent developments to strengthen and improve corporate governance arrangements as well as future plans. The Committee was pleased to note the very positive outcomes of the recent Peer Review;
- 20 Considered the annual report on partnership governance. The report included details of the County Council's current partnerships, changes which had occurred in the year and the arrangements in place to monitor the management and performance of key partnerships. The Committee consider that partnership governance remains effective and the existing arrangements are proportionate and commensurate to the risks;
- 21 Received reports on the progress made to update strategic plans and develop policies and procedures to reflect latest guidance and best practice on corporate governance, particularly in respect of information governance to reflect latest guidance and best practice. The Committee considered the ongoing work of the Corporate Information Governance Group (CIGG) which is responsible for updating the corporate information policy framework, identifying new or emerging risks, sharing best practice, and monitoring compliance with corporate information governance standards. The Committee shares the view that information governance remains a key corporate risk.
- 22 Received a report outlining the progress made to implement improved business continuity arrangements across the County Council. The Committee was pleased to note that good progress continues to be made to develop effective systems and processes to reduce the risks of disruption. The Committee noted that, during May 2016, the County Council had faced unprecedented protests against fracking proposals in North Yorkshire. The planning for the protests had identified the need to activate directorate and corporate business continuity plans. This approach had allowed a large number of staff to work remotely to great effect during the actual period of the protests;
- 23 Received reports outlining the future strategic direction of contract management and the associated risks and challenges facing the County Council. The Committee also considered the strategic and operational management arrangements for overseeing procurement activity. The County Council currently has contracts valued over £300m for the supply of goods, services and works. A revised Corporate Procurement Strategy for the period 2014 to 2020 has been developed together with a series of action plans. The Strategy recognises that early engagement with suppliers and contract management are two areas which need to be strengthened. Future priorities include providing further support to contract managers, completing a skills audit, improving commercial awareness and focusing on relationship management (for strategic contracts). The Committee expressed support for improving the skills of contract managers, sharing contract management practices and experiences across directorates and challenging contracts which are not delivering;

Value for Money

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

Financial Statements

- 25 Considered and approved the Statement of Accounts for 2015/16 of the County Council and the North Yorkshire Pension Fund;
- 26 Received and considered proposed amendments to the County Council's Accounting Policies. A revised Code of Practice on Local Authority Accounting was issued by CIPFA in March 2015 which updated the definition of the fair value measurement of assets. The new definition needed to be incorporated in the Accounting Policies but in practice resulted in only minimal changes to the valuation of the County Council's portfolio of surplus property and investment property (County Farms). The Committee also noted a number of potential future changes to the Code of Practice including the need to prepare a narrative statement to describe the County Council's financial performance and use of resources, and changes to the treatment of transport infrastructure assets. The Committee also recognised that changes to the timetable for completing and publishing the financial statements from 2017/18 onwards would have an impact on the County Council. The 2017/18 financial statements will need to be published by 31 July 2018, two months earlier than currently. The Committee is expected to receive further details of the actions being taken to meet this more challenging timetable;

Other

- 27 Received and considered proposed changes to the Contract Procedure Rules prior to referral to the Executive and approval by the County Council. The need for changes had arisen due to a number of factors including changes in legislation and regulation. The main changes included increases in the financial thresholds, new rules on the allocation of grants, improved transparency and measures to help engage small and medium enterprises (SMEs) and voluntary and community sector organisations;
- 28 Continued to scrutinise the County Council's treasury management arrangements. This included reviewing the Treasury Management policy statement and the annual Treasury Management and Investment Strategy for 2016/17. The Strategy incorporates a minimum revenue provision policy and a policy to cap capital financing costs as a proportion of the annual net revenue budget.
- 29 Received briefings from officers on issues facing the County Council including the measures being taken to reduce the risk of fraud and the arrangements for securing value for money;
- 30 Reviewed the progress which had been made by officers to address other issues raised at meetings of the Committee;
- 31 Considered the options for the future appointment of the County Council's external auditors. The County Council is required to appoint new external auditors by 31 December 2017 in time for the audit of the 2018/19 accounts. The options include the local appointment of auditors with the process overseen by an independent auditor panel, a joint appointment with one or more other councils or appointment via a sector led body set up by the Local Government Association (LGA) for this purpose. The Committee expressed clear support for the option of using the sector led body as there would be economies of scale and improved transparency. The LGA also had knowledge and experience acquired through the setting up of the current transitional arrangements;

32 Reviewed the Committee's Terms of Reference. We concluded that no changes were required.

Councillor Mike Jordan
Chairman of the Audit Committee

AUDIT COMMITTEE

TERMS OF REFERENCE

1. In respect of **Internal Audit**

- to approve the Internal Audit Strategy, Annual Audit Plan and performance criteria for the Internal Audit Service.
- to review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary.
- to review the effectiveness of the anti-fraud and corruption arrangements throughout the County Council.
- consider the annual report from the Head of Internal Audit.
- to review the effectiveness of the system of Internal Audit and the Committee itself on an annual basis.

2. To review the workplan and performance of External Audit.

3. To review, and recommend to the Executive, changes to Contract, Finance and Property Procedure Rules.

4. In respect of **financial statements**

For both the County Council and the North Yorkshire Pension Fund

- to approve the respective annual Statements of Final Accounts
- to receive and review the Annual Audit Letters and associated documents issued by the External Auditor
- to review changes in accounting policy

5. In respect of **Corporate Governance**

- to assess the effectiveness of the County Council's Corporate Governance arrangements
- to review progress on the implementation of Corporate Governance arrangements throughout the County Council.
- to approve Annual Governance Statements for both the County Council and the North Yorkshire Pension Fund.
- to review the annual Statements of Assurance provided by the Chief Executive, Management Board and Corporate Directors.
- to liaise, as necessary, with the Standards Committee on any matter(s) relating to the Codes of Conduct for both Members and Officers.

6. In respect of **Risk Management**

- to assess the effectiveness of the County Council's Risk Management arrangements.
- to review progress on the implementation of Risk Management throughout the County Council.

7. In respect of **Information Governance**

- to review all corporate policies and procedures in relation to Information Governance.
- to oversee the implementation of Information Governance policies and procedures throughout the County Council.

8. In respect of **Treasury Management**

- to be responsible for ensuring effective scrutiny of the County Council's Treasury Management strategy and policies as required by the CIPFA Treasury Management Code of Practice.
- To review these Treasury Management strategies, policies and arrangements and make appropriate recommendations to the Executive.

9. In respect of **Value for Money**

- to have oversight of the arrangements across the County Council in securing Value for Money.

10. To meet not less than four times a year on normal business and review its Terms of Reference on an annual basis.
11. To consider any other relevant matter referred to it by the County Council, Executive or any other Committee. In addition any matter of concern can be raised by this Committee to the full County Council, Executive or any other Member body.
12. To exercise all functions in relation to the making and changing of policy relating to such audit and counter-fraud matters which fall within the remit of the Committee (save as may be delegated otherwise).

The Report of the Standards Committee

The Standards Committee met on 23 September 2016. Present:- County Councillor Caroline Patmore (in the Chair); County Councillors Helen Grant, David Jeffels and Peter Sowray; together with Independent Person for Standards Louise Holroyd in attendance.

Annual Report: The Standards Committee considered, and approved, its Annual Report for the period 1 April 2015 to 31 March 2016. The Annual Report is appended.

The Standards Committee RECOMMENDS:

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

CAROLINE PATMORE
Chairman

County Hall,
NORTHALLERTON.

1 November 2016

NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

Annual Report of the Standards Committee

1.0 PURPOSE OF REPORT

- 1.1 To provide the Authority with an Annual Report on the work of the Standards Committee from 1 April 2015 to 31 March 2016.

2.0 BACKGROUND

- 2.1 The Standards Committee was established in 2012 as part of the ethical framework for local government introduced by the Localism Act 2011.
- 2.2 The Committee has previously agreed that it would be helpful to publish an Annual Report on its work to the Authority in order to raise the profile of the Committee and strengthen awareness of its work and ethical standards generally. An Annual Report also assists in discharging the Authority's statutory duty to promote and maintain high standards of conduct and also ensures that the Authority has an overview of work undertaken by the Committee in discharging the Authority's standards responsibilities.

3.0 THE ETHICAL FRAMEWORK

- 3.1 The ethical framework introduced under the 2011 Act includes:
- (a) **The Standards Committee:** The Committee usually meets twice per annum, although only met on 21 September 2015 for the period in question, its meeting scheduled for 18 March 2016 being rescheduled for 15 April 2016). The Committee is responsible for standards and standards complaints handling issues, the granting of dispensations and also has a role in relation to issues raised by or in relation to persistent and/or vexatious complainants.
 - (b) **Independent Persons for Standards:** Each relevant authority must appoint at least one "Independent Person". In 2012, the Authority approved the appointments of Mrs Hilary Gilbertson MBE and Mrs Louise Holroyd as Independent Persons for the Authority. The Independent Persons are invited to all meetings of the Standards Committee and are consulted on all key standards matters.
 - (c) **A statutory duty to promote and maintain high standards of conduct**
 - (d) **Members' Code of Conduct**
 - (e) **Register of Members' Interests** (hard copy and online)
 - (f) **Complaint Handling**
 - (g) **Ethical Statements**
 - (h) **Standards Bulletin**
- 3.2 The **Monitoring Officer** supports the Committee in its work, including maintaining the Register of Members' Interests and dealing with any complaints made against Members under the local standards regime.

4.0 WORK UNDERTAKEN BY THE COMMITTEE

4.1 The work undertaken by the Standards Committee between the period 1 April 2015 to 31 March 2016 is set out below:

- (a) Review of ethical framework developments: the Committee has considered developments in the national standards regime and provided guidance to Members, for example in relation to documents published by the Committee on Standards in Public Life, for example its Annual Report for 2014/15 and Business Plan 2015/16.
- (b) Dispensations: the Committee considered a potential dispensation issue with regard to traffic regulation orders and Area Committees. The Committee resolved that, in principle, Members of Area Committees should be granted a dispensation to discuss Traffic Regulation Orders when their interests relates to their home or working address and that the decision on individual applications for dispensations from elected Members be delegated to the Monitoring Officer in conjunction with an Independent Person of the Standards Committee. Any dispensations granted should be granted for four years or to the end of the term of the Council, whichever comes first.
- (c) Training: The Committee ensures that Members receive appropriate training to maintain their awareness of ethical standards. Training during 2015 included a training session by the Monitoring Officer in May 2015 to Authority Members on standards issues, with a focus on the declaration and registration of interests and considering the first prosecution nationally in relation to a failure to declare interests.
- (d) Register of Members' Interests: The Register of Members' Interests is also published on the Authority's website. The Committee monitors the operation of the Register.
- (e) Standards Bulletin: The Committee has issued one Standards Bulletin during the period covered by this Report, aimed at keeping Members and Officers apprised of developments in the ethical regime.
- (f) Complaints: The Committee receives a Complaints Update report at each meeting. During the period covered by this Report, there were four complaints received that Authority Members may have breached the Authority's Members' Code of Conduct. Of those four complaints:
 - Two were handled via informal resolution and an apology was given by the subject Member in one of the cases;
 - In the other two cases, no action was required.
- (g) Liaison with neighbouring authorities: consideration was given to the arrangement of a further meeting of neighbouring authority Standards Committee Chairs, Vice-Chairs and Independent Persons for Standards. The Monitoring Officer has liaised with the neighbouring authority Heads of Legal/Monitoring Officers' Group.

4.2 The Committee will continue its work in the promotion of high ethical standards and further involvement in training of officers and Members at an appropriate stage.

5.0 RECOMMENDATION

- 5.1 That the Authority receives and notes the Annual Report of the Standards Committee.

BARRY KHAN
Monitoring Officer

Background Papers:
Minutes of and reports to the Standards Committee
23 September 2016

NORTH YORKSHIRE COUNTY COUNCIL

9 NOVEMBER 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

Highways and Transportation

Winter Service

Preparations for winter are complete. We hold 55,000 tonnes of salt in our barns and all grit bins and heaps are topped up. Our fleet of gritters has been expanded to 93 in number, the average age has been brought down below 5 years, and they are all ready to go. We have held refresher sessions with our winter service team, which is totally committed to the delivery of this high-priority service.

Update on Bridges

Our intensive efforts to repair and widen Tadcaster Bridge continue. High water levels have delayed progress in the river where piling works are currently running 24 hours a day, and 7 days a week, in order to make up for lost time. Each stage of the reconstruction programme is being approved by the Environment Agency. The rebuilding of the arches will start this month. Planning permission and listed building consent to widen the bridge were given in a commendably short time by Selby District Council. Matching stone has been quarried, cut to size, and stored on site ready for use. The Executive approved acceptance of the £1.4m grant from the YNYER LEP to fund the improvement works.

The Executive also approved acceptance of a further grant of £1.8m from the LEP towards the cost of replacing Dalton Bridge and raising the highway which leads to it. The bridge gives access to the Dalton Industrial Estate whose businesses have been regularly affected by closure of the bridge and access road by flooding. This investment, in partnership with Hambleton District Council and local businesses, secures local jobs and offers the potential for expansion of the estate, to the benefit of the wider economy.

Cawood Bridge over the River Ouse is a Grade 2 listed structure, opened in 1872. It has been covered by flood water on several occasions, most recently last winter. We introduced a structural weight limit of 7.5t earlier this year, which caused difficulties for bus operators, and in turn for their passengers. The decision was subsequently taken by the BES Director and Executive Members to invest in a £1m strengthening of the structure, which will raise the weight limit to 10t. Our bridge engineers are currently devising a procedure to carry out this work involving the shortest possible period of closure, since we need to minimise the disruption to road and footpath users, as well as marine traffic.

A684 Bedale Bypass

This 4.3km bypass of Bedale, Aiskew and Leeming Bar was opened to great acclaim on 11 August. Works to complete the landscape planting will commence this month. Public reaction has been largely positive, with comments referring to improved journey times and better conditions in the villages thanks to a reduction of about 40% in through traffic.

A174 Sandsend Coast Protection

The Sandsend Coastal Stabilisation scheme was officially opened on 19 August. The works included the stabilisation of the landward slope above the A174, provision of additional parking and replacement of the coastal revetment. Local residents have expressed their gratitude for the efforts we made to keep them informed and to minimise disruption during construction works.

Some local media reports have highlighted superficial spalling of the concrete revetment. Whilst this does not affect the integrity of the structure, repairs will be carried out.

Harrogate Relief Road

One of this council's top transport priorities is a Relief Road for Harrogate, which is our largest urban settlement and where congestion of the highways infrastructure is increasing on account of new house-building and a strong visitor economy.

Work is underway on a review to consider the need for, and alignment of, a Harrogate and Knaresborough Relief Road. Four options have been considered, all including a bypass of Killinghall. The review will also consider complementary sustainable transport measures. A member-led steering group has been established and progress is being made public on a special section of the County Council's website and through local media. We hope to be able to submit a bid for funding within 18 months. Early estimates suggest a scheme cost of about £100m.

The Harrogate Area Committee will receive a briefing at their meeting on 17 November.

A59 Kex Gill

A review of options to improve the resilience of the key A59 Trans-Pennine route at Kex Gill has begun. We are working closely with the Department for Transport in order to stress the importance of this route for the economy of North Yorkshire, and as a strategic east-west corridor for the North of England.

Broadband and Mobile Telephony

As your observer at SFNY Board meetings, I can report that procurement under Phase 3 of our programme to deliver superfast (>25Mbps) broadband to every premise in the county is progressing well. We expect to award the contract to the successful bidder by June 2017. The value of this phase is £20.5m and this should lead to a further 12,500 households and businesses being connected, at an average cost of £1500 per premise. This compares with average connection costs of £177 under Phase 1 (150,000 premises) and £559 under Phase 2 (15,000 premises).

We continue to have high level meetings with the principal mobile phone companies. Our aim is to give whatever support we can to speed up the provision of 4G connectivity throughout the county.

DON MACKENZIE

NORTH YORKSHIRE COUNTY COUNCIL

9 November 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 County Council, operatives have completed over a million construction hours at Allerton Waste Recovery Park. I am pleased to report that the construction programme is still on schedule and we are still planning for a full service commencement date of 31 January 2018.

The 70m stack was installed in September and the majority of the Energy from Waste building steelworks are now in place. Major equipment including the turbine has been installed and the boiler pressure tests were completed ahead of schedule. The Anaerobic Digester is being clad and the foundations for the gas engines are being constructed.

Works to connect the plant to the National Grid are almost completed and directional drilling to install the cable duct under the A168 and A1(M) successfully took place in September without any issues. Amey is currently assessing the tenders for construction of the Visitor Centre and offices.

Household waste recycling centres introduced charges on April 1st which included reduced opening hours. I'm pleased to report that this has been implemented successfully over the summer months and that the sites have now reverted to their winter closing hours of 4pm. The HWRC contract transfers to Yorwaste from 1 April 2017 and we are working closely with both Kier and Yorwaste to start the handover of the sites.

Economic Development

From an economy perspective understanding the impact of brexit has been a priority. Whilst there remain many significant risks, these have been mitigated by some government announcements and other developments.

- Government have confirmed that all EU funded contracts signed up to leaving the EU will be honoured. This should result in the full York, North Yorkshire & East Riding LEP area committing its full €110m allocation.
- Government have announced the development of a comprehensive industrial strategy which will have a significant place element. That could mean we are able to address some of the key drivers in our area.
- York Potash have announced to the financial markets that they have secured £300m investment into phase one of the development from an International Investment fund.

From a delivery perspective the LEP is on track to deliver its 2016/17 objectives, both from a business support and capital investment perspective. In addition the LEP will hear at the Autumn statement if it has been successful in its latest bid to government for capital investment.

Trading Standards

Farming, Food and Health

Public Health – “Healthier Choices” Scheme

Trading Standards launched the Healthier Choices scheme last year and has found some areas of the food industry “hard to reach” in respect to their engagement with the scheme. One of

ITEM 8(b)

those groups is the takeaway retailers. Trading Standards officers have had to be creative in their approach towards these businesses. The officers have developed a "Takeaway Masterclass" engagement model.

On Monday 3rd October, the first Takeaway Masterclass workshops took place in Scarborough. The workshops sought to engage Scarborough takeaway food establishments in the health agenda by motivating them to improve the healthiness of the foods they provide.

This "Masterclass" approach has attracted high media interest at both local and national levels. The intention is now to provide further masterclasses across the whole of North Yorkshire as part of activities attempting to reduce obesity levels.

Multi-Agency Safeguarding Team

The Multi-Agency Safeguarding Team has recently secured the conviction of five local doorstep crime offenders who preyed upon vulnerable and elderly residents in the county.

On 6 September 2016 Simon McArthur, Rocky Allen and Geoffrey Smith, all from York, were sentenced at Teesside Crown Court after defrauding an 84 year old, wheelchair bound and partially sighted woman from Easingwold and her son who has mental health problems for maintenance and gardening work. McArthur and Allen were sentenced to 10 months imprisonment, and Smith to 8 months.

On 23 September, two brothers from Knaresborough, Shane and Kofi Hooton, were sentenced at York Crown Court for defrauding multiple vulnerable and elderly victims in the county for roofing and gardening work. They were both sentenced to 20 months imprisonment and now face asset recovery proceedings under the Proceeds of Crime Act.

M Verby Ltd and Michael Verby from Tadcaster, director of M Verby Ltd trading as MV Mobility, were convicted of four offences under the Consumer Protection from Unfair Trading Regulations at Northallerton Magistrates' Court on 25 October 2016.

Trading standards officers brought the case after complaints from four consumers who had bought mobility scooters from Mr Verby. Mr Verby had failed to provide the consumers with a statutory notice of their right to cancel their contracts and had also prevented one consumer from fully exercising that right.

Mr Verby and his company were ordered to pay fines, compensation and costs totalling £5,994.

Planning Services

Minerals and Waste Local Plan

Work is progressing towards the production of a final draft Minerals and Waste Local Plan for formal publication. Having secured the requisite approvals from Members of each of the planning authorities, ourselves, the City of York Council and the North York Moors National Park Authority, it is expected that the Plan will be published early November. This is in order to facilitate a 6-week for representations to be made on the soundness of the Plan before the festive period. Following consideration of representations early in the New Year and any consequent minor changes, Officers will then seek further approval to submit the Plan for Examination in Public. It is expected that the examination process will take a number of months to complete before the Plan can be formally adopted. As we move through the process, we'll start to see the policies of the new Plan being given increasing weight in decision-making by the County Council; although this will, of course, be dependent upon on the nature of any unresolved objections.

CHRIS METCALFE

NORTH YORKSHIRE COUNTY COUNCIL

9th November 2016

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

COUNTY COUNCILLOR CHRIS METCALFE

Libraries

Library Service reconfiguration

Since my last statement; work with local communities has continued throughout the summer months. Members have been receiving regular updates as to the progress of the planned reconfiguration of libraries; i.e. 7 core, 5 hybrid and a further 21 community managed libraries, due to come into effect by April 1st 2017.

The library service along with the Stronger Communities team continue to make progress and since my last report have attended over 40 meetings with community groups and organisations across the county. Issues for discussion have included terms for leases and service level agreements, and alongside these, 4 seminars have been offered to community groups covering volunteer recruitment and management; expectations and training for volunteers; utilities management and health and safety. These were well attended by over 50 board members, trustees and other volunteers. A further seminar is planned for Hybrid library community groups on 29th November.

A number of groups have already begun their training which is assisting staff in improving the sessions. In several libraries, members of the community management groups have shadowed staff on their daily duties to enhance their understanding into the work of a modern library service.

At the same time, training is now being provided to volunteers on use of a new web based library management system, which will enable volunteers to deliver the full range of library services to customers in community libraries.

Members will be aware that Pateley Bridge Library was already successfully transferred to community ownership in September 2015. This is shortly to be joined by Boroughbridge where the Community Library Association (BACLA) will be delivering library services from 1 December 2016.

The Stronger Communities team has continued to work with remaining groups on their constitutions and charity registration, and several groups have already been successful in having their applications approved by the charity commission. The team have also been helping groups to prepare their business plans for consideration by a multi-disciplinary assessment panel established by the library service. The panel, comprising County Council Officers from finance, legal, property, contracting, stronger communities and libraries have approved 5 plans to proceed to detailed negotiations, with a further 12 approved subject to additional work in particular areas. It is

anticipated that the 3 plans that are outstanding will be submitted for assessment by the final panel on the 10th November.

Milestones for the next 3 months include agreement on property matters and continuing SLA discussions as well as starting to deliver volunteer training sessions and I will be reporting on further progress on these at next Full Council.

GCHQ Exhibition

In July and August Scarborough Library made history hosting an exhibition put together by GCHQ. Originally suggested by the Lord Lieutenant, this was the first time that GCHQ had put on a museum exhibition outside Cheltenham. The exhibition, entitled *Code and Chips* which featured wartime communications, was promoted widely and included organised visits by local schools. Over 16000 people visited the exhibition and 885 school children enjoyed looking at code books, soil radios, morse code machines and of course an enigma machine. A public lecture by GCHQ's own historian entitled "The Myths of Bletchley Park" was delivered at a packed Scarborough Library concert hall and attended by over 220 VIPs and members of the public. The event was picked up by TV, radio and local newspapers and was even the subject of a tweet by the CIA.

Whitby Birthday

Whitby Library celebrated its 50th birthday in September. An event featuring a local ukulele orchestra, displays celebrating the library's 50 years, treasure trails and refreshments provided by local businesses was attended by the Chairman Cllr Val Arnold and local County Councillors . Over 700 people attended the event, and the service took full advantage of the opportunity to sign up more volunteers to support the continued delivery of services at Whitby which is scheduled to become a "Hybrid" library after April.

Summer Reading Challenge 2016 – The Big Friendly Read

North Yorkshire Libraries are celebrating another successful year for the Summer Reading Challenge run in partnership with The Reading Agency for children aged 4-11 to help maintain their reading skills and confidence over the summer break. This year's theme was The Big Friendly Read delivered in collaboration with The Roald Dahl Literary Estate to celebrate 100 years of this ever-popular storyteller. 10,345 children across the county took part in this year's challenge, with 8,764 of those finishing their 6 books and being rewarded with a medal, certificate and dazzling pair of rainbow spectacles. Children borrowed over 123,000 books over the summer and 523 children joined the library as new members to take part in the challenge.

Alongside the achievements of the young participants, the library service is proud to report that this was a record year for Summer Reading Challenge volunteers with 160 young people between the ages of 13-24 providing 3,434 volunteer hours to help support delivery of the challenge. 50 of those volunteers intend to continue volunteering with the library service beyond the summer.

Events included using a child sized smoothie bike where children provided the peddle power to make a healthy smoothie and creating giant chocolate buttons!!

Archives and Records Management

The Record Office has been **working with children and young people** to open up non-traditional ways for them to engage with the archive. As part of the office's second annual Big Draw event in October, entitled *Invented in Yorkshire*, younger children from local schools and after-school clubs were invited to learn about Yorkshire's inventors, scientists and engineers of the past and to take inspiration from exhibitions of historic plans, drawings, calculations and sketch books to draw their own futuristic inventions.

Earlier in the summer, several young people took part in volunteer work placements as part of the Duke of Edinburgh Award scheme, gaining useful skills in cataloguing, conservation and digitisation as well as an awareness of the importance of preserving our shared heritage.

The **Attics and Acres project** which has purchased and catalogued the archive of Norton Conyers is coming to a successful conclusion. Combined HLF (£96.5k) and National Library (£10k) funding has created an accessible, **online catalogue** and a **travelling exhibition** that has toured libraries and other community venues around the county reaching over 10,000 people. A series of talks have attracted audiences of over 200. Forty volunteers have assisted archivists to sort 70 boxes of records and have contributed 2000 hours of time to the project, learning new skills and forming a group which will continue to work with the Record Office on new initiatives over the coming months.

Registration Service

September saw the retirement of North Yorkshire's Superintendent Registrar, Susan Lewis, bringing to a close civil registration career spanning 34 years. Throughout this time Sue has conducted thousands of ceremonies and has seen many changes due to the modernisation of the service; including civil partnerships and same sex marriages. Sue retired after conducting her final ceremony in her District of Selby on the last day of September.

CHRIS METCALFE

NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

COUNTY COUNCILLOR GARETH DADD

Budget / MTFS

Following the decision at County Council on 20 July we wrote to the Secretary of State to inform him that we were accepting the multi year settlement. Rest assured that we also took the opportunity to make a number of other points including our wish that the multi year settlement is “worse case scenario” and that some of the opaqueness around Better Care Fund and Business Rates are amended to reflect a more fair distribution of funding.

We now await the Chancellors Autumn Statement which is scheduled for 23 November. Whilst this is unlikely to include any key headlines for local government, it may well set some tone for the financial priorities for the new Government. It is then expected that we will get the Provisional Local Government Finance Settlement some weeks later. By that time, I hope that we will have produced a good initial plan to deliver more of the savings that we require (estimated at £1.4m in February 2016). Those who attended the Members’ Seminar on 2 November will have had an initial overview and we will clearly ensure that all Members kept in the loop through further Members’ Seminars etc. over the coming months as we build up to Full Council in February.

Apprentices

We have some real concerns about the new apprentice levy and target for the County Council and have raised these with the government along with other local authorities but to no effect. We had originally planned in the budget for a levy of some £700k but the Government has decided to include maintained school staff numbers and budgets in local authority calculations. This has the effect of increasing our levy to over £2m but with no ability to put apprentices in schools. The levy is 0.5% of the pay bill for employers with a pay bill of over £3m, taken on the 1st April and drawn down to fund the training costs of apprenticeships over an 18 month period. If it is not spent at that point it is retained by the Treasury.

In order to spend some £2m on apprentice training, we will have to have, depending on the level of training, between 120 and 300 apprenticeships. The council currently has around 25 and does not have the business need for more than this, especially as restructures and budget savings continue for the next couple of years. The scheme is very restrictive on what posts and training can be classed as apprentices.

Then there is the separate apprentice target, set at 2.3% of workforce headcount, giving a target of 480 for the county council. There is no financial or other penalty to not meeting this target, which is fortunate as it is all but impossible. In the County we

are fortunate that unemployment is low which means it is not possible to recruit this many apprentices even if we had the vacancies. Recent data shows only some 2,200 job seekers across the county with only 270 between 18-24 .So we will have to compete with other employers including those which also have the levy applied to them for the same potential staff group including those currently in work.

So this national scheme is not an approach which is helpful to us. That said, we are doing what we can to look at the creation of new apprentice posts, particularly high level apprentices whereby we grow our own graduates giving young people in North Yorkshire the opportunity to achieve a degree whilst working and living in the area and not acquire a huge amount of student debt. We are also looking at whether we can create apprentice posts across social care sector with the voluntary independent sector and across health and social care with the NHS locally. We are talking to district councils about the possibility of having joint apprentice posts covering areas such as planning and environmental health.

Clearly developing these opportunities and schemes requires a good amount of resource and cost for which there is no funding provision ,so it is another stretch and cost burden for the council.

NY Property Services

The County Council successfully established, with effect from 1 November, its own wholly-owned company in order to commercialise its use and delivery of property services.

NY Property Services Limited will be working closely with our own Property Service to further develop the arrangements for the delivery and management of projects and estates services to ensure that the County Council continues to achieve Value for Money in these areas.

The Company will also be seeking to trade its services as part of the County Council's overall commercial offer and, therefore, the development of its Business Plan is one of the Company's immediate priorities. The Company has, however, inherited a strong management and workforce from the previous provider, Mouchel, and I am confident that it will be able to use that experience in the provision and management of property services to the benefit of the Council.

I am grateful to Mouchel for working proactively with us to manage the transition process, including the TUPE process.

Staff Restaurant

I am also able to report that, following a procurement exercise, Caterservice has been appointed to manage the staff restaurant within County Hall.

Caterservice has experience of managing similar facilities elsewhere in the country and will use this experience to work with staff to develop the on-site catering offer. A number of exciting developments are planned and council staff are being encouraged to feed back their views and ideas

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It is intended that the arrangements will be reviewed after an initial 3 month period. Should the success of the initial period of trading be continued it is intended that Caterservice's contract will be continued.

A programme of refurbishment will be undertaken within the staff restaurant to ensure that the space contributes to the provision of a working environment that meets with the requirements of the 2020 Modern Council

GARETH DADD

NORTH YORKSHIRE COUNTY COUNCIL

9 NOVEMBER 2016

STATEMENT OF SCHOOLS AND EARLY YEARS PORTFOLIO HOLDER

COUNTY COUNCILLOR ARTHUR BARKER

National education policy developments

There have been very recent developments around the national education policy proposals previously signalled in the White Paper "Educational Excellence Everywhere". I will update Members verbally at Council on this matter.

Since my last statement Government have also published a subsequent Green Paper "Schools that work for everyone" and you will no doubt have seen coverage of the proposals regarding grammar schools. North Yorkshire Education Partnership will be debating the green paper at its meeting on 16 November and a formal response to the consultation will be made thereafter.

The proposed timeline for the consultation on the findings of the national review, led by Alan Wood, into the powers and levers required by local authorities in order to enable them to carry out their statutory duties, is now likely to be early Spring 2017.

North Yorkshire continues to support schools in any discussions that are likely to result in positive and productive partnership working which generate still further improvement.

School and early years funding

We continue to await important decisions from the DfE about school funding for April 2017. In July the Secretary of State announced that although the government remained "firmly committed to introducing fairer funding for schools, high needs and early years", and that the stage one consultation had "been met with an overwhelmingly positive response from headteachers, teachers, governors and parents", the intention to introduce most of the changes to the main school budget block from April 2017, as proposed earlier this year, was now being dropped. Schools have therefore been promised the same level of funding for 2017-18 as in this current year. However there remains the possibility that the proposed restrictions on local decision-making regarding non-delegated budgets would begin to take effect from next April. This could potentially have a significant impact on the Council's budget.

A further complication to the Council's budget has been added with a consultation which has progressed for potentially 2017-18 implementation on Early Years funding. The proposals, if implemented, will also have a detrimental effect on the many early years and childcare providers in the county as they suggest a reduction in funding for North Yorkshire and the redistribution of that money to other parts of the country. We have expressed our strong reservations to government and have written to all local MPs urging them to support the providers in North Yorkshire and setting put our arguments why the proposed formula and timescale are wrong. The consultation suggested implementation of the reduced funding from April 2017 with only a one-year transition.

Pupil Performance Outcomes 2016

North Yorkshire is once again one of the top local education authorities nationally for school achievement at A-level and GCSE. In secondary schools, end of key stage 4 (end of Year 11) attainment again placed us in the top 25% of Local Authorities with the proportion of students attaining A*- C in both English and Mathematics improving by over 2% to 67% (4% above the

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national average of 63%). Two new headline measures have been introduced in 2016, both of which include GCSE scores from across the curriculum including English and Mathematics. North Yorkshire's Attainment 8 score is 51.6, in comparison with national of 49.9.

In primary schools, both attainment and progress were slightly below national averages at the end of key stage 1 and 2, although achievement at the end of Early Years Foundation Stage was above average. At both key stage 1 (end of Year 2) and key stage 2 (end of Year 6), 2016 was the first year of rigorous new tests and teacher assessment frameworks which were designed to measure achievement within the new National Curriculum. In North Yorkshire 51% of Year 6 children attained the new standard in all of reading, writing and mathematics, in comparison with 52% in state schools nationally and 70% of five year olds reached a good level of development in comparison with 69% nationally.

Raising the achievement of disadvantaged pupils continues to be a key priority for North Yorkshire schools with some strong signs of improvement this year resulting from targeted work in key areas. The Early Years Closing the Gap Strategy has led to improved outcomes for disadvantaged children at the crucial early stages of their education. Primary and secondary schools are working closely with the LA in the Achievement Unlocked programme to raise expectations and improve outcomes for young people eligible for the Pupil Premium. Even at the early stages, outcomes for disadvantaged pupils have improved measurably in participating secondary schools and many primaries.

School Ofsted inspection outcomes

Ofsted outcomes are once again all above national, and improvements in the year to October 2016 have been more rapid than the national average. 91% of North Yorkshire primary schools (90% national) and 85% of secondary schools (79% national) were good or outstanding with 92% of primary age pupils attending a school which is good or outstanding (2% above the national average) and 88% of secondary age pupils attending a school which is good or outstanding (6% above the national average).

Following the conversion of Hawes CP School to a sponsored academy, there are now two primary schools which hold an inadequate judgement - Moorside Infants and Richmond CE Primary Schools – and one secondary school – Easingwold School – which has recently gone into special measures. The LA is working closely with the Regional Schools Commissioner, the schools themselves and potential academy sponsors .

Opportunity Area status for Scarborough District

The Secretary of State's recent announcement that Scarborough District is one of six "Opportunity Areas" across England which together will receive £60m over the next three years to help local children and young people get the best start in life is to be very much welcomed. We are encouraged to see recognition of the dual importance to educational success of what takes place "within" but also "beyond" the school gates.

This initiative will build on our own innovative scheme, known as the "Scarborough Pledge" where we are working with schools, businesses, cultural partners and the district council to roll out a range of ground-breaking schemes to improve educational attainment, increase cultural, training and work opportunities and generally broaden horizons for young people along the coastal area. A County Council recruitment drive to attract top quality teachers to the resort is already bearing fruit. The County Council committed £750,000 over three years towards Scarborough Pledge and the additional government investment will enable us to build and extend this important work to improve life chances for the area's young people.

Officers will be working with Department for Education officials over coming weeks to develop an implementation plan. The enhanced programme will run from April 2017-2020.

School Organisation

Fellow Members will be pleased to know that the new primary school in Selby opened as planned in September for nursery, reception and pupils in years 1-4. It is called The Staynor Hall Community Primary Academy and is being run by the Ebor Academy Trust. By September 2018 it will be open to all year groups.

Following consultation by governors of St Joseph's Catholic Primary School, Bishop Thornton, the Executive decided on 16 August, to close the school with effect from 31 August 2016 and the school is now closed.

The governing body of Horton-in-Ribblesdale CE VA Primary School has decided to consult on the closure of the school at Easter 2017 due to very low pupil numbers. There are currently 15 pupils on roll. Consultation closed on 4 November and governors will decide whether to publish statutory proposals for closure. If they proceed the County Council's Executive will take a final decision on the proposal in January 2017.

On 18 October the Executive Member for Schools agreed to initiate a consultation on a proposal to close Drax Community Primary School due to very low pupil numbers with effect from 31 August 2017. There are currently nine pupils on roll. The consultation will run until 12 December with a decision to be taken by the Executive on whether to publish statutory notices on 10 January 2017. If agreed this would lead to a final decision being taken by the Executive on 28 March 2017.

We continue to support schools to look where possible to working with others and ensuring that any decisions made by governing bodies or the local authority are made in the interests of high quality and sustainable education for children.

Area based review of post-16 education.

The national Area Based Review process has now begin in North Yorkshire. The area covered by the review includes the LEP area (York, North Yorkshire and East Riding) and Hull from the Humber LEP. There is also some involvement from Leeds City Region. The first meeting has taken place with the next due on 3 November.

The review focuses on finding ways to ensure post-16 colleges are financially viable, sustainable, resilient and efficient with an offer that provides the right balance of high quality education and training provision to meet the needs of local learners and employers. This includes greater specialisation and higher level technical skills supporting economic development. The key issues for North Yorkshire were identified as accessibility linked to rurality, enhancing performance on the coast, continuing to address participation and NEET levels, addressing local skills needs, and increasing both high level apprenticeships and entry level qualifications. The whole Area Review process is expected to be completed by the end of March 2017.

County Councillor Arthur Barker
Executive Member for Schools and Early Years

NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

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

Better Care Fund

We are awaiting final sign-off of North Yorkshire's Better Care Fund Plan as a result of NHS England undertaking a national audit of the level of protection of adult social care in each area's plans. Our position remains the same as was agreed at the national escalation panel in June 2016, with £13.4m being transferred from the NHS to NYCC for the protection of adult social care services in 2016/17.

Scarborough and Ryedale Integrated Community Services

The County Council is working closely with Scarborough and Ryedale Clinical Commissioning Group and local GPs to develop proposals for an integrated model of community health and social care services based around GP practices. The aim is to have a proposed model ready by December 2016, for implementation from Autumn 2017, subject to agreement by the County Council and the CCG.

Supported Housing announcements

Further to our recent lobbying, Government has just made a series of announcements about future funding arrangements for extra care and supported housing. So far we have received the outline proposals which will see some protection for supported housing in respect of the Local Housing Cap, through local ring fenced funding. More details on how the funding will work is expected soon, when the Government issues a consultation paper. Officers are currently studying the implications of the proposals and I will advise Members when we have a clearer view of what they mean for people in North Yorkshire.

Autism Accreditation

I recently met with County Council staff who have completed their autism accreditation, via the National Autistic Society. North Yorkshire County Council is the first Council in the country to have all its provider services accredited in this way and it is a major step forward in ensuring greater awareness of the needs of people with autism. I am sure Members will want to join me in congratulating the frontline staff and managers who have worked hard to achieve this result.

Wider Partnership Conference

On 21st October I attended the Wider Partnership Conference with our voluntary and community sector, and other partners. I was delighted to be able to address the conference as Chairman of the Health and Wellbeing Board, and to recognise the wonderful work the sector is currently doing and to listen to the ideas and commitment from our partners to make the ambitions within the strategy a reality.

The conference provided an excellent opportunity to discuss the opportunities to work together to make a real impact in the delivery of our Health and Wellbeing Strategy and to help our communities to stay strong, people stay independent for longer and children to have the best start in life.

Living Well Service

I was delighted to be able to meet staff from the Living Well service to mark its first anniversary and to hear first-hand about the work that has been undertaken to help people become more independent so that they do not need to use care services on a long term basis.

Social Care Mental Health Services

Implementation has taken place of a new local authority management structure to improve mental health services. For a number of years, County Council mental health staff have been managed by the NHS. The new arrangements are intended to strengthen their social care practice and to ensure the service is directly accountable to NYCC. Staff will continue to work in joint teams with NHS colleagues, with more time and attention being given to the quality of the social care service as well as to NHS treatment. This approach will support people with mental health to achieve and then sustain recovery and reduce the need for crisis and clinical responses.

Dementia Congress

Supporting people with dementia, and their carers, is a major priority for the County Council. I was therefore very pleased to be able to attend and open our Dementia Congress, in Harrogate, which was held on 31 October and which showcased good practice across the voluntary sector, the NHS and the County Council and also highlighted where people with dementia and their carers want us all to make improvements. We were able to hear uplifting examples of how people can be helped to live well even after having a diagnosis of dementia, but also to review the key messages which will shape our dementia strategy for the next five years. I am committed to ensuring that the strategy, which will be considered by the Health and Wellbeing Board early next year, is driven by what matters to people who are living with dementia.

Coffee Cart at County Hall

As Members will be aware, there will a new catering provider is coming into place at County Hall and we are negotiating with them to provide supported employment opportunities for people with disabilities and/or mental health issues. We had encouraged Creative Support, provider of the Coffee Cart service, to partner with the new catering service but Creative Support as a charity do not tend to take part in broader commercial contracting arrangements and so, sadly, their role at County Hall has come to an end. I would like to take this opportunity to thank them for the work that they have done with us, to say that all current trainees have moved on to new work placements and to congratulate them wholeheartedly on their achievements.

Wendy Balmain

I would like to thank Wendy Balmain, who has been on secondment with us from the Department of Health for the last 18 months and has worked closely with Members and officers and partner agencies to develop the work of the Health and Well-being Board and to improve joint working with the NHS. This task is a challenging one and I would like to acknowledge her hard work and to wish her well as she takes up a substantive post as an NHS director in Harrogate. We are interviewing next week for a successor to Wendy and, in the meantime, Amanda Reynolds, who has worked extensively with counties in the East of England, and for the Department of Health, has joined us to cover these areas of responsibility.

Clare Wood

NORTH YORKSHIRE COUNTY COUNCIL

9 November 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. Twenty community library management groups have been supported to complete business plans, recruit and train volunteers and develop their operating models prior to the hand over in April 2017.

The first half of 2016/17 has seen the Stronger Communities programme build on the success of its first full year of operation. Seventy-six groups have been supported in the first six months of 2016/17 with investment of circa £548k. Fifty-six voluntary and community sector groups were given help to expand or extend their existing provision and to build organisational capacity. Eleven library management groups have been assisted with start up support and costs. Nine new groups were also established providing activities and support to both adults and children and young people across the county.

The first annual report of the Stronger Communities Programme covering 2015/16 has now been completed and published. The report contains detail on the progress made against the Programme priorities, data on performance as well as short and medium term plans for the future of the Programme.

Libraries – Supporting community and hybrid libraries

Significant progress over this period has been made with community library management committees achieving key milestones on their journey to transform how the library service will operate from April 2017. With business plans and charitable status approved for many groups, discussions are now well underway on lease and service level agreement negotiations, as well as volunteer recruitment campaigns. However, it is important to highlight that each community library has its own set of unique challenges and opportunities and while some have progressed beyond expectation this is not universal, thus the Stronger Communities team is prioritising its staff resource to this priority until 1 April 2017.

Services for Older People and Vulnerable Adults

The focus in 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 is being achieved through a number of internal projects such as identifying and mapping demand for services, refining the funding process around the national 'Five Ways to Wellbeing', using a single outcome framework and measurement tool, 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 branding and marketing exercise was commissioned in August 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. Draft designs are currently being market tested and will be refined later this year.

Services for Children, Young People and Families

Building on the work with the Prevention Service and North Yorkshire Youth in 2015/16, this year will see investment in infrastructure support services that ensure the long term sustainability of youth services in each locality, as well as continuing to support the development of new volunteer led groups/activities for children and young people across the county. A youth volunteering project is being developed in partnership with North Yorkshire Youth to help broaden the pool of volunteers in the county. In addition Stronger Communities will continue to support the implementation of the 0-5 Early Years Strategy 2016/17.

PUBLIC HEALTH

Launch of the 2016 Annual Report of the Director of Public Health

Dr Sargeant's fourth annual report, called "Good work - good for you, good for business: The health and wellbeing of the working age population" has been launched. The report makes key recommendations around creating healthy workplaces and building a healthy workforce.

Although the levels of unemployment and numbers of people not working due to sickness or other personal reasons in North Yorkshire are low compared with other areas, this hides some major challenges. The young working age population has

reduced and continues to shrink, and we often struggle to recruit workers to fill jobs in key sectors such as the health and social care system. We need a healthy workforce to meet the growing needs of an ageing population in our county. The report outlines how we can 'work well' with employers, health and social care professionals, and employees, both current and potential, to raise the awareness of the health benefits of 'good work' and meet the needs of our residents.

The report promotes collaboration between local businesses, partner organisations and our residents to improve the health of our working age population so that North Yorkshire will continue to be an attractive place for people to live and work in the future. I encourage colleagues to use this report to discuss these important issues in our local communities so we can take the actions with our partners to promote and build a healthy workforce.

Stoptober

As we have done in previous years NYCC are currently supporting smokers across North Yorkshire to quit their habit during the Stoptober campaign where smokers are encouraged to quit for the month of October. Smoking remains the biggest cause of ill health and early death in North Yorkshire killing over 1000 people in the County every year. This Stoptober we are working with our stop smoking service Smokefreelife North Yorkshire to support staff wishing to quit. I had pleasure in meeting stop smoking advisors from Smokefreelife North Yorkshire on one of the occasions when they brought their Wellness on Wheels van to the car park at County Hall. The van is visiting a number of Council venues over the month of October to give our staff the chance to sign up for support to quit during Stoptober.

Healthy Weight, Healthy Lives strategy

The public health team have produced a North Yorkshire wide strategy for tackling overweight and obesity across all ages. The Health and Wellbeing Board has endorsed the strategy and it will now be launched formally in November.

Obesity is a major public health problem and real challenge for us in North Yorkshire. Over 66% of adults are overweight and obese. 1 in 5 children are overweight and obese at reception age which increases to 1 in 3 when they are 10-11 year old. Obesity is associated with a wide range of health problems including type 2 diabetes, cardiovascular disease and cancer.

The strategy recognises that it is hard to lose weight and that unfortunately there is no easy fix. Our physiology, the environment we live in, influences from our society and cultures and the choices we make about the foods we eat and the activity we do all affect our weight. We all live in a world today that more readily promotes unhealthy rather than healthy eating. We also recognise that over the years people's perception of what is a healthy weight has changed. Not everyone is able to identify overweight and it being seen as the norm.

The strategy identifies numerous opportunities we have in North Yorkshire to address this challenging agenda. I would like to highlight that since the Council took on public health responsibilities we now have a range of new services in place to

support both children and their families to lose weight through our Healthy Choices service. We also have adult weight management services running in all seven District Council areas. Public health investment has been used to support other key initiatives such as 'bikeability schemes' in schools, the Pathways to Health initiative and the Healthier Choices programme which involves working with food outlets to promote healthier options.

Our challenge in North Yorkshire is to create the environment that supports us in developing and sustaining health eating and physical activity habits.

0-5 years Universal Healthy Child Programme (Health Visiting)

Giving children a healthy start in life is the overall aim of the new 0-5 years Healthy Child Programme (HCP) in North Yorkshire which is now underway. Harrogate and District NHS Foundation Trust (HDFT) has successfully retained the contract to deliver the HCP following a competitive bidding process.

Health visitors lead and deliver services to ensure a healthy start for each and every child in North Yorkshire, providing universal and targeted prevention and early intervention support during pregnancy through to school entry. HDFT is using a 'One Team' approach and service delivery model for the HCP integrated into the local children's services. This will help to deliver efficient and effective services at a community, local and individual level, providing a clear focus on prevention and early intervention to improve outcomes and tackle health inequalities.

End of life care deep dive joint strategic needs assessment

End of life care is an area of increasing concern nationally, particularly in light of the UK's ageing population. Poorly-coordinated end of life care can lead to excess unnecessary hospital admissions, which are often unwanted for the patient and costly for the system. Several key issues need to be addressed in order to improve the quality of end of life care provided. These include increasing access for all, wider provision of training, improving service co-ordination, encouraging discussions around dying and focusing on patient-centred care. The North Yorkshire Health and Wellbeing Board has recognised the importance of improving care at the end of life by including 'Dying Well' as one of the five key themes for the Joint Health & Wellbeing Strategy 2015-20.

NYCC public health team have produced an overview of end of life care in North Yorkshire, incorporating national guidance and local data to produce a set of key recommendations for commissioners across the County. This has been discussed at the Health & Wellbeing Board, with the Commissioners Forum member organisations identifying how best to share good practice across the county and how to improve services.

Syrian refugees

NYCC and the seven district councils jointly committed to resettling 189 refugees under the Government's Syrian Vulnerable People (SVP) scheme, as part of the regional response coordinated by Migration Yorkshire. 67 people have arrived to

date (July to October) and resettled in Craven, Harrogate and Selby districts. We anticipate the remainder will arrive in 2017 with the majority being resettled in Hambleton, Richmondshire, Ryedale and Scarborough districts.

NYCC and six district councils (Craven DC, Hambleton DC, Harrogate BC, Richmondshire DC, Ryedale DC and Selby DC) have also jointly committed to resettling 22 refugees under the Government's Vulnerable Children's Resettlement Scheme (VCRS). We will be running this as an extension to the SVP scheme with refugees arriving in 2017 and 2018.

There is good partnership working between the local authorities, the NHS and local GPs, schools, the Refugee Council, DWP and the police with the rapid and flexible deployment of a range of services. Additional assistance and befriending is being provided by local voluntary organisations and volunteers, particularly with items such as TVs and cycles that cannot be provided using Home Office funding. Housing is a mixture of private sector and local authority, all sourced by district councils. The first group of refugees has also helped with welcoming subsequent groups.

Overall the communities of North Yorkshire have been very welcoming. A press release about the first arrivals attracted some critical (and in some cases offensive) comments, but this was more than balanced by comments welcoming the refugees and supporting the actions being taken by the County Council.

Our initial priority is to help families to quickly get settled in their new homes, to access public services such as health services and schools, and to gain basic English language skills. Overall, our aim is to enable every refugee to successfully integrate into our community, to gain good English language skills, and to be actively and gainfully engaged in education or employment. This requires intensive support during the first few weeks and months of resettlement, with additional and more targeted support over a longer period.

County Councillor Locality Budgets

The programme is continuing to enable County Councillors to respond to local needs by recommending the allocation of small amounts of funding to support projects or activities that directly promote the social, economic, or environmental wellbeing of the communities they represent.

187 recommendations from 55 County Councillors have been approved since April 2016. This represents £168,542.06 of funding (46.81% of budget). The last date for the receipt of recommendations from County Councillors is 17 February 2017.

DAVID CHANCE

NORTH YORKSHIRE COUNTY COUNCIL

9 NOVEMBER 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 are 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.

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

As mentioned in my last Statement to Council, North Yorkshire children's services, along with health providers underwent a five day Ofsted/Care Quality Commission inspection of arrangements for assessing and meeting the needs of children and young people with special educational needs and disabilities in June 2016. The inspection identified North Yorkshire as an area with an ambitious culture for children and young people with SEND and a strong awareness of both strengths and areas for development. They acknowledged some good performance against the implementation of the SEND reforms from September 2014 and statutory indicators of performance. Publication of the final letter setting out inspection outcomes is imminent but work is already underway to ensure all recommendations are embedded in the new SEND strategy.

Regional approach to unaccompanied asylum seekers - developing a welcome centre approach

Due to the news over recent days that the Calais camp is closing, Councils have received notification that Local Authorities could receive two groups of young people:

- Asylum seekers who have family members in the UK. Authorities will be contacted to make arrangements for safe reunification.
- Unaccompanied asylum seeking children.

We had already been working in collaboration with regional Yorkshire and Humber colleagues to develop a "welcome centre" approach which will in the future see most of the unaccompanied asylum seeking children and young people coming to our region receiving an initial six to eight week assessment to determine their needs and the best onward placement for them. It is envisaged that there will be between three and five centres of welcome across the region, which may be a small cluster of specialist carers or a residential centre, and these will provide a consistent initial comprehensive assessment of each young person. Using this model there is scope to pool regional expertise to support each centre and to maximise an economy of scale approach. The proposal has full support of the Home Office and the DFE as the young people going through this process are more likely to feel supported, less likely to

run, more likely to engage in the assessment process, and have more access to physical and emotional health interventions.

However the model proposed will take time to establish and does not meet the very pressing need to find places as the Calais camps are dismantled. North Yorkshire is and will play its full part in supporting these vulnerable young people. Whilst any under16 will be placed in foster care we are also keen to model the welcome centre approach described above through the reopening of Woodleigh Children's Home. This will enable us to better plan with health colleagues to ensure full assessments are undertaken to identify specific support and longer term accommodation needs for this particularly vulnerable group.

Partners in Practice

We were very pleased to receive confirmation that our Partners in Practice bid has finally been approved by the Minister of State for Vulnerable Children and Families, Edward Timpson MP. The bid brings almost £8 million of investment into children and young people's services, providing great opportunities to improve our services even further whilst helping the wider sector to improve. The funding extends the "No Wrong Door approach to care leavers of wrap-around services for young people aged 18-25, including education, employment and training support. It also extends the programme to young people in residential special schools and pupil referral units with social, emotional and mental health needs. Fiona Fitzpatrick, who joined the service on 17 October as the Partners in Practice Programme Manager, will oversee delivery of the programme in the County.

Children and Families Service Performance

Children and Families service performance continues to be top quartile in virtually every performance area. The strategic investment in targeted early intervention through the 0-19 Prevention service is delivering the greater capacity to work with families who need help at the earliest opportunity. The prevention service is working ever more closely often collocated with the Health Child Programme teams of Health visitors and nurses. This all in turns ensures our social care teams receive a level of protection to enable them to concentrate and impact on the more complex cases.

Children in Care

The overall performance at the end of Quarter 2 2016/17 was excellent and consistently strong in most areas. The number of looked after children in North Yorkshire fell again at the end of the first quarter to its lowest number for more than six years and the Council is now well placed to achieve its ambitious target to safely reduce the number of looked after children to just 400 by 2020. At the same time, we will also continue to ensure that children's safety stays at the very heart of everything we do and our procedures for responding to all safeguarding issues are robust and swift.

The rate of looked after children in North Yorkshire also continues to fall in line with further reductions in the numbers of children who enter into the care system and the Council is well positioned to achieve the target rate of 34 per 10,000 by 2020. The rate has been significantly below (better) than both the statistical neighbour and England averages for at least five years now and North Yorkshire has one of the lowest recorded rates of looked after children in the country thanks largely to the significant investment which the Council has made to support families to stay together. I am also pleased to report that the large majority of children in our care continue to live in a stable family home environment, including high numbers of children who are placed with long-term foster carers, which is largely due to the high quality of foster care placements and the strong relationships that foster carers develop with the children they care for. The rate of looked after children with the various health and dental checks that are up to date also remains consistently high and highlights the continued strong performance in this area.

Regionalisation of adoption

The Government requires all adoption agencies to move to larger agencies by the end of this parliament in a desire to see fewer agencies in their drive for improvements in three key areas:

- A system where children are matched with the most suitable adopter as quickly as possible;
- Recruitment taking place at an efficient scale to provide a pool of ‘adoption ready’ adopters large enough and well enough matched to the needs of children waiting; and
- Sufficient high quality adoption support services available nationwide.

The 15 local authorities in Yorkshire and Humber are working to a model of a single Regional Adoption Agency (RAA) with three sub-spokes: North, West and South with a central hub led by the voluntary sector. We form part of the North alongside York, East Riding, Hull, North Lincolnshire and North East Lincolnshire. Significant progress has been made in the North and we anticipate going “live” as an agency by 1 April 2017.

Social Work Awards

I am pleased to report that colleagues from the Children and Families Service have been shortlisted in four categories in the national 2016 Social Worker of the Year Awards. These include Best Social Work Employer, Best Social Worker, Innovation and Creativity in Social Work and Social Work Team of the Year. The winners and runners up will be announced at the Awards ceremony in London on 25 November.

Children’s health outcomes update – Healthy Child Programme 0-5 Contract launch

‘Healthy Start to Life’ is one of the Young and Yorkshire three priority outcomes and the launch of the new North Yorkshire 0-5 Healthy Child Programme (HCP) service, as mentioned by the Portfolio Holder for Public Health, is a critical element of the local strategy to improve children’s health outcomes. The new contract will see Health Visitors work closely with our Prevention Service and alignment of their service teams with Prevention Service localities and where possible co-location of staff.

Concordat on Children in Custody

When the Police charge a young person (10-17yrs) with a criminal offence, they will usually be bailed to appear at Court later and allowed to go home. However, under certain circumstances, the Police may withhold Bail and in these circumstances there is then a strict legal duty upon the Police to “PACE Transfer” the young person to the care of the local authority, and reciprocally upon the local authority to accept the transfer. Across the country, and for many years, these duties have often gone unmet leading to frequent and unlawful overnight detention of children in Police cells. The government is now pressing hard for improvement, and all services have been required to pledge written compliance to the Concordat on Children in Custody (which sets out the required standards and services).

North Yorkshire is ahead of this challenge. The York & North Yorkshire PACE Youth Multi-Agency Working Group was established in 2012, and has made substantial progress in developing local practice. Joint guidance and procedures have been agreed and briefed out to key professionals. Review and challenge processes are well-established and improper detentions have already been reduced by approximately 75%. North Yorkshire has signed up to the Concordat on Children in Custody and the PACE Working Group will continue to lead further improvement in this important area.

County Councillor Janet Sanderson, Executive Member for Children’s Services and Special Educational Needs

NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

SCRUTINY BOARD

STATEMENT BY THE CHAIRMAN

1. Scrutiny Board attended Executive (Performance Monitoring) on 16 August 2016 and contributed to 'in-depth' discussions on performance with regard to:
 - Highway Maintenance
 - Winter Maintenance
 - Waste Management.

A number of key issues were raised by Scrutiny Board members, including:

- The long term, trend costs associated with gritting the county's roads and the maintenance of sufficient salt supplies to meet increased demand in the event of a harsh winter
 - The potential impact of 'Brexit' upon the future of the Teckal agreement for the Allerton Park facility
 - The additional funding made available to maintain the county's roads, from the Local Enterprise Partnership and Government, and how and where this would be used.
2. Scrutiny Board has not met since County Council on 24 February 2016, in its role as a co-ordinating body for overview and scrutiny. In response, I have led a review and refresh of the current arrangements. The aim of this process is to re-assert the role and responsibilities of Scrutiny Board, ensuring that:
 - There are no gaps or un-necessary overlaps in overview and scrutiny across the council
 - Opportunities for joint scrutiny are realised
 - There is a forum for overview and scrutiny committee Chairs to act as critical friends, provide challenge and promote good scrutiny method and practice
 - Council –wide performance issues can be investigated to see whether there is a need for overview and scrutiny to pursue particular lines of enquiry
 - Forward planning of the overview and scrutiny committee work programmes and horizon scanning to pick up emergent issues.

The intention is to have the first meeting of Scrutiny Board in its new format in early November 2016.

County Councillor Elizabeth Casling
Chairman: Scrutiny Board

November 2016

NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

CARE AND INDEPENDENCE OVERVIEW AND SCRUTINY COMMITTEE

CHAIRMAN'S STATEMENT

Introduction

1. We held the third of our planned conversations with providers and organisations that provide social care services in partnership and/or via the council's commissioning arrangements. This time it was the turn of the Dementia Support Workers service. This linked well with other topics we reviewed - an update of the North Yorkshire Dementia Strategy, Living Well and Stronger Communities, and the Annual Report of the North Yorkshire Adults Safeguarding Board.
2. Changes to social care are being driven by reductions in local government budgets; an increase in demand for care services brought about by demographic growth of the older people and learning disability populations; and an increased need for organisations to work together. What we heard in the meeting gives grounds for being confident that these challenges are being responded to by new ways of delivering services, joined up working and effective collaboration.

Dementia Support Workers

3. At a time when an increasing number of people have to deal with the impact of dementia, North Yorkshire County Council and the NHS jointly commissioned a new service which supports people in their own homes. One year into this contract, representatives from the two successful providers - Dementia Forward and Making Space - came to talk to us about their experiences.
4. We heard how dementia support workers are working effectively 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. They are improving people's quality of life, promoting their independence and helping them to plan and to maintain or widen their social networks.
5. Both organisations are raising awareness through learning programmes, so that people can understand the condition better and develop coping strategies to live as well as possible with dementia. They are successfully providing telephone support, peer support groups, assistance with benefits and services for carers. Support and advice ranges across the whole of the dementia journey from helping people cope with

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diagnosis, helping them access community support, through to working with people to help them plan in advance for end of life.

6. The relationship between the two providers and the directorate, as commissioner, was clearly positive and constructive. From my perspective, some initial reactions from this meeting and from the series of conversations so far with providers include:
 - Effective action is best delivered in partnership;
 - There is good understanding the needs of users and other communities by engaging with the third sector organisations to access their specialist knowledge;
 - It is important to consult potential providers well in advance of commissioning new services, working with them to set priority outcomes;
 - Contracting processes and subsequent communication with providers is transparent and fair;
 - Contracts facilitate risk sharing, wherever appropriate, as a way of achieving efficiency and effectiveness;
 - There is regular review of the impact that the service is having;
 - There is a determination to seek and use feedback from service users, communities and providers so that commissioning is in tune with local needs;
 - Contract monitoring is good, but because there is good information sharing, terms can be flexible, allowing appropriate changes to be made.
 - The success of these contractual relationships stems in part from people's willingness to use resources imaginatively rather than protectively.
7. In what will be the fourth of our series of conversations with providers, we turn next to Supported Employment - an in-house service for supporting people with significant disabilities to secure and retain paid employment.

Stronger Communities and Living Well

8. After their initial briefing to us last year, the Stronger Communities and Living Well teams returned to update on progress. This time we focussed more on the Living Well Team. Rather than just learning about the rationale behind the setting up of the service, we were able to review the effect this team's activity one year on from it being established.
9. 1400 people countywide have been seen by the Living Well Team between since October 2015 with 34% referrals through Customer Service Centre. People are receiving an average of 7 weeks support but, pleasingly, and in line with original aspirations, 90% of people have not had any further NYCC involvement.
10. Loneliness and isolation remains a key feature of referrals - 39% people supported present being lonely and/or isolated as the primary reason for seeking support.

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Interventions have resulted in people developing social connections, attending community groups, technology, buying simple equipment. Particularly heartening is 53 people having been supported to become volunteers.

11. We know that what is available in the community and the environment is a significant factor in people's lives; therefore, the links to the Stronger Communities team are clear. The team has continued to build upon its work with local organisations, community groups and other partners from the public and private sectors across North Yorkshire, identifying opportunities to co-produce a range of local support and services aimed at improving the well-being of people of all ages.
12. We could see that, just as was originally envisaged when the council committed to this investment, in practice the two teams are complementing each other well.

Safeguarding

13. All Councillors share responsibility for Safeguarding, and Scrutiny Members in particular must ensure that arrangements for safeguarding of communities, particularly for vulnerable adults, are effective. We do this by reviewing the Annual Report of the North Yorkshire Safeguarding Board. There are many encouraging initiatives underway - too numerous to mention here, but because it demonstrates how simple things can often make a big difference, I will single out the Registered Safe Places scheme. The 'Safe Place' symbol is displayed on their window or door so that people who are out and about and begin to feel anxious or at risk – be it because they have learning difficulties, disabilities, frailty, dementia or mental health problems – can look out for the symbol and enter the Safe Place to get help. Up to 120 public sector organisations across the county – libraries, leisure centres, Citizen's Advice Bureau, Northern Rail stations, community and children's centres – have registered in this first phase and are displaying the Safe Places sticker.
14. The evidence in its report for 2015/16 suggests the Board is in a healthy state - governance arrangements are sound; partnership commitment - especially to training – is good; work on community prevention and awareness is robust, and strategic links with other partnerships in localities is good.

PATRICK MULLIGAN

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

28 October 2016

Background Documents - Nil.

North Yorkshire County Council

9 November 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 3 October 2016.

New ways of Working - Rollout of Modern Council

2. We heard that there are three areas of work that were being undertaken as part of this programme: a refresh of technology; more efficient use of property; and cultural change within the organisation. The issue of technology, its reliability and whether there was the right level of support for users was discussed at length, as was the need to ensure that new processes were adopted to enable the most to be gained from the new technology.
3. I firmly believe that adoption of new technologies, work practices and new working environments can yield financial savings through efficiencies and increased productivity. The challenge remains on the cultural side and both encouraging and enabling people to work differently.

North Yorkshire Syrian Refugee Settlement Programme

5. We received an update on the local implementation of the Home Office programme and the progress that was being made with the resettlement of 197 Syrian refugees.
6. I am pleased to see that good progress has been made with the establishment of this programme and the co-ordination by the Council of a range of agencies and organisations. At committee we were informed that 7 families had been resettled in three district council areas. The district councils are being engaged in the resettlement programme on a rolling basis, from west to east across the county. This has enabled valuable lessons to be learned and good and best practice shared.
7. As a committee, we strongly felt that every effort needed to be made to support and protect these families so that they are able to settle and then thrive in their new homes.

North Yorkshire Information Sharing Protocol

8. We heard details of the work that is being done to bring together public sector agencies and organisations in North Yorkshire under one Information Sharing protocol. The work is being led by Veritau and so far 21 organisations have signed up. This should enable key data and information

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to be shared quickly and efficiently, speeding up processes and so reducing costs.

9. The committee was informed that despite the existence of an over-arching information sharing protocol, 'Annex J' arrangements had to be negotiated for specific projects or programmes of work. We were concerned that only one such arrangement was in place so far, that for the Syrian Refugee Resettlement. The committee will be following up progress with the negotiation on these 'Annex J' arrangements, in particular those for child protection and adult safeguarding, over the next 6 months.
10. Looking more broadly at the issue of information governance, we were keen to understand how well the Council performs compared to other, similar authorities. This will also be followed up over the next 6 months.

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

November 2016

North Yorkshire County Council

9 November 2016

Transport, Economy and Environment Overview and Scrutiny Committee

Chairman's Statement

1. My statement for this full council includes details of the Committee meeting held on 26 October 2016.

Committee – 26 October 2016

Highways Major Schemes List Review

2. The Committee received details of the process and progress of the major highway schemes review. The 23 historic schemes under review include bypasses, relief roads and larger bridges, each costing more than £5m.
3. The Committee broadly welcomed the approach, recognising that the County Council needs to be more realistic in what it can fund especially in light of reduced budgets and changes in funding structures. The priority now at both the regional and national level is about supporting schemes that will make a substantial contribution to promoting and sustaining economic growth. The schemes will be reviewed with reference to the County Council's Strategic Transport Prospectus – with its emphasis on improving east-west connectivity in the county.
4. We acknowledged that withdrawing some of the schemes from the list will also reduce the risk of additional financial burden upon the County Council for potential blight issues on proposals that have little or no chance of being implemented in the foreseeable future. By the same token it will give reassurance to homeowners living nearby in those areas.
5. Members whose divisions are in each of the scheme areas have or will shortly be consulted on their view on the officer assessments.

Passenger Rail Update

6. The Committee received an update on the short term rail priorities for North Yorkshire and an overview of the recently awarded Northern and TransPennine rail franchises.
7. The Committee noted that the improvements promised in the delivery of the new franchises will be the first step towards improving access to High Speed and conventional rail. That said there remains a long way to go and as things stand there remains a 'three tier' rail system – national, regional and local. However it is down to us as the County Council and working with partners through Transport

for the North at the regional level to improve the rail connections through those three tiers.

8. We will receive an update report in a year's time to monitor the progress of the franchise improvements relating to railway lines in North Yorkshire including associated improvements to the rail facilities and capacity.

Harrogate-Ripon-Northallerton railway line reinstatement

9. We also received a further request at our meeting from Ripon City Council for the County Council to pledge funding towards a feasibility study for the reinstatement of the Harrogate-Ripon-Northallerton railway line. Last year the Committee had given in principle support to the scheme to reinstate the line and had recommended that the Executive considered providing a financial contribution towards the cost of the feasibility study.
10. The request had been considered by BES Executive Members in June 2015 but they wanted to get a better understanding of where such a proposal rated in importance relative to other transport initiatives before making a decision. Subsequently it became known that Network Rail was considering opportunities for a diversionary route between York and Newcastle so might in due course fund its own feasibility study. Transport for the North also wishes to see shorter journey times between Leeds and Newcastle.
11. Without rail industry agreement there will be no chance that the scheme will progress. Therefore whilst the majority of the Committee continues to support in principle the reinstatement of the line, we agreed that the County Council alongside other relevant local partners should meet with Network Rail to discuss future options and to establish if we can get rail industry agreement for reinstatement of the line. We were also of the view that the cost of any subsequent feasibility study should not rest wholly on the shoulders of the County Council but should include contributions from Ripon City Council, Harrogate Borough Council and Hambleton District Council.

Overview of the work being led by YNYER LEP to understand the potential impact and proposed solutions for agriculture and the wider rural economy pending exit from the EU

12. David Smurthwaite (Head of Planning at Craven District Council and secondee to the YNYER LEP) gave an overview of the comprehensive piece of work being led by the LEP to understand the potential impact and proposed solutions for agriculture and the wider rural economy pending the UK's exit from the European Union. Consultees include farmers, the National Farmers Union, DEFRA, Yorkshire Dales National Park Authority and Nidderdale AONB. Issues being looked at relate to:
 - o Stronger Rural Dynamic Growth– creating a higher value economy driven by a successful agritech sector and also through support for our growing market towns
 - o Greater Environment for All – biodiversity and flood management

- Greater Productivity and Strong Farm Businesses - improving productivity of farms and creating quality farm businesses; reaching a balance between higher productivity and the environment.
- Lighter bureaucracy – capitalising upon devolution to tackle bureaucracy; creating simpler local funding schemes.

13. We are appreciative of the work that the LEP is doing to investigate opportunities and issues for agriculture and the rural economy but we also noted that concerns about the impact of leaving the EU go beyond rural areas and include the economy for the county as a whole. We intend to have a watching brief on the broader impacts for the economy and set up a sub-committee to take soundings after Article 50 has been triggered in late March next year.

Operational review of Public Rights of Way

14. The Committee was provided with an overview of the review of the Public Rights of Way Service following the restructure that was carried out last year.
15. Key parts of the review include implementing a comprehensive and transparent route categorisation of all the paths on the network and making greater use of community and user groups to maintain or improve the network.
16. Members noted that through their links with parish councils, some Public Rights of Way are well-used whilst others are lost and there are often a range of different and sometimes competing interests within the same community about Public Rights of Way! We felt therefore that having a standardised route categorisation, as recommended in the report, is a sensible approach. This will help to ensure that resources are deployed in a more transparent way and not allocated on a 'he who shouts loudest' basis.

County Councillor Andrew Backhouse Chairman

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

31 October 2016

NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

SCRUTINY OF HEALTH COMMITTEE – STATEMENT BY THE CHAIRMAN

The main topics arising since my last statement are:

Sustainability and Transformation Plans - Implications for North Yorkshire

Members will be aware that the Sustainability and Transformation Plans (STPs) are being developed by NHS England, working with 44 areas to a tight deadline, to enable the local implementation of the NHS Five Year Forward View. North Yorkshire is covered by three STPs, which creates considerable challenges in being involved and engaged in their development.

Guidance from NHS England is clear that STPs plans are owned by health, local authorities and the voluntary and community sector. I am concerned, however, that the focus is very strongly upon the NHS and the centralisation of specialist health services at a small number of the larger acute hospital trusts.

There remains a risk that the social care and the lead role that upper tier local authorities play in its commissioning and delivery becomes a secondary consideration. There is also a risk that longer journey times to access specialist and emergency health care services may result from the process of centralisation and the downgrading of services provided by hospitals servicing North Yorkshire.

I remain concerned that the STP process is overly focussed on financial savings, at the expense of service improvement. It is also of concern that the need to save money in the short term creates a pace for the development and implementation of the STPs that does not allow for a robust consideration of a range of options for the delivery of local health services, which best suit local needs.

The situation is fluid, with dates, guidelines and approaches frequently changing. At present, guidance suggests that the draft versions of the STPs will be submitted to NHS England in October 2016, with a summary document published in December 2016. Formal consultation on any proposed major service changes will commence in June 2017.

Better Health Programme (Durham, Darlington and Tees Valley)

Members will recall that plans were in place under the Better Health Programme to reorganise health provision in Darlington, Durham and the Tees Valley. Also, that this could result in changes to accident and emergency and consultant-led maternity and paediatric services at the Darlington Memorial Hospital.

These plans and the Better Health Programme have now become part of the Sustainability and Transformation Plan for that area. The North Yorkshire element of this STP covers the area of the Hambleton, Richmondshire and Whitby CCG.

The Joint Health Scrutiny Committee comprising councillors from across all affected local authorities, that was set up to oversee the programme including any service change/review proposals and associated statutory consultation, has met three times to consider the developing plans. Three possible scenarios have been developed for the provision of health services through the James Cook University Hospital, University Hospital of North Tees,

Darlington Memorial Hospital, the Friarage, Bishop Auckland Hospital and the University Hospital of Hartlepool. In these scenarios, the Friarage would remain a local hospital and Darlington Memorial Hospital could remain a District General Hospital or be down-graded to a local hospital.

The Better Health Programme and the STP for the area no longer includes the University Hospital of North Durham, which has been moved to the STP covering Northumberland, Tyne and Wear.

Members will recall that when consultant-led maternity and paediatric services were removed from the Friarage Hospital in Northallerton one of the reasons accepting the change was that these services would continue to be available in Darlington. These services are now under serious threat.

Elective surgery outcomes – changes to eligibility

Plans are in place across the five North Yorkshire Clinical Commissioning Groups (CCGs) to review the eligibility criteria that are in place for elective surgery. Members will be aware that the short term and long term outcomes from surgery are largely determined by a person's general health and wellbeing prior to that surgery. As such, the CCGs are in the process of introducing a maximum Body Mass Index (BMI) of between 30 and 35 and also a minimum period of having stopped smoking.

The exception to this is the Vale of York CCG, that is currently in special measures and so restricted from adopting such a policy.

There are concerns that this marks the beginning of health rationing and that it has been adopted in response to financial pressures. The CCGs state, however, that the decision has been made with a focus upon patient outcomes and maximising the effectiveness of surgery, which will also and fortunately have a positive impact upon finances.

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

Members will be aware that Lambert Hospital in Thirsk has been closed for a considerable period and that 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.

The formal public consultation took 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.

The Scrutiny of Health Committee has been involved in these developments over the last 18 months and will continue to be closely involved. The findings of the consultation will be brought to the Scrutiny of Health Committee meeting on 18 November 2016 for consideration.

End of Life Care - Dying Well

In July, the Scrutiny of Health Committee started an in-depth piece of scrutiny work on End of Life Care across North Yorkshire. This is intended to support the delivery of the Joint Health and Wellbeing Strategy (JHWS) 2015-2020 priority - "Dying Well".

The Scrutiny of Health Committee has engaged with a range of health, social care and voluntary sector commissioners and providers to build a body of evidence that complements the desk top research that has been done on national guidance, best practice and local need. The work is now at the half way point and a number of themes have emerged, including: the lack of a shared vision or outcome for End of Life Care to work to across the county; a need to train and support more health and social care staff to have the difficult conversation with people nearing the end of their life; support for carers; and the lack of a shared system for recording a sharing people's end of life care plan.

The next steps are to visit a number of organisations that provide end of life care and services to better understand the realities of that people face and to move scrutiny out of the committee meeting and into the wider community.

Members will be well aware that talking about death and planning where and in what circumstances people want to die can be extremely difficult. It is becoming apparent, however, that it is important to encourage such conversations to enable people to take greater control of the care that they receive in the last months of their life.

Rural Services Network

In keeping with the concerns about access to health services in rural areas, the Scrutiny of Health Committee looked into this issue on behalf of the national Rural Services Network. A number of themes emerged, including: difficulty of recruiting nursing staff with sufficient technical skills; some vacant posts in GP surgeries but that this is being managed; increasing number of GPs approaching retirement; ambulance response times varying across the county but are improving; and no GP practice closers in the last 12 months but there have been some mergers and more mergers may be planned.

The report from North Yorkshire will be included in a national report that is expected to go to the All Party Parliamentary Group on Rural Services in December 2016.

County Councillor Jim Clark

Chairman: Yorkshire County Council Scrutiny of Health Committee

November 2016

NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

YOUNG PEOPLES OVERVIEW AND SCRUTINY COMMITTEE

CHAIRMAN'S STATEMENT

Careers Education and Guidance

1. 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. We wanted to learn more about the stability of school careers programmes, access to career and labour market information, and exposure to employers, workplaces and further education.
2. The motivation for this work partly stemmed from a desire to review how schools were responding to the responsibility under the Education Act 2011 transferred to them from local authorities to secure independent and impartial careers guidance for all year 8-13 pupils. A 2013 Ofsted report 'Going in the right direction' found that, nationally, in only 1 in 5 schools is Careers Guidance meeting the needs of students. A worrying situation when our young people are making decisions about their future in a difficult economy: there are high levels of youth unemployment and university fees are at a record high especially. All of us want North Yorkshire's children and young people to be helped to succeed in life.
3. It is fortunate, therefore, that the opportunity arose to review the initial, interim 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'. 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.
4. The aims of the project are:
 - To improve the quality of Careers Guidance in North Yorkshire Schools to inform progression routes for learners that meet their needs, abilities and aspirations and which are sustained
 - To develop learners' employability skills that will enhance their future career opportunities and success

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- To promote a range of progression routes which are appropriate to meet the needs of all learners and are informed by local labour market information, including local apprenticeship opportunities and uptake of apprenticeships
 - To further develop employer engagement including links to businesses
 - To build and share good practice between schools
5. 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.
 6. This project is clearly telling us so much about how we make sure high standards in careers advice becomes the norm for all children and young people in our schools, colleges and communities. We heard positive accounts of how people and organisations support them through the transition from education into the workforce by ensuring they're aware, through good advice and information, of the careers options open to them and that young people have the career knowledge and employability skills they need to support progression.
 7. The interim findings suggest that the Schools involved - 18 secondary schools of various governance status - are committed to providing the best career guidance they can in order to give their learners the best chance in life. They are working to develop the necessary strategic and operational infrastructure to do this in a meaningful but cost effective way.
 8. The project - and its interim evaluation - affirms the view that there is no single 'magic bullet' for good career guidance: it is about doing a number of things, consistently and well. Schools are indicating that the adoption of the "Gatsby Benchmarks" is having a telling and positive effect. The benchmarks are :
 1. A stable careers programme
 2. Learning from career and labour market information
 3. Addressing the needs of each pupil
 4. Linking curriculum learning to careers
 5. Encounters with employers and employees
 6. Experienced of workplaces
 7. Encounters with further and higher education
 8. Personal guidance
 9. Performance is mapped against those benchmarks. Those that do well, can look to be achieving the Careers Quality Awards. Feedback suggests that schools are finding the Gatsby Benchmarks a helpful framework to develop quality in career guidance and the

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awards accredit the process. Schools value the award because it is tangible evidence of quality which they can promote to stakeholders. Three schools on the project have gained the Quality Standards Award so far.

10. The project concludes next year. Once the evaluation is completed - by an internationally renowned unit at the University of Derby - all partners will be able to see best to collaborate so that pupils are provided with the very best career guidance and experience. The expectation is the project will evidence that there is a link between the development of quality career guidance in schools leads to an improvement in attainment, attendance and progression for young people in North Yorkshire schools.
11. The committee's position on this was clear: in the end it is for head teachers and Governors to take the lead in prioritising career guidance more highly. By reaching these benchmarks they will put in place a career guidance system that measures up to the best we have seen, and they will help set up their pupils not only for the rest of their education but for the rest of their lives.
12. We have asked to be kept advised - informally for the time being - of how the project is progressing. When the project is concluded, and the final evaluation completed, we will take a more in-depth look at its findings.

Upcoming Work

13. We have settled on a packed work programme for the next eighteen months. At our next meeting we return to reviewing the approach being taken to improve the resilience of pupils at key Stage 2. this work to include :
 - Profile of KS2 performance: eg geographically, by gender breakdown etc.
 - Understanding conclusions about the reason for relative under-performance in KS2.
 - Quality of information and data - How we identify lowest achieving pupils etc.
 - Effectiveness of support provided to schools by the LEA, approach, and capacity, targeted?
 - What strategies are being employed by governors, head teachers, schools, and how does the EA support this.
14. We will also plan ahead for future work on Hospital Admissions: especially mental health services. This work will focus on support for young people and managing cases in the community.
15. Other work to be prepared for includes: Challenging the use of the pupil premium; Supporting Underperforming Schools - especially those in Special Measures; Roles and Responsibilities of Parent Governors; and Closing the Gap in Educational Achievement. On a personal level, I am particularly looking forward to hearing more

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about impending changes to the Youth Justice Service. A national review for the Ministry of Justice 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. Bearing in mind structural changes at a local level are under consideration, we will review this in February 2017 Mid Cycle Briefing, by which time a clearer picture should be emerging of the direction the North Yorkshire Justice Board intends to take.

JANET JEFFERSON

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

28 October 2016

Background Documents - Nil.

